

**BIG LAGOON COMMUNITY SERVICES DISTRICT**  
**APPROVED MINUTES of the Regular Monthly Board Meeting**  
**Saturday February 19, 2022 at 10AM in the Big Lagoon Elementary School Library,**  
**including participation via Zoom**

**1. Chair's Call to Order (Bill)**

The open/regular meeting of the Big Lagoon Community Services District convened at 10:00 AM.

Board members in attendance: Bill Wenger, Chair; Gus Satein, Vice Chair;

Dick Maier, Treasurer (Zoom); Chuck King, Director; Joey Blaine, Director

Staff in attendance: Val Castellano, Water Operator; Dana Hope, Meter Reader;

Mara Friedman, Board Secretary

Community members in attendance: Louise Minor, Rob Wilson

Community members in attendance via Zoom: Greg Sidoroff, Margie Adler, John Donohoe

**2. Recognize Public Correspondence received by noon 12 PM, February 18 (Bill)**

Bill announced that Joey Blaine (Director) would be leaving the board at the end of today's meeting. Joey will continue to be on our staff, managing our website and performing other tasks. Bill thanked Joey for his valuable service. Following election regulations, we have a 60 day window (deadline April 20) to make an appointment to fill the vacant board seat.

Public correspondence was received by Greg and Franya Sidoroff, Louise Minor and Rob and Patti Wilson.

**3. Agenda for February 19, 2022 (Bill) Amend / Approval**

There were no changes to the agenda. Agenda is approved as distributed by Bill.

**4. January 22, 2022 Unapproved Meeting Minutes (Bill) Amend / Approval**

There were no changes to the meeting minutes. Minutes are approved as distributed by Bill.

**STATUS REPORTS**

**5. School Pipeline Project Update (Bill)**

The different phases of this project are progressing. The new 4" pipeline to the school will be considered a water main. We are continuing to fill out many application packets per the guidance of RCAC. Bill has selected the highly qualified company LACO Assoc. to be involved in the engineering/planning phase. LACO made an on-site visit and created a simple solution for laying the pipeline that will be under/near the road and will not go through the woods. If the LACO submission is accepted, we have been promised and are expecting a 100% grant to cover the engineering plan cost. We are under no obligation to LACO. In the future when the time arrives, construction work will be put out for a bid following state regulations

## **6. Vice-Chair's Report (Gus)**

### **6.1 Cost range estimates for new meters and valves**

The Summary Table provided in the packet lays out two approaches (low tech and high tech options) to replace water meters and shut off valves (WM-SOV). The Summary includes the option to install an on/off valve on the owner's side of the meter, which would isolate the house from the WM-SOV and allow owners to make plumbing repairs that would not involve the WM. The low-tech options offer the opportunity to upgrade and standardize our community for approximately 20 years into the future, with a cost estimate of \$21K - \$34K (labor estimate not fixed). The high tech options include owner on/off valves in addition installing a radio transmitting system with our new meters. This option increases reliability, reduces volunteer personnel and has a cost estimate of \$34K - \$47K. Some of the options offer the ability to replace meter boxes, many of which are in disrepair. We have the ability to pay back our investment over the course of time. Gus's recommendation is that we are best served by Option D: new meters with radio technology, as well as owner on/off valves. He feels that our district can cover the cost of this option. Bill noted that a quarter turn ball valve is easy to turn on/off. He also noted that we have to separate the shut-off valve from the water meter and that repairs can be difficult because many of our houses have frozen valves or are very deep in the ground. John Morgan has addressed the specific issues for each house and has suggested that all repairs be done at the same time. Gus asked Bill to give him the public requirements for soliciting quotes regarding water meter installation. Bill will send the information to all board members. Public comment: Louise asked questions to gain more clarity about shut off valves. Dana noted that a previous water leak could not be shut off for many hours because her valve was frozen. Greg asked Gus how the investment recovery was calculated.

### **6.2 Community interest to assist with well site monitoring**

On 2/18, Gus gave Joey a Solicitation for Volunteers to post on our website. The intention is to create a core group of volunteers to share in Val's workload, By not being dependent on one person, we develop resilience and strength in our community. Gus is seeking three to four volunteers, of which he will be one. Val will provide training for the different job duties.

## **7. Treasurer's Report (Dick)**

Our current balance is \$153,671.41.

### **7.1 Latest Draft Billing & Collections Policy is out for legal review**

On 2/9, Dick and Bill submitted a revised Billing/Collections Policy to our attorney for final review and vetting, after which it will be distributed to the community and for board approval at our March meeting. Bill noted that our new policy is very comprehensive, represents best practices and protects both the district and it's customers. Those in our community with income below poverty level may have the opportunity to have their arrears funded. For all customers long in arrears, a one-year repayment program is being put in place.

