

BIG LAGOON COMMUNITY SERVICES DISTRICT
APPROVED MINUTES of the Regular Monthly Board Meeting
Tuesday June 15, 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 6PM.

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, John Donohoe, Margie Adler,

Louise Minor, Larry Davis, Rob Wilson, Cindy Maier

Guest speakers in attendance: Rod Wilburn, VP Engineering, LACO, Jordon Blough, LACO

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

Louise wants to address items 7/9; Dana wants to address item 4; Greg wants to address items 7/8/9; Rob wants to address item 9.

3. Agenda for June 15, 2021 (Bill) Amend / Approval

Dick would like to include in the agenda an item pertaining to Val's retirement and starting the process of finding a new water operator. It was decided that this item would be added to the July agenda. There were no changes to the agenda. Agenda is approved as distributed by Bill.

4. May 18, 2021 Unapproved Meeting Minutes (Bill) Amend / Approval

Dana made the following correction to the May 18, 2021 Minutes - Item 10 Meter Readers Report: add that it takes Dana an additional hour every other month to input water meter data for Dick's billing. Minutes are approved as amended.

5. LACO Report (Rod Wilburn, VP of Engineering)

Bill invited Rod Wilburn, VP Engineering, from LACO to present his assessment of our water system. Jordon Blough (LACO Project Manager/Grant Specialist) was also present. Rod had walked our district with Bill and John D., and thinks that while our current storage of 10K gallons is adequate for drinking water, it is not adequate for fire flow. Bill asked Rod to estimate the cost to replace the pipe running to the school, and to give a separate assessment of our water system based on needs versus wants.

5.1 New pipe to school: The preliminary estimate to replace the existing 2 1/2 " PVC pipe that runs from our well site to the school with a properly trenched 6" pipe is \$215K (\$180K plus 20% contingency). The contingency includes costs for permits and construction management. This estimate would include, in addition to the 6" pipe, digging the trench, installation of the pipe and a new fire hydrant at the school. This project would take about one month to complete and would likely take place in 2022. LACO would act as the design engineer and another company would do the work. Our water may need to be shut off for one day during the project. Rod shared a spreadsheet of itemized, estimated costs for this project. Connecting the new pipe to the three neighboring residences was also discussed. Although there would be a \$45K savings if the original pipe were replaced with a 2 1/2" pipe rather than a 6" pipe, a 6" pipe is required for meeting fire flow needs. Rod estimated that the school would have about 6-7 minutes of fire flow based on our current water storage.

Val (Water Operator) added the following comments: He thinks that we may receive a Notice of Abatement for the existing PVC pipe that crosses the creek. He noted that it was not previously known that a pipe was present, and that CAL Fish and Game / CAL EPA may require that the pipe be removed. They may want the creek to be rehabilitated and the school might be asked to get water from the Park Company. He added that the system is working and we should not be in a hurry to change anything.

5.2 Assessment of our current water system and proposed modifications based on needs, rather than wants: Increased storage is a priority. The challenge with increased storage is how to keep the water from stagnating. A mixer in the tank would solve this issue. Another solution to increase water storage is adding a tank dedicated solely to fire flow. This would involve creating a separate fire flow system.

The issue of water pressure was discussed. Downhill residents at the north end of Oceanview are at 80 PSI pressure, while uphill residents at the south end of Roundhouse average around 30 PSI. Because of this, the southernmost hydrant will not function as well. One idea would be to place a smaller tank at the south end of Roundhouse, which would increase pressure, as well as provide the benefit of more storage. Because of California drought conditions, Rod suggested that it would be prudent for our water district to make adjustments and be prepared for a potential fire or other natural disaster. While our treatment system works fine, Rod recommended that we bring our system up-to-date with a dual set of pumps, which would provide backup if one pump were to fail.

Community discussion: Val mentioned that the state has the power to merge our water district with a neighboring district. The question of the necessity of having fire flow was raised, and it was suggested that the likelihood of a wildfire fire in our area is not high.

