

**Minutes of the Regular Meeting of the Alleghany County Water District Board of Directors
Tuesday, December 13, 2016 Alleghany Firehouse, 105 Plaza Court Alleghany**

Call to Order: 6:04 PM

Quorum Established: Present were Directors: Rae Bell Arbogast, Tobyn Mehrmann, Robbin DeWeese, Madeleine Hamb, and Oregon Burns Tenney V (O.B) Also present was Water Treatment Operator Bruce Coons & public: Ernest & Nancy Finney, Vickie & Gus Tenney, Glen Renfree and Rebecca Wilkerson. Larry Allen was present but left after administering the oaths of office. Secretary Baker was absent due to his EMT class.

Administer Oath of Office: District Attorney Larry Allen administered the oath of office for re-elected directors Rae Bell Arbogast, Madeleine Hamb and Oregon Burns Tenney V.

Consent Calendar:

- A. Approval of the Agenda
- B. Reading and approval of the minutes for the Regular meeting dated November 8, 2016.
- C. Approval of Treasury Report and Claims for November 2016 and correction to October 2016 report.

Motion made to approve the Consent Calendar with one date correction to agenda by Tobyn, Madeleine second. Ayes: Arbogast, DeWeese, Hamb, Mehrmann, Tenney,. Naves: 0. Absent: 0 Abstain: 0 Vacant: 0. Motion Carried

Public Response Time: Rebecca Wilkerson made a statement that she did not like the conduct of Rae Bell Arbogast.

Information/Discussion Items:

Correspondence:

Incoming: Official Election result papers from Sierra County Recorder's office

Notice of Statement of Facts filing from Sierra County Recorder's office

Worker's Comp Audit notice from State Fund Insurance

Outgoing:

Median Household Income survey forms mailed to RCAC

Water Test Results: December both treated and raw: absent total coliform, absent E.coli

President's Report: Attached to these minutes.

Water Treatment Operator Report: Bruce reported that his chlorine analyzer is not working *very well and he will need to purchase some test equipment. He provided a summary of spring flow data as requested by a customer.

Historical Church/Library Report: The net proceeds from the concert were \$1,735.03. Contractor Bob Eirmann looked at the church last week and said that he has an electrician who could give us an estimate for the cost to re-wire the building.

Park Report: None.

Board member or special committee reports: None

Planning project update: As attached to these minutes with further discussion on this topic taking place with the adoption of resolutions 102 and 103 under “New Business”.

Unfinished Business:

- A. Customer accounts/billings/disconnects: Two 10-day notices mailed on November 15th, both paid.
- B. Ordinances, Policies and Procedures, and Bylaws: Draft Contingency Fund Policy provided & discussed.

New Business:

- A. Resolution 102 to apply for funding to replace the Town’s water storage tank. After discussion a **Motion to adopt Resolution 102 made by Robbin, Madeleine second. Ayes: Arbogast, DeWeese, Hamb, Mehrmann Tenney Naves: 0. Absent: 0 Abstain: 0 Vacant: 0. Motion Carried**
- B. Resolution 103 was presented in two draft forms. After deliberation the board opted to adopt the second version titled: A RESOLUTION TO AUTHORIZE SPECIFIC AMENDMENTS TO FUNDING AGREEMENT #D15-02031. **Motion to adopt Resolution 103 made by OB, Tobyn second. Ayes: DeWeese, Hamb, Mehrmann Tenney. Naves: 0. Absent: 0 Abstain: Arbogast Vacant: 0. Motion Carried**
- C. Resolution 104 to update the District’s Signature card at tri-counties bank. **Motion to adopt Resolution 104 made by Madeleine, Tobyn second. Ayes: Arbogast, DeWeese, Hamb, Mehrman, Tenney Naves: 0 Absent: 0 Abstain: 0 Vacant: 0. Motion Carried**

Next Regular meeting: Tuesday, January 10, 2017, 6:00 p.m.

Items for next agenda: Appoint officers, contingency fund policy.

There being no further business before the Board, the meeting was adjourned at: 7:30 p.m.

Minutes respectfully submitted by Rae Bell Arbogast because the recorder did not work as planned.

X 

Alleghany County Water District

P.O. Box 860, Alleghany, CA 95910 ~ alleghanywater@gmail.com ~ Phone 530-287-3204

~ Established March 8, 1939 ~

CERTIFICATE OF POSTING

I, Rae Bell Arbogast certify that the following document was posted on behalf of Alleghany County Water District, Sierra County California:

Agenda Regular Meeting, Meeting Date 12/13/16

In the following location(s):

Alleghany Post Office Bulletin Board on 12/9/16. Packets placed in box.

