

WESTHAVEN COMMUNITY SERVICES DISTRICT
Regular Meeting Minutes
August 17, 2022

1. CALL TO ORDER

Board President Verick called the meeting to order at 6:38 PM. In attendance were:

Board Members: Verick, Hankin, Cline, Swisher & Llanos

Absent: None

Staff: Rosenblatt, Martin, Whitlow-Hewitt & Levang

Guests: Elaine Weinreb

2. PUBLIC COMMENT

Weinreb asked what are the squiggly lines painted on the ground on Westhaven Drive and 6th Avenue. Rosenblatt replied that the surveyors have been marking the maximum area of which the new waterlines would be placed.

3. AMEND / APPROVE ORDER OF AGENDA ITEMS

Weinreb had not yet been able to join the zoom meeting so it was suggested that we move forward with the agenda and address the public comment once Weinreb is able to join the meeting.

Swisher moved to approve the order of agenda items with the exception that Public Comment would be inserted in when the public was able to connect into the Zoom meeting. Seconded by Verick; all approved.

4. RESOLUTION 2022-42-13 REGARDING AB361 REMOTE MEETING

4.1 Resolution 2022-4213 regarding Ab361 Remote Meeting Via Zoom

Cline moved to approve Resolution 2022-12 Remote Meeting. Seconded by Verick; all approved.

Hankin noticed that we have two new resolutions using the number 2022-12

Hankin moved to rename Resolution 2022-12 Remote Meeting to Resolution 2022-13. Seconded by Verick: all approved.

5. AMEND / APPROVE MINUTES

5.1 July 20, 2022 regular meeting minutes

The minutes were amended as follows:

- Item 9.1, 2nd to the last sentence, change to read *“He has been waiting 7 months for the additional funding to complete the environmental documentation”*.
- Item 8.2, 6th line, change ~~“waterlines that were replaced”~~, to read *“existing waterlines”*.
- Item 10.1, last sentence, change ~~“two days of staff time to remove”~~, to read *“two days of California Conservation Corps crew time and travel to remove.”*
- Item 11.1, 3rd line down correct ~~WSCD~~ to *WCSD*.
- Item 11.1, 4th line down, change ~~“a check will go to”~~, to read. *“a check from DWR will go to”*.
- Item 11.1, 11th line, which reads, ~~“confirmation that the entity receiving water treats the water”~~, correct to read *“that the entity supplying the water treats the water”*.
- Item 11.1, 12th line change ~~“moved on to the concern that with inflation whether or not there is enough funding to complete the project”~~, change to read *“moved on to concern that, with inflation, there may not be enough funding to complete the project”*.

Hankin moved to approve July 20, 2022 regular meeting minutes as amended. Seconded by Verick; all approved.

6. FINANCIAL REPORTS, DISCUSSION AND APPROVALS

6.1 Director's Report-monthly billings and collections - discussion

Board packets contained Directors report. Total July, 2022 water sales were \$23,758.84, and total receivables were \$28,025.35. Rosenblatt reported there was a service lateral leak July 6 on 7th Avenue. On July 31st there was a leak that will show on next month's reports. Verick asked about the variance in amounts of water that customers were using. Rosenblatt said the customers with high usage was for gardening. In case of water shortages he would call those customers first to request they adjust water usage. There are different conservation standards for food gardening and landscape gardening.

6.2 Water Consumption and Sales - Board packets contained Water Consumption and Billings-Commodity Charges Only report. July, 2022 gallons billed 567,100; average gallon per day per meter readings 99; per person 45, average monthly charge per accounts \$44.18 total monthly charges \$9,056; monthly deviation from budget \$496.

There was discussion regarding that there was little deviation from the budget in July. This time of year water usage is higher and there should be a larger deviation from budget to balance to for lower water usage in the winter months. The concern is that we will be under revenue in this years budget. If we do come up short we need to look closer at what our expectation is for water usage, and if we keep taking funds from the reserve account we need to more seriously review next year's budget and discuss adding money into the operating reserve.

6.3 Income & Expense Report – discussion

Board packets contained an Income & Expense report for July, 2022. Total income \$19,973, total expense \$19,935, with a net operating income of \$38. No discussion.

