

BIG LAGOON COMMUNITY SERVICES DISTRICT
APPROVED MINUTES of the Regular Monthly Board Meeting
Saturday March 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. Mara read an announcement regarding new meeting parliamentary procedures.

Board members in attendance: Bill Wenger, Chair; Gus Satein, Vice Chair;
Dick Maier, Treasurer (Zoom); Chuck King, Director
Staff in attendance: Val Castellano, Water Operator; Mara Friedman, Board Secretary
Community members in attendance: Joey Blaine, Louise Minor, Rob Wilson
Community members in attendance via Zoom: John Donohoe, Catherine Munsee

2. Agenda for March 19, 2022 (Bill) Comments / Amend / Approval

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

3. Public Comment: Any member of the public may address the Board on any item that is not on the agenda at the time. Per the Brown Act, the Board will not act upon, respond to or comment on the merits of any item presented.

Louise and Rob expressed concern regarding when is it appropriate for the public to ask questions? Bill responded that it's a good idea for the public to incorporate any questions into comments, which then may be addressed/answered by Board members. Public questions can be addressed at a stakeholders Q&A. Concern was expressed that questions may 'fall off the map' if being put on hold for a future Q&A meeting. Louise requested a copy of the exact communication from our lawyer to the Board regarding accounts receivable. Bill answered that the PDF that was sent out was exactly what the lawyer sent to us.

4. Recognize Public Correspondence received by noon, March 18 (Bill)

Bill thanked the community for all emails that were received.

5. February 19, 2022 Unapproved Meeting Minutes (Bill) Comments / Amend / Approval

Public Comment: None. There were no changes to the meeting minutes.
Minutes are approved as distributed by Bill.

STATUS REPORTS (The public may comment before each report is given.)

6. School Pipeline Project Update (Bill)

Public Comment: None. This project is a long, laborious process and it is moving along well. LACO's input should be here next week.

6.1 Applied for necessary DUNS number

Public Comment: None. Our application won't proceed without a DUNS number. Since our inception in 1997, our district has never applied for a DUNS number. Bill applied by sending all our founding documents. Our PO Box 847 is not recognized as a legitimate address. A new address will be added to the PO Box: 47 Roundhouse Creek Road, the well site parcel.

7. Consider doing a professional Water Rate Study (Bill)

7.1 A Water Rate Study (WRS) factors in near-term and long-range capital improvements including Prop. 218 Notification. The WRS provides justification for higher water rates to better meet future capital improvement costs. Discuss pros & cons.

Schedule a vote for April.

Public Comment: None. Greg has recommended that the Board do a professional Water Rate Study (WRS). Bill is pursuing this idea independent of Dick, who is doing an alternate water rate study based on inflation. Bill supports doing a WRS, which will cost approx. \$6K (which includes the study and Prop 218 notification). Water districts typically hire this out and Bill strongly feels that we will need professional help on this study. At a future meeting, Bill would like the board to vote if we want to invest in a formal WRS to address our future capital needs. Gus thanked Bill for his research and said that he is astounded by the estimated cost.

8. Vice-Chair's Report (Gus)

8.1 Summary of March 12th meeting with John Morgan

Public Comment: None. On 3/12 there was a two-hour meeting attended by: Gus, Val, Chuck and John Morgan, in which an initial framework was developed for all steps involved with replacing the water meters. A detailed agenda of 15 items was discussed. It is very important to implement this project with the least disruption to our community. Kathy Richards (Badger) will also assist us. Because of supply chain issues, sooner is better to place our order with Badger. We can commit to our order and pay later. Gus gave Dick credit applications for local suppliers. Quality control will be provided by Val, with John Morgan's assistance. John Morgan is a paid consultant assisting us in all the necessary requirements of this project. Chlorination protocol will be overseen by Val and Scott Gilbreath. It is important to create a secure storage facility for all the materials and inventory for this project. This storage might be placed on the bluff. We will need to dispose of the many old concrete boxes that we are removing. The next meeting will be on April 9th. Bill thanked the team for their good work. Chuck clarified that we are looking to temporarily rent a shipping container that can provide safe storage for all the expensive materials. Bill feels that placing the container on the bluff may not be a good idea. Dick offered his lot at 342 RCR as a place for the storage container.

8.2 Community interest to assist with well site monitoring

Public Comment: Louise M., Bob F. and Rob W. volunteered. Gus thanked everyone who volunteered. Including himself, there is now a core group to support Val.

9. Treasurer's Report (Dick)

Public Comment 9.1 & 9.2: Rob asked if a minor increase in water rates is connected to the Water Rate Study? Bill answered it is not. These rate increases are based on inflation. Louise wants to know how a minor rate increase fits into a 3-5 year strategic plan and she also wondered how many years out is 9.2 looking? She feels a formal WRS is money well spent.

9.1 Financial Statements

The financial reports are as submitted. Dick would like to add a line item for annual regulatory expenses and also increase our legal expense budget by \$1000.

9.2 Consider a minor increase in water rates based on increased costs.

Initially not included, water rates are subject to Prop 218. A 'Cost of Service Analysis' (COSA) looks at what is necessary to provide service to individual properties. For our district, three expenses have increased: insurance, compliance and propane/electric. Although inflation has caused cost increases over the last 15 months, currently we are not in a position to justify a rate increase. A COSA can look out up to 10 years and provide cost projections based on improvements we want to make. For example, the failure of our well since the last meeting has increased the possibility of replacing it sooner rather than later. Dick noted that his water rate increase study computation is much more complex than he initially thought. It will take a lot more investigation and we may need a sub-committee to help develop the study. Dick is also looking deeply into the controversial subject of 'tiered' water rates. He will give Gus copies of completed Vendor Reports. He also stated that the reason we never got a DUNS number is that no one has ever asked for one. Gus asked when we might create a sub-committee to study future costs and Dick answered that this process should begin this year. Barring a catastrophic failure, we currently have enough funds to address our issues. As time goes on, we will see how inflation actually impacts our district. Bill noted that the State Water Resources Control Board is sitting on money designated for small districts and suggested that we apply for a grant to help upgrade our infrastructure. If approved, it takes years to receive grant funds. Our concrete/asbestos pipe is approaching its 'end of life' and Bill thinks we should pursue this avenue for potential grant funding.

