

**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  
November 2<sup>nd</sup>, 2023 at 10:30am**

1. CALL TO ORDER AND ROLL CALL: Called to order by Val Hanelt at 10:30. Val Hanelt, Kathleen McKenna, and Cora Richard.
2. RECOGNITION OF GUESTS AND HEARING OF PUBLIC: Rebecca Goldie (Meadow Estates Board), Jim Learish, Morgan Baynham, Gwen Smith, Norval Johnson (Meadow Estates Board), Corey Limbach (Meadow Estates Board), Malia Helms (Regional Water Board), Zach Rounds (Regional Water Board), David Coleman (Brelje & Race Engineer/Clean Water), Brent Beazor (Brelje & Race Engineer/Drinking Water)
3. CONSENT CALENDAR: No October minutes as no quorum. Sept. minutes were approved with correction (duplication of a paragraph was deleted).
4. CHANGES OR MODIFICATION TO THIS AGENDA: None.
5. REPORT ON CLEAN WATER (WASTE) PROJECT: Dave Coleman (Brelje & Race engineer): Dave has now had time to work with the soils analyses from the geo-tech firm. He reports that all is fine except the permeability results which are not as high as he would have liked. Permeability is significant for sizing the leach field. There will be an adjustment needed and the leach field will have to be larger which will be possible as we have enough high ground to expand. Roy O'Connor's, our Project Manager at the Regional Water Board, advised us to purchase as much land as possible and this has been justified as the soils analysis shows we need more than the 2 ½ acre leach field originally projected. Dave and Roy O'Connor are incorporating the Willow Creek disposal plan as it is similar to ours and the State approved the Willow Creek plans. Dave has sourced a new 'MBR package plant' company in California – Cloacina. He recommends their use of stainless-steel components as they will require less maintenance in that they won't have to be coated or protected from rust. Discussion ensued about the preference for an in-state company as Val reported that Coyote in Redwood Valley was working with a Texas company which meant delays and other problems. Also, there is the issue of the Texas company's components being proprietary which has been a problem for Coyote. Dave pointed out that if the plans call for stainless steel this might a company we could go with. Val pointed out the current plans that Dave is developing under our planning grant are about 10% of the final plans. The full finalization of the plans will be funded under the construction grant and will take probably about 6 months to finish after the construction grant is funded. The final 100% plans will be the plans that will go out to bid.
6. DRINKING WATER: Brent Beazor reported that we are still working on easement agreements for the different locations and hope to wrap up in another month or two. We are not looking for additional wells, we are finalizing the agreements in progress.

**Meadow Estates submitted questions and the Q&A's follow:**

Q. There have been some concerns expressed about possible future use of the current Meadow Estates Mutual Water Company (MEMWC) property that might impact nearby residents. We would like a clause added to the agreement specifying that the use of the property be restricted to water company operations only.

A. We have no problem with this. Q. When the new system will be put in place there will be a switch over from MEMWC to the CSD system. It has been suggested that should take place by 2027. When would the construction work begin?

A. It is difficult to respond as it depends on how long the State takes to allocate the funds. That is why there is a 6-year option in the ME Agreement so that if the project doesn't happen in 6 years it won't happen. But approximately 1 to 1½ years after the construction funds agreement is executed by the State and CSD, and the final plans are bid on, the construction would start.

Q. When construction starts on MEMWC 5-acre property how will that impact our operations?

A. Meadow Estates might have to be on the 'back end' of construction as other elements have to be up and running (tanks, wells) before the changeover from ME to the CSD can take place. Regardless of how we manage the sequence we cannot interrupt the service. There will be a time after the CSD consolidates with ME that the CSD will be maintaining the ME system while it is getting the other wells up.

Q. What happens if there are disruptions due to the CSD contractor's work, is MEMWC liable financially?

A. No. If the contractor breaks a pipe while they are putting in the system, the contractor is responsible for fixing it. As the pipe is still in service, they know it is there.

Q. We understand that the new filtration system will be essentially the same as ME's, only on a larger scale. Our system, and the valley, has a manganese and hydrogen sulfide problem that can be evident (but not harmful) and can discolor the water and create a bad odor. A couple of our customers use an ozone system that cancels out that problem. Is it possible to incorporate it into the new system?

A. We can use an ozone system at a treatment site if it is necessary.

Q. So far, we've had optional surveys. When is the official vote & how will it be conducted?

A. There will be a "Rate Letter" sent to the 238 parcels within the water system boundary. The Rate Letter (which includes an option to protest) will be sent to the approximately 180 parcels that indicated they were interested in hooking up to the system. As of July, when we concluded the survey, we had enough information about how many people indicated interest to allow us to determine rates. This has been a "chicken and egg" issue: we have been asked what the rates will be, and our answer has always been, "it depends on how many people hook up." We are using the "yes" and "maybe" responses to the survey to indicate how many parcels will potentially hook up (This procedure follows State guidelines). Those "not interested" will not have the opportunity to protest the rate as they would not be paying the monthly bill. However, we are going to send the same letter to all 238 parcels so that everyone is aware of how the project turned out. But only those who said "yes" or "maybe" will have the opportunity to protest. The parcel owner can do one of two things when they receive the "Prop 218 Rate" letter. They can do nothing, and that indicates acceptance. Or they can send in a written protest. The written protest responses will be opened at a special meeting and tabulated. If there are 50% plus one protests (91), the project cannot move forward. The point of the survey and the rate letter (protest process) is to convince the State our project is viable and worth the investment.