6.4 Finance Officer's Recommendations – No recommendations

6.5 Treasurer's Report and Recommendations – discussion

Board packets contained a copy of the July, 2022. Treasurer's report. Account balances were as follows: Capital Reserves \$231,123.74; Operating Reserves \$52,391.44; DWR Reserve CD \$28,902.26; DWR Loan Savings \$11,026.98; Checking Account as of 8/12/2022 \$11,656.56. Cline asked about the \$60,000 that was to be transferred from the Capital reserve to the checking account. Levang said she contacted the County requesting information on where they are in the process, she hasn't heard back yet. Discussion of the formatting on the report at the bottom of the page. Levang will look into why that happened and correct.

6.6 November/December Warrants – discussion/approval

Verick moved to approve warrants #'s 7116 through 7142, one Federal payroll tax deposit and one State payroll tax deposits, and three debit card charges, totaling \$18,189.44. Seconded by Cline; all approved.

7. MANAGER'S REPORT

7.1 Water Loss decreased from 8.3 GPM in May to 2.7 GPM in June for 16.0% of total production of 675,460 gallons. One known system leak.

Board packets contained a summary table of 13 months water loss history. July 2022 water loss is at 16.0%, average water loss in the last 13 months is 24.8%, Rosenblatt reported several leaks in June and one small leak in July.

8. UPDATE ON GRANT FUNDING AND RELATED ACTIVITIES

8.1 The DWR Small Community Drought Grant work is proceeding.

Rosenblatt reported that the surveyors have been surveying the waterlines. Tom Warnock with PACE Engineers was here on Saturday, August 14. Rosenblatt, Warnock and Llanos, walked and identified where the District waterlines cross with the Moonstone Heights Mutual

Water Association (MHMWA) water lines and identified the horizontal boring portion. They met with Roland Johnson, Vice President of MHMWA Board. They also confirmed the waterline portion of the project is moving forward. Rosenblatt is working with the planner to submit for emergency permits.

8.2 Update on activities related to well drilling. The well driller will be submitting a contract, or purchase order, scheduled to be signed in the next ten days. The Coastal Development Permits have been issued and are in the renewal process. There are other permits specifically for well drilling for which the drillers are responsible. It should take about three weeks after the signed contract for the permits to be submitted. All three wells will be drilled and we will be analyzing their water production. We are putting data loggers in the wells and in the neighboring wells. We are hoping for 3 gallons per minute per well.

8.3 Discussion of the potential financial risk WCSD is facing with multiple grant projects. The concern is that WCSD may need to get a line of credit or a bridge loan to pay contractors in part because it is estimated that it could take 2 ½ months to receive payments once a request has been sent to the State. Hankin stated the risks are (1) cash flow problems and (2) that the funding might turn out to be less than the contractor bids, due to unexpectedly high inflation. Rosenblatt said there is 700 feet of waterline installation that could be eliminated and that the District has already eliminated installation of two fire hydrants from the project. Rosenblatt reported that they put a 20 - 30 % contingency into the grant to account for inflation. Rosenblatt thinks we will be financially okay with the DWR Drought Grant. The contingency plan is to get a bridge loan which is short term loan with a lower interest rate. There was discussion of if and when we got to that point what we will do. How do we shed financial risk before it causes a fiscal threat in short and long term to the District. Llanos added that the concerns are valid, however if it were to happen, we will not be the only Agency at risk and DWR is very aware of these issues. DWR will work with the agencies; they want the projects to succeed, but there are no guarantees.

Discussion ensued on a strategy entailing reducing the scope of the project or identifying if there is a way to shed the project without creating serious negative fiscal problems for the District. The best alternative is to work with DWR. The discussion continued with the board questioning how much the District is willing to spend from the reserve and whether or not to put a cap on how much to spend. There was discussion of creating a new policy but it was decided that it made more sense to proceed on an ad hoc basis. This concern is a greater with the Trinidad Intertie grant.

9. TECHNICAL ASSISTANCE GRANT FROM STATE DIVISION OF FINANCIAL ASSISTANCE (DFA)

9.1 Update on progress of technical assistance grant for the new Water Plant. Rosenblatt explained that approximately 7 months ago he requested additional funds for design, including \$20,000 to WCSD to reimburse PGE for design work and septic, and to complete environmental permits. DFA approved the additional funding and we are still waiting to receive the funds.