10. Water Operators report (Val)

We are pumping apprx. 5K gallons per day. Our water has less than 1 part per million of chlorine. The water table remains stable at 99 feet.

10.1 Recent event with the well

Public Comment: Louise asked if the bottom of the well did not collapse, was sand sucked in from the aquifer? Rob asked if the Board would look into the possibility of an auxiliary well in our future strategic plan? Bill explained that if we have two wells, we need to exercise both at the same time. How this would be managed requires expert advice. Val added that mixing water from two wells is not good. Catherine wanted to know if the district has an official protocol for emergency outages? If not, she would be happy to help in creating one. Val noted

that with the current sand emergency, community updates were sent via email, phone calls and door-to-door. Val reported that on 2/24 we were not pumping water. The community did a great job minimizing water usage. Val reached out for assistance and it was found that there was sand in the well. We were able to remove the sand by injecting water into the well. We installed a new capacitor and well pump. Our new well pump is at 180 feet. The health of our well is good and the back-up wells are non-productive. Dick asked Val if we need to add a maintenance item to the budget for flushing sand out of the well and Val said he would let Dick know.

11. Meter Reader's Report (Dana)

Public Comment: None. Rob gave Dana's report. There were no issues when the meters were read. The boxes were clean. Brad and Eric N. have a plan to install barriers in their boxes.

12. Storage Capacity & Fire Suppression status report (Dick)

Public Comment: None. Dick noted that because of the recent well failure, we would need to push capacity. He will meet with Val and hopes to have a report update at the next meeting.

13. Drought Emergency Conservation Measures update (Chuck)

Public Comment: None. This work group is comprised of Chuck, Catherine, Eric and Margie. Their second meeting was held a few weeks ago. They are defining their Visions and Purpose and will be focusing on: Conservation Education & Water Emergency Contingency Plan (using Mckinleyville CSD's template). The next meeting may be April 2nd. In answer to Gus's question regarding average water consumption in our community, Val answered we average approx. 5K gallons/day when school is in session. Gus thinks it's important to isolate school water usage from our community. Dick noted that water usage is extremely varied among our households and dependent on factors such as: number of occupants, gardens, etc.

14. Volunteer Safety Program (VSP) revisions update (Joey)

Public Comment: None. Joey has been very busy and does not have a lot to add this month. He will procure info regarding sources and prices for PPE (including cones) and send to Dick.

15. Strategic Planning Retreat (SPR) – When, Where, Who

Public Comment: Rob suggested that members of the public be included on a sub-committee. Bill replied that the SPR would include approx. 3 community members, as well as board members, totaling 7 to 8 attendees. Timing depends when (if) we get a 5th board member to take over Joey's position, whose term is up at the end of 2022. We need to reach out to see who might be interested. Gus wants to take advantage of Bill's expertise while he is still on the Board and would like to start the SPR by September latest. Val noted that these should be ongoing meetings. The SPR will likely be held in the library. In addition to Val, Louise, Joey and Rob all volunteered to be involved.

ACTION ITEM

16. BLCSD Water Service Billing, Collections and Other Water Policies

16.1 Final Draft back from legal. Adopt as Policy? Yes / No

MOTION made to move forward the draft water policy.

Motion: Chuck, Second: Gus – Motion Approved: 4 ayes, 0 nays

Public Comment: Louise emailed her concerns. There have been several drafts of the policy created by Bill and Dick and the latest draft was sent out for legal review. The attorney has reviewed Louise's comments/concerns. The Board discussed all of Louise's comments in detail. Following is a brief summary of the Board's findings. Pg 1: Issue resolved. Pg 2: Issue resolved. Pg 4 item 2: Issue resolved after Board discussion. It was decided to use the wording: BLCSD may disconnect (rather than will disconnect). Pg 5: Issue resolved after Board (and community) discussion. It was decided that in financial disputes, the entire Board would make the final decision. It was decided that the Board needs a little more time to continue to work on revisions and make the policy as good as possible. Bill is busy in April and it was decided to table the to the vote until May. Gus appreciates the good work on this project by Dick and Bill, as well as Louise's valuable input.

FUTURE AGENDA ITEMS FROM BOARD MEMBERS

Dick wants to vote on two budget revisions: regulatory and legal.

A FINAL DISCUSSION

- There was discussion regarding the current drought and the importance of putting in another well, possibly in a different location than the current wells. We will continue to explore this important topic in the future.
- There was discussion regarding future meetings. Gus is not supportive of hybrid meetings and is advocating for in-person meetings. Chuck noted that while we are still dealing with Covid, hybrid meetings encourage more public participation. Joey said he would put a query on our website asking the community if they would be comfortable meeting in-person.
- It was decided by the Board to skip the April meeting, as all Board members would not be able to participate.

ADJOURN

With no other business, the Chair adjourned the meeting at 11:53 AM.

The next regular meeting will be Saturday, May 21st at 10:00AM in the Big Lagoon School Library and will also be accessible via Zoom.

Submitted by Mara Friedman, Board Secretary