

## **BIG LAGOON COMMUNITY SERVICES DISTRICT**

**Corrected** and Approved MINUTES of the Regular Monthly Board Meeting – Tuesday May 18, 2021 - 6:00 PM  
Teleconference Via Zoom

### **OPEN SESSION**

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

The open/regular meeting of the Big Lagoon Community Services District convened at 6:03PM.

Board members in attendance: Bill Wenger, Chair; Gus Satein, Vice Chair; Dick Maier, Treasurer; Chuck King, Director; Joey Blaine, Director

Staff in attendance: Mara Friedman, Board Secretary; Val Castellano, Water Operator; Dana Hope, Meter Reader

Community members in attendance: Greg Sideroff, Susan Perkins, John Donohoe, Margie Adler, Mary Coakley, Louise Minor, Larry Davis, Rob Wilson, Cindy Maier, Sheila Cruson

Chair read aloud an email submitted by Sheila Cruson and Heather Kurwitz that was not included in the Community Correspondence document. This email will be added to the Information Packet.

#### **2. Invite Public to Address Item(s) on the Agenda (Bill)**

Greg wants to address items 6/7/8/11; Dana wants to address item 7; Dick wants to address item 9; Margie wants to address item 11; Rob wants to address item 11.

#### **3. Agenda for May 18, 2021 (Bill) Amend / Approval**

There were no changes to the agenda.

Agenda is approved as distributed by Bill.

#### **4. April 17, 2021 Unapproved Meeting Minutes (Bill) Amend / Approval**

Joey made the following corrections - Agenda Item 7 Website: add that we are in full WCAG compliance.

Greg made the following corrections - Agenda Item 10.2 Public Comment: Steve Madrone is a county supervisor, not a planner.

Minutes are approved as amended.

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

5.1 Last month the board received advance notice from Val that he will leave his position as water operator in one year (2022). If we are able to recruit a volunteer from our community, Val will help train a new water operator. Val has served our community since 2016. We appreciate all his good work as water operator, and will miss his diligent service. Finding a new water operator will be a high priority for the Board.

5.2 We received cost estimates from Badger on three different types of meters. Gus plans to present an information packet at the next meeting.

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

### **6.1 May Financials – P&L Balance Sheet**

Dick asked if there were any questions regarding the May financials. In answer to Greg's question regarding the balance of \$13,470 in our accounts receivables, Dick answered that due to Covid, some of our neighbors have not been able to pay their water bill on time. We have suspended interest and late payments during the Covid period. On June 15<sup>th</sup>, the state is scheduled to reopen. If this occurs, Dick will reinstate interest and late fees.

### **6.2 Upcoming Rate Adjustment**

Our total operating expenses have increased during the last five years, due to insurance rate increases and increased maintenance costs. Our last rate increase of 5 percent was 5 years ago. Our revenue has increased over our operational expenses. If we are not able to replace Val's position with a volunteer, we will have to pay for a water operator. This could be as much as a \$1000 per month expense and could effect possible rate adjustments. Greg commented that he and Franya support a rate increase as long as it is based on tier pricing for volume of usage. They feel this would encourage water conservation and they would like the board to consider this.

Dick cannot see any reason for rates to increase at this time, as we are financially sound (no debt and \$138K bank balance). Bill mentioned rate of inflation and \$60 five years ago equates to \$66 today. There are 4 factors that contribute to our operating expenses: repair and maintenance of the system; utility rates; insurance; testing. Rob agrees with Greg regarding a tiered rate system. He also noted that if we are not able to replace Val with a volunteer, we may need to raise our rates. Dick agrees with Rob on this point. Dick noted that the water usage is approximately 20% of our bill. If a tiered system is adopted, the complexity of calculations might take him an entire day to process the bills, instead of half a day. Gus suggested that if we incur more expenses, we should perhaps raise our base rate, which is a fixed cost for everyone. This would make Dick's job less cumbersome than adopting a tiered rate system.