A more likely issue would be a house fire. If we decide to place a storage tank uphill (south end of Roundhouse) for fire suppression, we might consider the possibility of connecting to the existing private well on the southernmost, eastern side of Roundhouse.

In answer to Louise's question about the pipe to the school being disallowed because it runs through the creek, Bill stated that the new pipe to the school would not go through the creek, but the road only. The possibility of putting in a new well at the school was raised, which Val supports.

Dana focused on two main issues: 1. The existing pipe that serves the school, as well as three additional residents, is fragile and has been repaired about 5 times in 20 years. This has been a significant expense to the district. 2. Determine it is viable to install a new water storage tank at the school that would serve both the school, and the three residences across the road.

Bill noted that the existing pipe to the school runs through a sensitive riparian zone and was never permitted. BLCSD has a fixed boundary that does not include the school and the three nearby residences, which are all long-term customers. He added that the school can choose to obtain its own water system. Dana replied that the school is not concerned about the water issue and has always received a passing grade from Cal Fire, to which Bill replied that Cal Fire is now concerned given the focus on fire flow. Rod mentioned that regardless of project size, a Preliminary Engineering Report for USDA would cost about \$30K.

5.3 Jordan Blough (LACO) talked about funding opportunities, which include grants, as well as low interest loans from USDA. Grant eligibility is based on many factors. One factor is median income, and ours is too high to qualify. He feels the best path forward for us in terms of funding would be the North Coast Resource Partnership (NCRP), one of the quicker programs as far as allocation of funding. Also NCRP does not have matching requirements. They are about to open up a 9 million dollar grant program. It would be highly beneficial if we were able to tap into NCRP's technical assistance when preparing an application form. FEMA is another possible program, but it is very slow and has a 25% matching requirement. Jordan mentioned that our funding application would be more attractive to a lender were we to partner with the Big Lagoon Rancheria.

Dana mentioned that when the school researched possibilities to acquire funding for fire flow, they found that it is not available because they do not have an existing fire flow system in place. It is more likely that the state would fund the existing water district that is serving the school. Jordan added that the state is pushing to have fewer small water districts and concurred that it is not likely that they would fund a new small system for the school.

Chuck noted there should be great concern that the school does not meet state fire protection requirements. Dana replied that now that the issue has been raised, Cal Fire would no longer look the other way.

Joey noted that it does not matter who is deemed responsible, the issue needs to be addressed. Val mentioned that we need to let our primacy agency lead the way, to which Margie replied that our water district is governed by the board, and we need to lead.

Bill thanked Rod and Jordan for their presentation and he looks forward to continued communications with LACO.

6. Announcing logo poll results (Joey)

In the community vote for our new logo, there were 21 votes total and 41% of the votes went to option #2, the WINNER! Joey will update the website featuring our new logo. We will receive digital files on a thumb drive of the logo, for future use on letterheads, etc. Joey will file the paperwork needed to trademark our logo. In the meantime, he will put a copyright symbol (©) next to the logo for immediate protection. Thanks to Joey for all his good work.

7. School Pipeline Project update (Bill)

Following is a summary of the discussion between the board and community members:

In regards to the question of continuing or ending our relationship with the school, several community members stated that our connection with the school is of long-term benefit to our community.

Dana clarified that the school has never made any requests from our water district to repair the pipe or to provide fire protection. Now that the issue has been raised, it is up to the water district to decide how to proceed. Because the state is now aware of the unpermitted pipeline in a riparian zone, we will most likely have to do something to solve this issue.

Even though the school did not officially request an upgrade to their broken pipe, Chuck, Joey and others stated that, as the stewards of the water system, we are obligated to repair the pipe.

Val noted that the state has suggested getting water from the Park Corporation. Because of their close proximity, some feel it would be wise for the school to consolidate with BL Park Company, who seem to have an excellent well and more storage than we have. There was a question as to what incentive the Park Company would have to take this project on.