Public comment: Greg asked if we are leaning toward a tiered billing system and how customers will pay if long in arrears? Bill answered that all customers in arrears are expected to meet their obligations within a year's time. To Rob's question regarding renter's who are in arrears, Bill answered that every detail will be covered in the new policy. Bill will check with the attorney re: all customer obligations to abide by our new Terms of Service agreement.

## **7.2 Future rate**

Rate increase recommendations will be distributed in the March packet and subsequently discussed and voted on. Our district-owned water system was created in 1999 and we have implemented reasonable rate increases approx. every five years. Dick is proposing a reasonable rate increase based on inflation. If it turns out that this initial increase is not enough to cover our future needs, we will develop a more comprehensive plan. We need volunteers to spearhead a workgroup that will research the potential of a greater rate increase in the future. Dick will seek legal council and investigate the requirements of Prop 218. Gus noted that we may need to push the rate increase vote into April to allow more time to gather information. Chuck emphasized again the importance of a retreat and/or workgroup to begin to draft a 3-5 year strategic plan. Public comment: Greg stressed the importance of allowing time to create a strategic plan before we somewhat arbitrarily increase rates. He feels a professional firm should be consulted for independent analysis and recommendations in setting our rates, which would both justify our decisions, protect everyone involved and create the best system for the long term. Dana asked if we have verified if Prop 218 notices need to be sent out before rates are increased? She advised that prior to a Board vote, the future rate increase proposal should be distributed again to the community ASAP and that we should definitely seek legal counsel to make sure we are complying with current law.

## **8. Water Operator's Report (Val)**

Val turned in our yearly 2021 report. We pumped approx 2 million gallons during 2021. We are currently pumping an average of 5K gallons per day (as high as 7K/day). Our water bacteriology is great and tested zero nitrates. Things are stable and we continue to do well.

## **9. Meter Reader's Report (Dana)**

The next meter reading will be around March 1<sup>st</sup>. Dana said that she would like to train more volunteers, to which Louise and Rob expressed interest. It is very helpful to clean the meter boxes a few days prior to the readings. Mara will send out an email prior to the readings to remind our customers to clean their meters. Gus noted that if the meters are replaced, a rodent barrier will be installed that will help keep meter boxes clean in the future. Dana highly recommends that our new meter boxes be made of plastic or fiberglass (not cement).

## **10. Storage Capacity & Fire Suppression status report (Dick)**

Nothing new to report.

**11. Drought Emergency Conservation Measures Update (Chuck)** Nothing new to report. The second meeting needs to be rescheduled. Public comment: Louise stressed the importance of creating a plan ASAP because of the current drought conditions in California.

**12. Volunteer Safety Program (VSP) revisions update (Joey)**

Even though Joey has stepped down from the Board, he will continue to work on this program. He noted that the VSP draft is a great document and he will post it on our website for community review. He strongly recommends that our volunteers (especially meter readers) get some PPE. Gus added that we should get orange cones as well.

**ACTION ITEMS**

**13. Board concurrence hiring LACO Assoc. for school pipeline planning phase? Yes/No**

Discussion: The planning phase of the project is separate from the future construction phase and is of no cost to the district. If LACO's proposal is approved by SWRCB, we will then move forward at our discretion. Public Comment: Dana commended Bill for his valuable efforts.

MOTION made to hire LACO for the planning/engineering design phase of the school pipeline.

Motion: Chuck, Second: Gus – Motion Approved: 5 ayes, 0 nays

**14. Approve replacing existing meters with radio read meters, & replacing valves? Yes/No**

Discussion: Pros and Cons option C vs. option F. Gus emphasized that the high tech option will serve our district well because it offers a reliable, accurate and simplified format to collect data. This system will allow us to increase the frequency in which we read meters. Dick noted that our meters are 60 years old and stressed the importance of modernizing. He noted that there are many sound reasons to replace our meters, over and above potential revenue recovery. Val stated that a high tech meter will free up our volunteers to do other tasks and concurred that replacing the meters are a win/win. He commended Gus for his good work, as well as all the Board and staff. Public Comment: Greg verified that no revenue recovery analysis has been done and this option does not include a specific software interface.

MOTION made to approve Option F – Radio Transmitting Meter and Valve Motion: Joey,

Second: Gus – Motion Approved: 5 ayes, 0 nays

**15. Approve installing separate box and valve for owner/occupant water shutoff? Yes/No**

Discussion: Pros and Cons of option D vs option F. We would ideally put the box and shut-off valve in close proximity to the main valve. Bill does not think it's necessary if there is an easily operable valve next to the meter, and also does not feel that the district should compel anyone to install this. Gus commented that it is not a good idea for owner's to get into our utility box with radio transmission technology. Also he feels it is much better to get this work done while the contractors are already here, instead of piecemeal.