Regarding website credit card payment option: Joey noted that Streamline online payment option is now available at no cost. There is a 3.8% convenience fee transaction cost for each consumer. This feature could be up and running in a month if we decide to implement it. Joey commented that he personally prefers to make online payments with a credit card rather than sending a check. Joey will explore more about this feature.

## **7. Leak Adjustment Policy (Chuck)]**

It is assumed everyone has had an opportunity to read through the Leak Adjustment Policy (LAP). As there are no changes, we moved to discussion. Greg encouraged us to create a LAP checklist/submittal form that would be posted on our website. This form will help to eliminate gray areas. Joey agrees and said he will use Streamline's form creation option to create a LAP form. Both Dana and Gus concur that posting clear guidelines on our site will take out the guesswork and standardize the process. Chuck will have a draft form ready for our June meeting. In answer to Dana's request that the community have another chance to review the LAP, Joey will post the LAP on our website and an email will be sent out with a link to the form. If requested, we can also provide a printed copy of the LAP.

## **8. Website Status Report – BLCSO Logo (Joey)**

We have four logo designs to consider. Joey will create a poll on our website that will allow the community to vote on the logo they prefer. Greg thanked Joey for our great website. It was suggested that we might create some kind of 'splash' to get the community excited about our logo and the new website. Dana suggested that

we send out an email that combined both the LAP for review and the vote for our new logo. Margie suggested there be a deadline to vote on the logo, and she will help Joey get the word out. We will copyright our logo after the design is chosen. In answer to Greg's question, Joey replied there is a way to track visitors to the site and so far we've had 380.

### **9. Water Operator's Report – 2020 Consumer Confidence Report (Val)**

Ensuring a healthy and reliable water service is Val's biggest priority. We are using 5-8k gallons of water a day. All is stable and our water is great. The annual report has been submitted, as has the consumer confidence report. The consumer confidence report has been posted at the school. It can be posted on the website and can be printed out by our customers if they want. In answer to Dana's question, Val noted that one the biggest dangers to our system is high-density development.

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

Dana read the meters on 5/2. She appreciates the email reminder sent to district customers the morning of the reading. Laura did the digging and Gus and Dick were also present for the readings. Dana noticed an improvement in the cleanliness of the meters, both inside and out. Originally there were 6 meters of concern. Two warning notices were sent out. Gus noted that a number of meters are in very poor condition, and that some shutoff valves need to be upgraded. The district will develop a plan to replace worn-out meters and/or valves in phases. Val has ordered 10 valve components that are identical to those used to repair the valve at 181 OV, for a total of \$800. Dick noted that in addition to updating meters/valves, we should consider replacing the boxes. The idea of reducing meter reading frequency was discussed. Currently our volunteers devote 2 hours **each** to reading the meters every other month, **and Dana spends another hour entering the numbers into a database**. Sometimes undetected leaks are discovered when reading the meters, which encourages keeping the current schedule. More volunteers will lessen the load on Dana. Rob offered to help as soon as he is able, and Louise and Greg also offered to help Dana. The subject of smart meters was discussed, which would be an additional expense. Gus will present information regarding the different types of meters available, their respective pros and cons, and associated costs. It was noted that there are two types of digital meters, radio read and cellular.

### **11. Storage Capacity & Fire Suppression Status Report (Dick)**

The new board was seated in December 2020. In the January meeting, the topic of fire suppression was raised by John D. Our total water storage is 10K gallons. Consequently, we are not well prepared to put out a structural fire. If there were to be a house fire, we would run out of water in 10 to 15 minutes. A working group was formed in January to investigate the issue of fire suppression. During the 4-month period starting in January, extensive research was done on this issue. We received feedback from other water districts, and met with Cal Fire. On the funding front, we had discussions with Quinn Donovan from USDA-RD, and Tom Warnock from Pace Engineering. Tom had given a 1 ½ hour presentation at our April meeting of his findings and recommendations regarding our system. Tom estimated that the project to update our water system would cost around \$3 million, which was a shock to the people attending the meeting. During a meeting with USDA-RD it was discovered that we did not qualify for an initial grant of 30K, matched with 10K from the district, for a 40K preliminary engineering study that is required for any application for funding from state or federal agencies (CA Water Boards and USDA-RD).