Joey described the demise of the once valuable sub-division of Brook Trails (near Willits) due to lack of water. He feels it is very important to protect our property value. This will require a significant investment, which may mean taking on a loan. Margie agrees with this view. Rob also agreed with this view and suggested that we start building funds as soon as possible through raising our water rates (it's been 5 years), and possibly through a special assessment.

Dick noted that in light of our long-term needs, a rate increase is feasible and needs to be discussed. Louise favors a special assessment on our property taxes over a monthly rate increase. Dick noted that a property assessment would require a county election. Joey and Bill both mentioned that we would be looking at a Prop 218 process instead of a special tax assessment because BLCSD is a special district. It was suggested that funding a special assessment could be voluntary. Others favor equal distribution of the financial burden.

In response to Greg's comments that we first need to determine our specific needs and the associated costs before we talk about how to fund, Chuck noted that we have a committee dedicated to this issue. Dana clarified that the committee is working on fire suppression issues and not specifically the pipe issue. She also added that once the water district gains clarity as to how we are going to address the pipe repair, we can share this information with the school, who will then see how they might help us source funding.

Dana suggested it would be very beneficial for Val to share his communications/information from the State Water Boards with the BLCSD board. This would help solve any disconnect we are having with communication. Val replied that he tries to be forthcoming with information and once again encouraged us to look to Barry Sutter and Scott Gilbreath for guidance. Dana also requested that if Val has specific information pertaining to opportunities for reviving the school well, the school board would welcome that information.

Bill noted that he was successful in receiving technical assistance from the State Water Boards pertaining to water security at the school and the three nearby residences. He added that SWB might be willing to fund \$180K toward the pipe repair project. He was about to have a preliminary kick-off meeting with Barry Sutter and Scott Gilbreath, when he received an email that the meeting was postponed indefinitely because the community was not in support of the project. Bill did not understand the reasoning for the postponement. Val replied that he felt there was a problem because Bill had applied for an amendment to our water license. Bill replied that he did not apply for an amendment to our license. Val also stated that something in writing from the entire board, not just from the chairman, was required. Because of these reasons, and also because he felt everything was moving too fast, Val issued a letter of rescission to the SWB. Val noted that he is the state's representative on the ground and that he would support this effort were he convinced that the community was behind the project.

Bill stated that he also heard from SWB, and he emphasized that the community is not ready to commit until it knows more about the project, the options, and what it may cost. That was the purpose of the SWB Kick-Off meeting. Bill, Chuck and Margie all feel this project is under the board's jurisdiction. Val said he did what he felt was right.

Dana added it is essential that communications among our selves and with all outside entities be aligned and respectful. It is important that the relationship between the water operator and the BLCSD board be mended.

Greg stated that we need community buy-in on whatever we decide to do. He feels that the confusion surrounding a previously called, then cancelled, special meeting contributed to a negative perception by some community members.

Gus emphasized the need to seek guidance from the California Water Boards. We need to look into the reality of future consolidation with other water districts. We need a strategic plan. We stand stronger as a community working together and being mutually supportive. He also noted that we are a new board on a learning curve and that we are learning from our mistakes. He feels that tonight's discussion, although contentious at times, has been healthy because thorny issues came to the surface. He urged us to reduce blame going forward and instead operate with the assumption that we are all trying our best to achieve positive results for our community.

Val mentioned that to conserve water, we should keep our eyes out for water leaks and hoses left on unintentionally.

11. Public Comment

Dana wants to make sure these two items from the previous agenda be placed on July's agenda and do not get overlooked: Future Meter Options and Water Operator Replacement.

Louise requested that a discussion regarding accounts receivable and our policy regarding placing liens be on our July's agenda. Bill agreed.

12. Future Agenda Items from Board Members

Because of the late time, Bill suggested that the rest of the agenda items be tabled until the July meeting. The board approved this motion.

13. Adjourn

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

The next regular meeting will be Saturday July 24, 2021 at 6PM.

Submitted by Mara Friedman, Board Secretary