

**MINUTES of the REGULAR MEETING
of the Water Projects Committee
ANDERSON VALLEY COMMUNITY SERVICES DISTRICT
To be held via teleconference Phone # 669 900 6833 Meeting ID 845 5084 3330
Password 048078
September 7, 2023 at 10:30am**

Val Hanelt, Kathleen McKenna, Cora Richard, Brent Beazor, Brelje and Race, Malia Helms and Zachary Rounds, District 4 Water Board, Jim Lutticken, Morgan Baynham, Corey Limbach

Minutes of Aug 3, 2023 accepted.

Clean Water: Val reported that the Soils analyses have been received by David Coleman, Brelje and Race Clean Water engineer. The data showed the site was going to work out and Dave is now working on the final treatment plant plans. Val pointed out that full 20 acres was eligible for purchase and when the treatment plant was installed the only visible feature would be the 50'x100' building. Morgan asked about the status of the purchase and Val shared that the owners had agreed to the purchase amount and were aware that it would take a couple more years to settle because we had to be awarded the construction grant to have funds to pay them.

Drinking Water: Brent gave a status update on the easement negotiations. All negotiations are proceeding with final items. The last negotiation that is starting is with Meadow Estates and we are waiting for feedback from them.

Yesterday morning we got an email from our DWSRF (Drinking Water State Revolving Fund – Division of Financial Assistance) project manager, Henry Wijaya, that was disturbing. A “senior” in DFA funding thinks that the commercials (without a residence) should be liable for their installation from the main pipe instead of the lateral from the meter box as we have always informed everyone. Val shared our database (without private personal information) showing that this affects nine parcels. A photo of one other parcel was shared that is a commercial business (realty office) in an actual residence so as decision will have to be made about its status. The ensuing discussion touched on these points – already made by Brent in his strong response to our project manager:

- We have planned on “one meter for one parcel” – this has never been contested before.
- We have always been working on the assumption that the Commercials are responsible for their laterals from the meter box (owned by the CSD) to their business – not from the main line. The Commercials are aware of this.
- We have been working on the assumption that the DFA is funding “consolidation” of Public Water Systems. Commercial hotels and restaurants are in this category.
- If the Commercials have the expense (approximately \$10,000) of connecting to the main instead of just the meter box, how would that be financed? If out of pocket would there be loans available for this? Who would take out the loan? How many would decline to participate? How does that affect our consolidation efforts?

Zach Rounds suggested that we research any earlier communications from DFA supporting our understandings. Val and Kathleen will do a search.

In addition, DFA has requested that our rate study includes versions that rely on loans as well as being 100% grant funded. We are not sure what this means, but it is counter to any earlier understanding. Our fully funded project is dependent on our “severely economically disadvantaged” status derived from our median household average. Does this refer to the approximately \$90,000 extra to be in a loan amount to pay for the commercials getting hooked up? Brent has conveyed to the DFA that if this requirement refers to other loans then the project will likely be doomed.

Once these concerning issues are resolved, Brent will develop the Rate Study which will allow us to proceed with the Proposition 218 letter to the “Yes and Maybe” parcels. Brent explained that the 218 letter only goes to the parcel owners that are affected by the outcome. Jim Lutticken suggested that a letter also go to the “No” parcels so that everyone was aware of the progress of the project, the outcome of the survey, and the rate that was going to be charged. The “No” parcels would not have a vote, but they would see the actual rate that was planned. For some, this might result in deciding to join the system. Jim has consented to read and edit the draft of this letter before we send it out. We thank Jim for this excellent suggestion.