He noted that John Morgan already has identified the unique requirements for each home. He also added that to avoid confusion, the boxes should be different shapes. Greg asked if we have considered the legal aspects of encroaching on owners property, as well as who owns the valve if the district installs and pays for it? Joey stated the importance of keeping the valves in separate boxes and added that a ball valve close to meter is a gift to both our owners and our volunteers. Dick is opposed to mandating that the homeowners have a new box. He stated that our responsibility ends at the customer side of the meter and it is up to each homeowner to decide if they want a separate box on their side. He introduced a compromise option of installing both the district's shut off valve and the owner's on/off valve on each side of the new meter in a bigger box and noted that this option saves \$10K. Discussion proceeded about where the tools to operate the valves are stored, how to operate the valves and the importance of getting this information out to the community. Bill emphasized the quarter turn ball valves are user friendly. Concern was voiced that owners can damage the RT meter. Bill suggested we make an announcement to the community to give them the option to replace a valve if they are willing to pay for it. We can't legally lock our box. Rob asked if homeowners are liable if they damage the RT meter? Gus noted that we are looking at a July/August time period for installation. He added that when we develop a plan for the contractor, we need to insure the least disruption possible and he requested implementation guidance from Chuck and Val. Bill suggested that in order to avoid confusion, we put in different valves that are color-coded. He will mock up a sample box.

MAIN MOTION made to install a separate box and separate valve for the property owner.  
Motion: Joey , Second: Gus – Main Motion moved to discussion. After brief discussion Dick presented the alternative that the two valves and meter could be in one box.

SUBSTITUTE MOTION made to put valves on each side of the new meter within one box.  
Motion: Dick , Second: Bill – Motion Approved: 3 ayes (Bill, Joey, Dick); 2 nays (Gus, Chuck)

Gus will seek John Morgan's opinion and do further evaluation to see if this solution is viable. If it is not, we will need to revisit/revise this solution.

#### **16. Approve 2022 budget presented in January? Yes/No**

Discussion: The new operating budget will reflect current cost increases of propane, electricity and insurance. In answer to Gus's question asked about capital improvements in the budget, Dick noted that capital improvements are specific items to be voted on by the Board.

MOTION made to approve the 2022 budget.

Motion: Chuck , Second: Joey – Motion Approved: 5 ayes, 0 nays

## **PUBLIC COMMENT**

**17.** Public comments given by the following community members:

Val commended the Board for its good work and continuing evolution to 'step up our game'. Louise emphasized that we need to create a Terms of Service framework to clarify the rights and obligations of BLCSD. Bill added that McKinleyville CSD's Rules and Regulations are outstanding. To upgrade our bylaws will require significant time and the assistance of a lawyer, as well as volunteer support in conjunction with the Board's dedicated work. Dana appreciates that the current Board has brought BLCSD to a higher standard. She started to remind everyone about the upcoming Board elections and was interrupted by an angry outburst from Margie. Bill told Margie she was out of order. Dana then continued, saying that we have 60 days to fill the open seat. Bill added that the open seat on our Board will be posted physically as well as on our website. Margie recommends the Board prioritize creating a 3-5 year plan. Also, because we are a very small district with limited resources (volunteers, time, expertise, etc) she recommends that the Board research and consider alternative ways to manage our water system. One example is to hire a professional water manager. Recognizing the limitations of our small district relying on non-professional volunteers, she asked that the Board consider what is in our best interest for managing our district responsibly and sustainably in the long term. Val responded that a previous Board had looked into the possibility of McKinleyville CSD taking us over, but at that time it was considered cost prohibitive. Dick added that an estimated cost of \$5000/month to hire a water manager would translate to an approx. \$1500/year rate increase per customer. Both Dick and Val noted that the Board is improving and evolving, and that we are small district doing the best we can with our available resources. Bill noted that although we are not able to consolidate with another district, a professional can take over all our management (billing, meter reading, etc) and we would no longer have a Board. Bill concluded that our future success as an independent water district is dependent on volunteer participation. If not enough people step up to help, it may not be viable to continue as a community services district. Gus would like the Board to identify a month to have a retreat focusing on our strategic plan, ideally after our new board member joins us. Once the Board shapes the initial ideas, we can then invite input from our community.

## **18. Future Agenda Items from Board Members**

Chuck would like to formalize our strategic planning retreat.

## **19. Adjourn**

With no other business, the Chair adjourned the meeting at 12:06 PM.

The next regular meeting will be Saturday, March 19 at 10:00AM in the Big Lagoon School Library and will also be accessible via Zoom.

Submitted by Mara Friedman, Board Secretary