

**CSA7 Customer Advisory Committee
Sept. 26, 2020 – 44th meeting**

By videoconference

Meeting called to order at 11:05 am

Attendees: Chris Hunter, Cyrus Yocum, David Bevin, Fred Deubert, Heather McAvoy, Joanne Lehner, Krzysztof Lisaj, Lena Silberman, Mark Chow, Patricia O’Neal, Terry Adams

Announcements:

Legislative Aide Lena Silberman was introduced.

Public observer Amanda King of the Pope Neighborhood was introduced.

In response to liability query; umbrella, homeowner, or directors and officer’s insurance were briefly discussed.

11:10 David Bevin arrived.

0) Leave of absence (agenda item added at request of chair)

David Bevin requested a leave of absence as non-voting members on behalf of himself and Kathleen Bevin, to last until the committee resumes in-person meetings. Cyrus moved to approve, Joanne seconded, all approved.

11:14 David Bevin departed.

1) March and June quarterly meeting minutes

Joanne moved to approve the March minutes, Cyrus seconded, all approved.

Heather moved to approve the June minutes, Joanne seconded, all approved.

2) May, June, July budgets, fourth quarter capital improvements expense report, county funded capital expense report

Budget figures were distributed by Mark and discussed. Mark noted that water consumption was somewhat lower. CSA7 received reimbursement from the responsible party of costs incurred by staff and Bracewell for the response and subsequent water quality monitoring at the intake to the tanker accident and oil spill on Alpine Road upstream of the intake. The maintenance costs and County staff time for engineering services are again over budget. Department of Public Works staff cost appears under budget on the reports but it does not accurately reflect the amount of work performed by staff. Mark explained that the budget is setup to account for all DPW work which includes other divisions/sections providing service to CSA7, so when less time is charged to CSA7 there appears to be a surplus under sub-account 5861 shown on the budget reports.

The water service contract is up for renewal and Bracewell is the only company that submitted a bid. Their proposal will be reviewed next week. The Board of Supervisors will need to approve it by the end of October 2020.

The capital expense report shows expenditures on “soft costs”, meaning staff time, etc. Construction costs and consultant fees for construction inspection and management are not yet included. Terry asked if our remote location results in more reliance on consultants. Mark replied that it had more to do with limited DPW staff availability. “We do rely heavily on consultants”.

3) Capital improvements, improvement schedule, compliance

Regarding more closely monitoring turbidity so the pump can be kept going in the winter months to avoid hauling water; Chris Hauge advised Patricia that Bracewell now has more operators in the area and are often on site five to seven days a week. They have more accounts locally. He is optimistic that they will be monitoring more closely this winter. They have been keeping the tank full and have been encouraged to be sure it is full prior to the rainy season. Mark Chow noted that the treated water tank was inspected and cleaned by a diving crew at the cost of about \$5000. The tank was last cleaned in 2015.

Mark Chow also announced that the preliminary plan for the water distribution system should be done by early October. He also reported that the original test well site in the Memory Lane vicinity was found to be inappropriate because it is too close to septic fields. A potential new site has been identified but will require additional investigation.

4) Rate Increase

Mark presented a spreadsheet with six options for making up the deficit in payments for operation and maintenance of the water system. He noted that repayment of a loan was not included and will have to be added. The new rates include a 3% yearly increase for DPW staff charges, \$2500 per year for the operator (Bracewell), and charges to pay in to a \$30,000 reserve fund for emergencies. The different options vary according to how fast the charges are increased and ratio of charges for water use versus service charge.

There was discussion of whether and how to bill monthly rather than quarterly since a quarterly bill is both shocking and more difficult to manage for customers who are less well off. Many CSA7 customers live on fixed income or live paycheck to paycheck and have trouble saving for large bills.

There was concern about how much the loan repayment would add, but Mark thinks it will not be much if the repayment term is over several years. We will get new proposals that includes this charge.

The increase will require that customers be notified of the proposed increase and they will have an opportunity to protest the increase. If more than 50% of the customers protest the increase, then the increase cannot go into effect. Consequences of such an outcome are hard to predict. The notification will also include comparisons to rates of other local water systems, but admittedly ours will be the highest, primarily due to our small customer base. We had the benefit of exceedingly low rates for many years.

Patricia proposed a motion the Committee recommend spreadsheet Option 2a-Split Increase with equal incremental increases after the initial increase of 30%, ending in 2026 with a total of \$163,648 per year, with the reserve fund gradually tapered beginning at \$0 and ending at \$30,000 in 2026. Heather moved, Joanne seconded, all approved. The committee recognizes that this plan would not meet the reserve immediately, however, believes it to be more reasonable in light of the current economic crises.

It was suggested that we could have a “Zoom” meeting of customers to inform them of the planned increases. Proposition 218 requirements are that we need to finalize the rate increases by the end of October. We have a minimum of 45 days between the Board decision and the public hearing. The goal is to have new rates for 2021.

There was also some discussion about whether the new water distribution system should include fire hydrants. No requirement is known, but it might be desirable.

5) Water Audit

Patricia reported that Chris at Bracewell recently completed a course on water audits and has volunteered to prepare a preliminary report at no cost to the district.

2:05 Chris Hunter, Mark Chow, Krzysztof Lisaj, Lena Silberman departed.

6) Website

Eric reports no progress but has hopes for next meeting.

7) Meter Mapping

Patricia will check with David Bevin on plans for this.

8) Public Comment

Amanda King observed for the first half hour of the meeting and had to leave due to family obligations.

Meeting adjourned 2:13 pm.

Minutes by Cyrus Yocum, Secretary