

**San Mateo County Service Area 7 (CSA7)
Customer Advisory Committee (Committee) Meeting
June 23, 2012**

The eleventh meeting of the Committee was held at the Cafe Questa Restaurant in La Honda on June 23, 2012. The meeting was called to order by chairperson Patricia O'Neal at 11:00 AM.

The following were in attendance:

Carl Ferrero (left at 1:48)
Crystal Klingele
Dante Razzini (left at 2:00)
Cyrus Yocum
Heather McAvoy, CAC Vice Chairperson (left at 1:44)
Joanne Lehner (left at 1:49)
Terry Adams, CAC Document Custodian
Patricia O'Neal, CAC Chairperson
David Bevin
Doug Woods
Hobson McPherson (non-voting Representative)
Mark Chow, San Mateo County Public Works

1. Approval of March meeting minutes.

The minutes were approved unanimously.

2. February/March/April budgets, 3rd quarter capital improvement expense report (Mark)

Mark Chow distributed additional copies, and reviewed and answered questions pertaining to February/March/April budgets and the 3rd quarter capital improvement expense report. Yearly income averages 35-40K\$. San Mateo County Public Works (SMCPW) charges have doubled recently, due to (1) new work required by the California Department of Public Health (CDPH), (2) SMCPW staff time on leak repair, and (3) follow-up to customer complaints. McAvoy pointed out that we could save \$\$ if Committee members fielded complaints. Chow said we would have to use the CDPH form.

West Valley's invoice for the work on the June Highway 84 leak is just in. Invoice for cost has not yet been sent to Cal Trans. O'Neal asked if we can get reimbursed for volunteer time spent on the leak – Chow said no. Adams pointed out that the leak could have been repaired much less expensively if it were not in a dangerous traffic area. Adams asked why USA Alert did not provide a warning of the work. Chow said the alert went to the Roads Dept., but stopped there. He is following up. O'Neal asked if the Roads Dept could reimburse us for the leak repair cost. Chow did not know, but doubts it.

Chow pointed out that CSA7 expenditures will be well OVER budget (101K\$ vs 95K\$, as of March) by the end of the fiscal year (July 1st).

3. capital improvements and compliance, meters and water supply (Mark/Patricia)

O'Neal reported on reading meters with Thomas and finding seven (7) without leak-indicators. The estimate to replace these is \$1,750. THE COMMITTEE VOTED TO APPROVE THIS EXPENDITURE. Thomas will check into competitive prices for new Sensus meters. All the existing meters are Sensus except 18 Rockwell (2 without detectors) and 5 Neptune (all without detectors and in poor condition).

O'Neal reported seeing the above-ground, vulnerable section of water main In the Canyon View neighborhood.

Adams will accompany T. Sipp (SMCPW) on the next reading, and check meter serial numbers.

Woods asked if we should ask customers for donations to pay for meter replacements. O'Neal will ask Nicholas whether the Committee may solicit donations to CSA7, as opposed to fundraising.

Chow summarized recent improvements, including replacement of a pressure reducing valve (PRV) and installation of two isolation valves in the distribution system. An auto-dialer was also added, allowing Bracewell remote checking of required CDPH monitoring parameters, i.e.; tank level, turbidity, and Chlorine residual.

Chow reported that the CDPH has not followed up to check compliance with their list of requirements, but they have said they will want more water testing soon.

O'Neal reported the water level in the creek is back up to seasonal normal.

4. grants, SMC Alert status (Doug/Mark)

Woods reported no grants are available for pipeline or sampling work, but capital items (equipment for the plant) may be eligible.

Chow reported that SMCPW staff will need training on how to use the SMC Alert system, but Woods reiterated that the on duty operator will handle the dispatch of emergency messages to customer emails on file, and there will be no expense to CSA7.

O'Neal asked if we can get a list of which customers are on the SMA Alert system, to facilitate notifying customers of boil water advisories, but Chow and Wood doubt it is possible. Chow reported that phone messages and email are ok for notifying customers of boil water advisories, but the CDPH will want written confirmation that they were contacted.

5. legal queries (Nicholas)

O'Neal reported Nicholas has advised that Martha Poyatos (LAFCO) will be sending out info on the water districts meeting, most likely in the fall.

County counsel has advised they do not support requiring people to enter into an arbitration agreement to join CSA7.

Lastly, counsel confirmed that membership in the Committee, and working in a paid capacity for CSA7, is a conflict of interest. Further clarification, regarding how one might bid on work without jeopardizing their committee seat, is pending.

Chow reported there will be a pre-RFP (request for proposals) walk-through of our water treatment plant on July 11th, and an opportunity for Committee members to see the plant as well. Chow will be providing us with the timeframe at a later date.

6. preliminary rate increase proposal (Mark)

Chow presented five options for the proposed rate increase ranging from 0% to 1100%. The minimum fund reserve was based generally on 50% of anticipated O&M (operations and maintenance), and 3% per year capture of the replacement value of the system. The Committee suggested a phased increase, starting low and increasing. Chow reported the rate increase will not go through if 50% plus 1 of the customers votes against it. If there is no increase the system will go bankrupt, and might be dissolved, sold, or taken over by the State. Before an increase can be approved, the board of supervisors needs to set a public hearing, and notices must be sent out to customers 45 days prior to the public hearing.

Chow explained an additional increase in SMCPW's costs is due to the fact that the previous County Water Operator's salary was charged 100% to Camp Glenwood, but now 50% of Bracewell's cost is charged to CSA-7, resulting in an approximate increase of 80K\$ per year.

Chow mentioned CSA-11 is close to passing a tiered rate increase: from the current \$1.38/unit, to \$2.69/unit (tier 1) through 7.36/unit (tier 4).

The Committee resolved to have a study session, in order to arrive at an appropriate rate increase proposal to place before CSA7 customers, on July 14th 11:00 at Café Cuesta.

7. customer outreach, pressure survey, database, mapping, neighborhoods (Patricia, Heather, Terry)

O'Neal reported a 25% response so far, with more responses expected soon. Portions of the Pope and Memory neighborhoods remain to be reached by a Representative. The pressure survey will commence next. The database and mapping are both a work in progress, with

updated information continuing to be added. A current breakdown of the neighborhood representation was provided.

8. public comment

There was no public in attendance on this date.

The meeting was adjourned at 2:05 pm to a date to be determined by the Chairperson.

Respectfully Submitted,

Terry Adams, Document Custodian and Acting Secretary