On the door of the Alleghany Firehouse (meeting location) 12/9/16

Emailed with meeting packets to agenda email list.

A copy of which is attached hereto and by reference made a part herof.

Signed under penalty of perjury: X



Rae Bell Arbogast

NOTICE

OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF ALLEGHANY COUNTY WATER DISTRICT

Date: Tuesday December 13, 2016 Time: 6:00 pm

Location: Alleghany Firehouse 105 Plaza Ct. Alleghany

This agenda has been prepared and posted at least 72 hours prior to the regular meeting of the Board of Directors in accordance with the Ralph M. Brown Act. Agenda items are numbered for identification purposes only and will not necessarily be considered in the indicated order. Details and supporting materials concerning agenda items are available for public reference by calling 530-287-3204 or email: alleghanywater@gmail.com

1. Call to Order & Establish a Quorum
2. Administer Oath of Office for Rae Bell Arbogast, Madeleine Hamb and Oregon Burns Tenney V
3. Consent Calendar
 - a) Approval of the agenda
 - b) Reading and approval of the minutes for the regular meeting dated November 8, 2016.
 - c) Approval of Treasury Report and Claims for November 2016 and correction to October report.
4. Public Response Time –The public may be heard before or during the consideration of any agenda item to be considered by the board, subject to reasonable time limitations for each speaker. Members of the public may address matters under the jurisdiction of the Board of Directors, and not on the posted agenda, provided that no action shall be taken by the board unless the matter is deemed urgent by a 2/3 vote.
5. Information/Discussion Items
 - a) Correspondence
 - b) Water Test Results for December Treated water: Absent Raw Water: Absent
 - c) President’s Report
 - d) Water Treatment Operator Report
 - e) Historical Church/Library Report
 - f) Park Report
 - g) Board member or special committee reports
 - h) Planning Project Update
6. Unfinished Business (Discussion & Possible Action Items):
 - a) Customer Accounts/Billings/Disconnects Two 10-day notices were mailed on November 15th – all paid.
 - b) Ordinances, Policies & Procedures and Bylaws: Draft contingency fund policy included in packets.
7. New Business (Discussion & Possible Action Items):
 - a) Resolution #102 to apply for funding to replace the town’s water storage tank
 - b) Resolution # 103 to amend original request for funding for planning project
 - c) Resolution # 104 to update signature card at tri-counties bank
8. Next meeting date, Items for next Agenda & Adjournment. Items for next meeting agenda: Appoint Officers
Next regular meeting January 10, 2016

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Treasurer's Report

Alleghany County Water District

MAIN ACCOUNT			Beginning Balance	\$ 5,634.07	
Deposits					
Date	From:	For:	Amount		
11/15/2016	Customers	Water Sales	\$	460.00	
11/16/2016	Outback	\$350 unmetered water sales + \$400 donation	\$	750.00	
11/16/16	Non-enterprise account	\$250 insurance \$240 admin. Fee per budget	\$	490.00	
11/21/2016	SWRCB	Planning project deposit	\$	23,910.50	
11/29/2016	Customers	Water Sales	\$	743.25	
11/30/2016	Customers	Water Sales	\$	80.00	
11/30	Customers	Water Sales	\$	877.60	
			Deposits Total	\$ 27,311.35	
Expenditures					
Ck #	Date	To:	For:	Amount	
1047	11/01/16	Bruce Coons	October Bill - WTO	\$	362.40
			WTO Contract	\$	250.00
			Milage	\$	112.40
EFT	11/21/16	PG&E	\$222.17 Pumphouse + \$9.93 Cumberland	\$	232.10
5095	11/21/16	B&C	VOID - wrong date printed on check		
5096	11/21/16	Brown's Gas	VOID - wrong date printed on check		
5097	11/21/16	B&C	Chlorine + batteries	\$	37.77
1048	11/22/16	Postmaster	Stamps	\$	47.00
5098	11/21/16	Brown's Gas	Propane	\$	83.32
5089	11/22/16	Altec	Planning project engineering	\$	6,501.75
5090	11/22/16	Board of Equalization	Water rights fee	\$	150.79
5091	11/22/16	Cranmer	Water tests	\$	56.00
5092	11/22/16	Ed Snyder	Sept + Oct Bills - WDA	\$	132.00
5093	11/22/16	Edda Snyder	October Bill - Bookkeeper	\$	100.00
5094	11/22/16	North State Drilling		\$	17,408.75
5099	11/22/16	USDA	Loan payment	\$	3,390.00
			Expenditures Total	\$ 28,501.88	
			Ending Main Account Balance	\$ 4,443.54	
			Amount on Loan from Non-enterprise acc.	\$ 3,000.00	
			Enterprise-only fund balance	\$ 1,443.54	
NON-ENTERPRISE ACCOUNT			Beginning Balance	\$ 11,321.71	
Deposits					
Date	From:	For:	Amount		
11/14/16	Sponsors	\$400 concert sponsors, \$40 admission fee, + \$276 donation	\$	896.00	
			Deposits Total	\$ 896.00	
Expenditures					
Ck #	Date	To:	For:	Amount	
4005	11/7/16	Buckstar	concert performance	\$	445.00
4006	11/7/16	David Arbogast	Reimburse for concert supplies	\$	230.97
4007	11/15/16	Mountain Messenger	concert ad	\$	50.00
transfer	11/16/16	Main account	\$250 Insurance \$240 admin fee per budget	\$	490.00
EFT	11/24/16	PG&E	Church	\$	9.77
			Expenditures Total	\$ 1,225.74	
			Ending non-enterprise Account Balance	\$ 10,991.97	
			Amount on Loan to Main acc.	\$ 3,000.00	
			Non-enterprise fund balance	\$ 13,991.97	