Dick emphasized that our most important priority is to preserve the high water quality that we deliver to our district.

We are now back to the original issue of storing more water at our well site. Any improvement will likely be self-funded. The working group has put in well over a hundred hours on this and is still investigating. Each month the Board will be updated on the working group's findings. All in all, it's been a huge education on the complexities involved.

Rob suggested that in light of the estimated costs associated with updating our system, we might consider raising our water bill to start building up our reserves. Chuck asked about the possibility of grants. Dick noted that there are lending sources that offer loans at 1.75% over 40 years, but this is through state and federal agencies (CA Water Boards and USDA-RD). We don't want to create any financial hardship for anyone within the district. We need to first decide WHAT we are going to do, and then figure out HOW we will fund it.

Bill stated that based on the need for water security, we received a green light from CA Water Boards to move forward with the funding application to replace the unpermitted PVC pipe that runs from the well to the school. It is hoped that CWB will pay to replace the pipe at little, or no cost to the district. The steps involved in applying for state funding can be a 5-year process. Meanwhile, the school will be getting a grant for a new hydration system to replace the old water fountains.

Greg thanked Dick for helping to clarify this confusing process. Dick responded that he had started creating a flow chart to outline everything, but stopped when he realized that the proposal from PACE Engineering was unrealistic for just 42 hookups.

Val mentioned that he received an email from CA Water Boards informing him that within 2-3 years we will be required to do an inventory of each connection running from the meter to the house. Bill stated that this is a topic to be addressed at a future meeting.

Bill noted that the working group will be getting two more water system assessments from qualified engineering firms, along with estimates for preparing the preliminary engineering report.

Dana suggested that educating our community about our water system would be highly beneficial.

## **12. Public Comment**

Answering Dana's request, Bill shared a brief history about our water system, and its relationship to Big Lagoon School.

Greg noted that there are a lot of rumors floating around regarding the history of our water system. Bill mentioned he is putting together a history of our water system. Greg expressed appreciation for holding the meeting on Tuesday night.

Chuck wanted to know if our water system is out of compliance with regard to fire flow. Are we at risk of being sanctioned or penalized if we can't deliver needed fire flow to the school? Can the school district sue us if there is a fire? Dick noted that the school is not actually part of BLCSD, but rather a customer. Gus feels it would be prudent to have an attorney review our relationship to the school.

Dana replied that there is documentation that we are 'married' to the school, and she does not lean toward the district retaining a lawyer. She cautioned against posting titles and deeds on the website, to which Dick replied that deeds are public documents.

Margie suggested educating our neighbors as to what it means to be a Special District. She thanked everyone for the mutual respect present during the meeting. The civility displayed tonight helps her believe in the future high functioning of our district's ability to address the important issues that have come to light.

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

Dick stated that finding a new water operator will be our number one priority.

Susan asked if Val has a backup or is the water operator a one-person position? Val replied that he does not have a backup. He added that the water operator's responsibilities can be divided up into various tasks and that he will be happy to train anyone interested. If we hire someone, they would come here at least once a week, and be on-call for emergencies. Greg suggested that we create a water operator job description. Dana added that we could offset the cost of hiring an outside water operator by cross training volunteers to support the operator on non-critical tasks that don't require D1 certification.

### **14. Stakeholders Q&A Meeting on Thursday, May 20, at 6:00PM**

The idea for having a Stakeholders Q&A meeting came from Dana and Dick. The format will be a moderated open forum in which residents of the community can share ideas, comments, and suggestions. There is no set agenda. Dick will moderate the first meeting, and he will share community feedback with the Board. The Board will take turns moderating the stakeholder meetings. The secretary does not take notes during these meetings.

### **15. Adjourn**

With no other business, the Chair adjourned the meeting at 8:26 PM.

The next regular meeting will be June 15, 2021 at 6PM on Zoom.

Submitted by Mara Friedman, Board Secretary