

**Regular Meeting of the Alleghany County Water District Board of Directors
AND Public Hearing
Tuesday May 10, 2022 at Alleghany Fire Station 2 ~514 Miners St.**

1. Call to Order & Establish a Quorum The meeting was called to order by President Mehrmann at 6:09 pm. Directors present: Tobyne Mehrmann, Robbin DeWeese and Coral Spencer. Director Nancy Finney had informed staff that she could not make it due to illness. Secretary Amber Mehrmann was on vacation. Also present: CWO Bruce Coons and GM Rae Bell Arbogast, who took the minutes. Public present: None

2. Approve Agenda:

A motion was made to approve the agenda with two corrections. **Motion made by Coral Spencer 2nd by Robbin DeWeese Ayes: Tobyne Mehrmann, Robbin DeWeese and Coral Spencer Nays: 0 Absent: Nancy Finney Abstain: 0 Vacant 1**

3. Public Hearing to discuss proposed rate change:

The public hearing was opened at 6:10 p.m. No public was in attendance. Rae Bell reported that the Public Hearing notice was mailed with the water bills on May 3rd and posted in three Public Places in Alleghany on April 27th. She also reported that she had gotten positive feedback on the proposed rate change from five customers and no objections. The public hearing was closed at 6:13 p.m.

4. Consent Calendar:

Approval of minutes and treasury report: A motion was made to approve the consent calendar with one correction to the April 12th minutes. **Motion made by Robbin DeWeese 2nd by Coral Spencer. Ayes: Tobyne Mehrmann, Robbin DeWeese and Coral Spencer Nays: 0 Absent: Nancy Finney Abstain: 0 Vacant 1**

5. Information/Discussion Items

a) Correspondence: Incoming: Blank Statement of Facts form and cover letter from Sierra County Clerk-Recorder. Outgoing: Consumer Confidence Report (CCR) submitted to the State, CCR notice of availability sent to all customers along with Public Hearing Notice and water tank situation update, annual water rights report for Cumberland Spring submitted.

b) SRF Projects Update: The budget for the Technical Assistance Agreement between the State Department of Finance and California Rural Community Corporation for the environmental work for the Ram Spring Project was increased to \$46,316 adding funds to cover the permit fees. As reported at the Special Meeting on April 26th, the Ram Spring Project Application was FINALLY completed on April 22nd (took 2 years to get it done).

c) Board/Staff Reports: CWO and GM Report:

CWO: Bruce Coons reported that the total finished water produced in April was 109,010 gallons and the average raw water flow was 63.5 Gallons Per Minute (GPM) The Volatile Organic Compounds (VOCs) test is due this month. It was explained that this test checks for petroleum by-products and is required once every six years. The waiver for the Chlorine by-products submitted by the GM last year was approved. This will save around \$460 over the next two years. Nitrite is also due in August.

GM: Rae Bell reported that she has not heard back regarding the Technical Assistance with the tank inspection since the previous week. The plan had been approved by the State. She will follow up again.

The Consumer Confidence Report for 2021 was done as was the Water Rights report for the Cumberland Spring.

d) Historical Church/Library Report: Robbin stated that Library Members can get a plaque to place in a vehicle window for free parking at State Parks.

Rae Bell reported no progress on the heater.

e) Park Report: The fountain has not been fixed yet.

6. Unfinished Business

a) Customer Accounts/Billings/Disconnects: No shut-off notices were issued in April. The one customer who was on a payment plan defaulted. A medical issue is involved so the account has not been shut-off. Rae Bell has signed ACWD up for the new Low Income Household Water Assistance Program (LIHWAP). It is a Federal fund being administered by the State. Hopefully this can be used to help some ACWD customers including the one who defaulted on the payment plan as mentioned above. The program should be starting any time and ends in August of 2023. The allocation is up to \$2,000 per customer and it will be disbursed on a “first come first serve basis”. Unfortunately, it does not include any funding for administration which means that the GM will be doing this work on a volunteer basis.

b) Ordinances, Policies & Procedures and Bylaws: A draft copy of a revision to Policy # 102 was handed out at the meeting. A few corrections were made. This will be considered for adoption in June. It was noted that the “operations fund” addition is based on the recommendation made in the rate analysis conducted by the California Rural Water Association and funded by the State Department of Finance.

c) Vacancy on the Board: Nothing new to report.

d) Job Descriptions: Nothing new to report.

7. New Business

a.) Adopt resolution #116 to Start the Proposition 218 Process

b.) Preliminary Budget first presentation to be considered for June adoption

The two “new business” items were discussed in tandem, because of the direct relationship between the budget and the need to raise the rates. Budget worksheets were provided by the GM. It was noted that even with the proposed new rates plugged into the budget worksheet, there was not enough income to cover the projected expenses. It was noted that the Chlorine by-product test waiver granted that day would shave \$232 off expenses. A few other places to shave off expenses were identified creating confidence that with the new rates plugged in, including a small amount for water use overage income, the GM could get the preliminary budget to balance for June adoption.

All in attendance agreed that it would be prudent to include an additional future increase of at least \$2.00 on the flat rate to avoid having to repeat the Proposition 218 process in the next year or two. After discussion, it was decided that a 75 cent per year increase over three more years should be affordable for the customers and this would add another \$2.25 to the flat rate by the year 2025.

It was noted that for the higher gallon water users, the proposed rates would still be considerably less than the recommendation made in the State Funded rate analysis. Looking at 10,000 gallons of water use the cost will be as follows: year one 2022 \$52 ~ 2023 \$52.75 ~ 2024 \$52.50 and 2025 \$54.25 versus a range starting at \$69 and ending at \$73.89 per the State funded rate recommendation.

Compared to the State funded recommendation, the proposal as developed by ACWD spreads the cost of the increase more evenly among all customers and the 8,000 gallons included in the flat rate is not changed. The board is hopeful that this will be sufficient to keep the contingency fund “whole” and build up the equipment repair and maintenance fund without the need for a bigger rate increase after the four years is up.

A motion to adopt Resolution 116 with the addition of a 75 cent per year increase to the flat rate over a period of three years was made by Coral Spencer 2nd by Robbin DeWeese.

Ayes: Tobyn Mehrmann, Robbin DeWeese and Coral Spencer Nays: 0 Absent: Nancy Finney Abstain: 0 Vacant 1

6. Public Response Time: None

7. Next meeting Date, Items for next Agenda and Adjournment

Next meeting will take place June 14, 2022 at 6pm at Station 1 in Alleghany. A public hearing as part of the Proposition 218 procedure is scheduled for June 28th assuming the mailing is done at least 45 days in advance which is by May 14th.

There being no further business before the Board, the meeting was adjourned at: 7:14 pm.

Respectfully submitted by:

Rae Bell Arbogast, Deputy Secretary