November 2016

August 2016 Historical Church/Park Tracking

Historical Church START				PARK START				TOTAL	
Date	Income	Expenses	Balance	Date	Income	Expenses	Balance		
July		\$ 9.86	\$ 9,031.85	July			\$ 2,386.87	\$ 11,418.72	
August		\$ 9.85	\$ 9,022.00	August		\$ 187.04	\$ 2,199.83	\$ 11,221.83	
September	\$ 1,500.00	\$ 10.58	\$ 10,511.42	September			\$ 2,199.83	\$ 12,711.25	
October	\$ 1,620.00	\$ 9.54	\$ 12,121.88	October			\$ 2,199.83	\$ 14,321.71	
November	\$ 896.00	\$ 1,225.74	\$ 11,792.14	November			\$ 2,199.83	\$ 13,991.97	
December			\$ 11,792.14	December			\$ 2,199.83	\$ 13,991.97	
January			\$ 11,792.14	January			\$ 2,199.83	\$ 13,991.97	
February			\$ 11,792.14	February			\$ 2,199.83	\$ 13,991.97	
March			\$ 11,792.14	March			\$ 2,199.83	\$ 13,991.97	
April			\$ 11,792.14	April			\$ 2,199.83		
May			\$ 11,792.14	May			\$ 2,199.83		
June			\$ 11,792.14	June			\$ 2,199.83		
Hist. Church BALANCE			\$ 11,792.14	PARK BALANCE			\$ 2,199.83	\$ 13,991.97	
CONCERT FINAL				Loan to main acc				\$ (3,000.00)	
Concert Income	\$ 2,616.00			Actual Checking balance				\$ 10,991.97	
Concert Expense	\$ 880.97								
Profit	\$ 1,735.03								

Treasurer's Report

Alleghany County Water District

MAIN ACCOUNT		Beginning Balance		\$	6,568.36
Deposits					
Date	From:	For:			Amount
10/1	Customers	Water Sales	\$		1,649.57
10/15	Customers	Water Sales	\$		984.00
10/19	Customers	Water Sales	\$		452.00
10/24	SWRCB	Planning Project deposit	\$		8,587.55
10/31	Customers	Water Sales	\$		833.00
				Deposits Total	\$ 12,506.12
Expenditures					
Ck #	Date	To:	For:		
1045	10/1/16	Bruce Coons	September Bill - WTO	\$	340.85
			WTO Contract	\$ 250.00	
			Mileage	\$ 90.85	
5075	10/3/16	AT&T		\$	16.89
5076	10/3/16	Boden, Klien & Sneesby	Fiscal Year Audit	\$	2,000.00
5077	10/3/16	Brown's Gas Co.	Propane	\$	67.00
5078	10/3/16	Cranmer Engineering	Water Tests	\$	56.00
5079	10/3/16	Ed Snyder	August Bill - WTA	\$	72.00
5080	10/3/16	HACH	Chemicals	\$	182.75
5081	10/3/16	Sierra County Tax Collector	Solid Waste Fee - Cumberland	\$	23.38
5082	10/3/16	Softline Data	Ubmax yearly subscription	\$	382.50
1046	10/5/16	Postmaster	Stamps	\$	47.00
5083	10/15/16	Cranmer Engineering	Water Tests	\$	281.00
5084	10/15/16	Edda Snyder	Aug + Sept Bills - Bookkeeper	\$	200.00
5085	10/15/16	Leslie Baker	Meetings on 7/28, 8/9, 9/6 & 9/13	\$	150.00
5086	10/15/16	Marsha Burch	Planning Project Legal	\$	100.00
EFT	10/19/16	Tri-Counties Credit Card	2 Compressor Motors	\$	736.55
EFT	10/24/16	PG&E	Pumphouse	\$	391.81
5087	10/26/16	Affinity	Planning Project Engineering	\$	3,534.75
5088	10/26/16	Altec	Planning Project Engineering	\$	4,857.93
				Expenditures Total	\$ 13,440.41
				Ending Main Account Balance	\$ 5,634.07
Non-enterprise account					
		Beginning Balance		\$	9,711.25
Deposits					
Date	From:	For:			Amount
10/15/16	Sponsors	2016 Concert	\$		920.00
10/18/16	Sponsors	\$300 Concert + \$100 Donation	\$		400.00
10/31/16	Sponsors	2016 Concert	\$		300.00
				Deposits Total	\$ 1,620.00
Expenditures					
Ck #	Date	To:	For:		
EFT	10/24/16	PG&E	Church	\$	9.54
				Expenditures Total	\$ 9.54
				Ending non-enterprise Account Balance	\$ 11,321.71