10. NORTH COAST RESOURCE PARTNERSHIP TECHNICAL ASSISTANCE GRANT TWO CREEK CAPP

10.1 Update on progress of technical assistance grant for writing the Conceptual Area Protection Plan (CAPP) for the Two Creek watershed. Work is being done by Mark Andre and BBW. Mark Andre is preparing a rough draft. Rosenblatt spoke with the Orick Yurok tribal council member and asked for her input on the plan. She is very supportive and interested in the district protecting the environment. The Yurok tribe is knowledgeable on how native plants impact the environment.

11. INTERIM EMERGENCY INTERTIE AGREEMENT

11.1 Explanation of the payment process and potential risk factors. Levang gave an overview of the payment process. It was discussed to request for payment monthly instead of

quarterly to help with the two+ month lag between payment request and receipt of payment. Discussion of working with the contractors to agree to be paid when the District is paid. Llanos agreed to do some research and report back to the board on how other agencies have approached and negotiated with contractors

- 11.2 Interim emergency intertie agreement between the City of Trinidad and Westhaven CSD. At the last WCSD board meeting there were questions the members wanted addressed concerning the agreement with the City of Trinidad. The WCSD Intertie Committee met with the City of Trinidad and made revisions to the agreement. The revised agreement is attached and both the City of Trinidad and the WCSD board are reviewing and approving the same interim agreement. The interim agreement needs to be approved before we can get started on the project. Llanos provided notes from the 8/23/2022 Intertie Committee meeting and gave an overview to the board. Verick offered to make some edits to the draft agreement which is intended to be submitted as suggestions for the actual agreement between the City of Trinidad and WCSD.

Verick moved to approve the attached interim emergency intertie agreement between the City of Trinidad and Westhaven CSD. Seconded by Cline; all approved.

12. ORDINANCE 2022-1 ESTABLISHING REGULATIONS FOR CROSS CONNECTION CONTROL

- 12.1 ORDINANCE 2022-1 Establishing Regulations For Cross Connection Control
This is the second reading of the ordinance

Verick moved to approve Ordinance 2022-1 Establishing Regulations for Cross Connection Control. Seconded by Swisher; all approved.

13. CALIFORNIA NEW SHUT OFF PROTOCOLS

- 13.1 Review WCSD Resolution 2022-12 Establishing Billing and Collection Procedures For Water Service and Procedures for Disconnection and Suspension of Water Service (Replaces Resolution 2013-6)

The attached Resolution did not track the changes so was tabled until next month.

- 13.2 Senate Bill #998 Chapter 891 regarding shutoff protocols for water utilities
Discussion of how the district will cover the additional expenses due to Senate Bill #998 which restricts the Districts ability to collect on water service debts. Proposition 218 distinguishes between what we can charge as fees and water service charges. Swisher pointed out that in the budget we could include uncollected revenues, which is an estimation of cost and addresses proposition 218 requirements for increases in service charges.

14. REVIEW CONFLICT OF INTEREST CODE

- 14.1 Resolution 06-7 A Resolution for the WCSD Adopting a Conflict of Interest Code Pursuant to the Political Reform Act of 1974 – Review and determine if revisions are necessary because of changes in State law or District circumstances. No changes are necessary

Verick made the motion that Resolution 06-7 remains the same, that amendments are unnecessary. Seconded by Cline; all approved.

15. LETTER OF ENGAGEMENT FOR WCSD AUDIT FOR FISCAL YEARS 21-22 & 20-21

- 15.1 Letter of Engagement of The Pun Group to perform WCSD Audit for years ended June 30, 2022 and June 30, 2021. Rosenblatt included the letter of engagement to inform the board of the upcoming audit to be performed by the PUN Group.

16. RETURN TO IN-PERSON MEETINGS

- 16.1 Return to in-person meetings – consensus to continue meeting via Zoom.

17. DISCUSSION OF PHILOSOPHICAL, POLITICAL AND META ISSUE ASPECTS OF THE DISTRICT'S EXISTENCE AND OPERATION.

17.1 Discussion of philosophical, political and meta issue aspects of the district's existence and operation. No discussion

18. ITEMS FROM MEMBERS OF THE BOARD FOR FUTURE MEETINGS

None

Rosenblatt thanked the board for their engagement, participation and hard work.

20. ADJOURN

Verick adjourned the meeting at 9:22 PM.

Respectfully Submitted,

Roxanne Levang
WCSD Secretary