Brent: The rate letter will give what the base rate is going to be as well as the usage charges. Also, operational costs we need to cover, as well as costs to replace equipment depending on its useful life. The budget will be publicly shared to show how much the District needs to collect. We will break down the budget costs into two categories: Costs that don't change regardless of how much water is pumped (ex. Insurance) and costs that depend on how much water is produced (power, chemicals, filters, etc.). We will show the expected usage

based on the number of accounts. The rate letter that goes out is a brief synopsis with a statement that the full document is available.

Q. Can you explain how you calculate the replacement costs?

A. All equipment has a different term for lifetime usage. For example, chlorine injection pumps last about 7-10 years, pumps in wells about 15 years, water tanks about 40 years. The rate study takes repair, replacement, and maintenance into account. We need to make sure the system collects enough funds to be sustainable and continues to function into perpetuity.

Q. Is a “yes” vote on the survey a contract to receive the new water service once installed or will there be a sign-up period?

A. After the 218/Rate letter and protest process is complete, the next step would be contracts with parcel owners. Any of the 238 parcels can sign a contract. But contracts must wait until the project is funded which will take at least another year or more.

Q. When/if the grant money is issued, will the government agency have conditions on a minimum connection number?

A. The State uses an “average cost per hookup” number. They would like it to be within a certain range. If it goes above that range, (too expensive) it becomes problematic, and we will have to appeal directly to the actual Board of the State Water Board. All the costs Brent is crunching translate to an “average cost per hookup”. The fewer parcels there are to share the costs result in a higher “average cost per hook up”.

Q. Previous meeting minutes have stated Meadow Estate will be a “consolidation”, so all their parcels are joining the project. Will it, in fact, be mandatory [for all the parcels] to join the new municipal system?

A. According to the State, Meadow Estate is considered one unit because of the consolidation guidelines. ME Mutual Water Company was created when the subdivision was created, and each parcel was guaranteed water service from the ME Mutual Water Company system. When consolidation happens, that guarantee transfers from the ME system, which will no longer exist, to the CSD system. The CSD must guarantee service to “any and all” of those parcels whether they have a residential development or not. That means that the CSD must reserve capacity in their system for each, and every, ME parcel. (This does not apply to the parcels who do not hook up in town as this is a consolidation condition limited to the parcels in the ME Mutual Water Company). That also means the CSD must have equipment and insurance to cover those parcels. Therefore, if we didn’t charge the same base rate as everyone else in the project, we would be having the other people in the project paying rates that subsidize the non-participating ME parcels.

Q. But it is not mandatory for all ME parcels to access water.

A. Brent: It is mandatory that all the parcels in that subdivision have the ability to get water from the ME water system.

Q. So you are saying that if ME goes ahead, all 51 parcels will have water access and a meter?

A. Brent: Yes

Q. If people in ME choose not to use water from that meter they will have to pay a stand-by rate per month?

A. Brent: The stand-by rate is the base rate, yes.

Q. Is there any way around it?

A. Brent: Not that I know of.

Q. Can the people who don't want service drop out of the ME Water Company? And by the time the CSD takes it over they're not in the system? And we take over whomever is left?

A. Brent: That is a question of law, and I am not equipped to answer that.

Val: We need to have some legal advice about this.

ME: We would like the CSD to decide so we don't have to spend more money on attorneys.

Val: We already have a decision from the State and that is captured in the agreement.

Brent: We will talk to our counsel. I will provide the State Consolidation Guidelines to you.

A meeting will be set up between the ME Mutual Water Company Board and Val & Kathleen to go over the agreement and pursue any questions and concerns. The CSD preference is to resolve these issues with as little coercion as possible.

Prop 218 question:

Q. There is nothing in the survey that indicates if you say "not interested" you are not participating in the rate protest vote.

A. The rates only affect those who are receiving service. "Not interested" means you do not want service. The Rate Letter is only sent to the people who are potentially writing the checks.

However, all 238 parcel owners will receive the rate letter so the "not interested" owners can let us know if they are now interested.

Everyone is going to have to make their own calculation about the costs of joining. If you hook up with the grant project your meter box and lateral is free. If you decide to hook up later – after the free period – you will have to pay all the costs. The engineers added up all the potential costs – county permit, cost for equipment, breaking into our system and meter box/lateral construction costs, fee to become a member in our CSD system, inspection fees – and it came up to about \$30K in today's dollars.

Q. At the Sept meeting the commercial hook ups were an issue. Has there been an answer about whether the commercials will have to pay from the main through the meter and the lateral?

A. We are displeased but it seems that that is the DFA (State Water Board Department of Financial Assistance) position lately.

Q. Does that only refer to commercials that do not have residences?

A. They appear to be applying this to mixed use as well. (commercial plus residence). We are still working on this issue.

7. MEETING ADJOURNED: 11:54 PM