October 2016 (EDIT)

Check #5079 was for August Services

President's Report

Per board approval at the Oct and Nov. meetings; contract extensions were executed for Edda Snyder (bookkeeper) and Leslie Baker III (Secretary). Also, Bob Hale (Meter Reader) now has a written contract. We have a total of five contracts in place: Bruce Coons Water Treatment Operator (WTO), Edward Snyder Water Distribution Assistant (WDA) in addition to the three listed above. The other contract that I anticipate us needing will be one for weed-eating services but we have time before that is an issue.

Income Survey: On November 22nd I checked the status with RCAC since I had not heard from them. I found out that she still needed at least one more survey before she could default on one to complete the report (she actually needed 2 but could default on the last one). On Nov. 30th I went to a few residences and was able to get three more. **Only in the world of grant funding is this good news:** Our Median Household Income came in at \$18,996 putting us well within the "severely disadvantaged" category. This means we will qualify for 100% funding for the water tank replacement project and the water source construction phase (whatever that turns out to be).

Payment Drop Box: No progress to report.

Money We managed to make the Dec. 1st loan payment without borrowing any more money from the non-enterprise fund.

ACWD mtg done 12/13/16

Planning Project Update:

Test Well #2 at the Cumberland The water quality test results were received the last week of November and they showed high levels of arsenic, antimony and perchlorate. Larry Ernst the head hydrogeologist with Woodrogers stated that the water had high turbidity, indicating that enough time had not been spent developing the well to get a clear sample. He recommended spending more time on well development (my understanding is that this is time spent “flushing” the lower levels of the hole) and take another sample. After about a week of “back and forth” conversations with all parties involved the State opted not to spend any more money on well #2 and it is being “abandoned”.

Test well 1B at the Water tank Apologies to everybody who was disturbed by the late night of drilling on Nov. 21st. The well driller did not ask for permission to do a late night and in fact their contract specifies that all drilling is supposed to be done during “regular work hours”. They were reminded of this and apologized for any inconvenience.

Unfortunately that late night had the opposite result of what the drillers had hoped for. They had hoped to get done sooner when in fact, what ended up happening that night is a metal part fell into the hole and they could not get it out. The hole was about 130 feet deep when this happened. This was right before Thanksgiving. The following week a specialist came up and spent two days trying to get the part out, but was not successful. As a result that hole also had to be abandoned and now we have hole 1C! This fiasco is at the expense of the driller and not the project.

Test well 1c at the Water tank This is about 10 feet away from hole 1B and was started on Dec. 6th using the mud rotary method mentioned in last month’s update. It was drilled to a depth of 175 feet and widened (3 passes with the drill) for the conductor casing. The conductor casing was set on Thursday Dec. 8th. The plan will be to start drilling again on Monday Dec. 12th.

Location #3 After our last meeting where it was reported that things were moving forward with a potential 3rd location Pete Stamas concluded that even though the funding agreement authorizes up to three test well locations, the driller’s contract specifies only 2. This being the case, IF a decision is made to go with the 3rd location it will have to be put out to bid with a request for bids. The State decided that they should test my well (referred to as the “Arbogast well”) for water quality before deciding whether-or-not to go with a third location. Contrary to what I thought this does not require board approval, it is written into the hydrogeologist contract that it may be tested if “deemed relevant”. Location 3 will not be started if that test does not show good water quality.

If the water quality is not good in the Arbogast well, and well 1c does not have either the quantity or quality to meet the objective of 20gpm x 2 then obviously the “water source” portion of the project will be back at “square 1” which is the Ram Spring.

ACWD was misinformed on a key fact: Stephen Rooklidge told us that we could ask for a budget increase only one time during the planning project. As it turns out, this is how the program was managed under the Dept. of Health. However; since then it has been changed and as Pete pointed out the contract language now reads: ***The Division will use the bids, proposals, and purchase orders accepted by the recipient, along with the requested contingency amount to determine if a financing agreement amendment is necessary. Cost increases will be evaluated on a case by case basis, and are subject to the recipient’s credit capacity.***

I also was under the impression that Planning Projects are capped at \$500,000 and I was concerned about funding for going back to studying the spring(s) if in fact the wells don’t work out. Pete has assured us that he can go beyond the \$500,000 cap with supervisor approval AND the option to go back to doing a study on whether-or-not we can eliminate the surface water infiltration at the Ram spring can be added back into our project “scope”.

Pete did an analysis of our costs-to-date and commitments-to-date and has recommended an increase of \$200,000 to our budget putting the total budget at \$500,000. While our total costs have not exceeded \$300,000 we anticipate going over-budget in the categories of well drilling, hydrogeologist support and engineering because of the problems encountered with drilling the wells.

Here is a break-down of what has been billed so far (4):

Item #	DESCRIPTION	BUDGETED LINE ITEM AMOUNT	(4) COSTS INCURRED TO DATE
1	Engineering & Design	\$ 83,000.00	\$ 51,013.41
2	Hydrogeologist Study & Geotech Report	\$ 49,704.00	\$ 32,358.42
3	Surveys & Easements	\$ 12,000.00	\$ 7,495.90
4	Environmental Review (CEQA)	\$ 500.00	
5	Test Well Driling and Testing	\$ 101,846.00	\$ 55,480.00
6	DWSAP Assessment & Watershed Study	\$ 24,500.00	
7	CEQA Contingency	\$ 9,500.00	
8	Planning/Design Project Contingency	\$ 8,950.00	
9	Legal/Admin	\$ 10,000.00	\$ 1,891.21
TOTAL		\$ 300,000.00	\$ 148,238.94

Below is Pete's summary of the changes to-date and the proposed new budget (V6):

	v1 8/19/201	v2 12/11/201	v3 10/4/201	v4 10/6/201	v5 TBD	v6 AMENDMENT
Engineering & Design	\$ 83,000	\$ 83,000	\$ 83,000	\$ 83,000	\$ 83,000	\$ 83,000
Hydrogeologist Study & Geotech Report	\$ 37,000	\$ 37,000	\$ 49,704	\$ 49,704	\$ 49,704	\$ 80,000
Surveys & Easements	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000
Environmental Review (CEQA)	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500
Test Well Drilling & Testing	\$ 94,000	\$ 94,000	\$ 101,846	\$ 104,596	\$ 142,121	\$ 275,000
DWSAP Assessment & Watershed Study	\$ 24,500	\$ 24,500	\$ 24,500	\$ 24,500	\$ -	\$ -
CEQA Contingency	\$ 9,500	\$ 9,500	\$ 9,500	\$ 9,500	\$ 2,675	\$ 9,500
Planning/Design Project Contingency	\$ 39,500	\$ 29,500	\$ 8,950	\$ 6,200	\$ -	\$ 30,000
Legal/Admin	\$ -	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 500,000

Water Tank Replacement We have started work on the application for the construction phase of the tank replacement and Resolution 102 is needed in order to apply. The application for the planning project accomplished a lot of the "leg work" but there is still a lot of information that has to be pulled together to apply. We would like us to get this in by Dec. 31st if possible, but a lot will hinge on Kip's ability to complete the technical packet and get a cost estimate by that date. He is working on it and we'll see how it goes.

Resolution 103 Pete and I had a very long and confusing email chain this week when we finally figured out that we were not on the "same page" not only with my misconception that we could only ask for a budget increase one time but also regarding the level of authorization written into Resolution 89 when we first applied for funding. The State provided a template for that resolution but ACWD left out the language that read: "and any amendments and changes thereto." (I was the one who suggested this, because I thought it would be better to run all changes by the entire board.) I had forgotten about this and Pete evidently had not caught it, so I kept questioning the need for the board to approve each and every change we were making (because he was not requesting it) and he was thinking it was "business as usual" with a standard authorization in place. (Copy of resolution template provided by the State attached)

I now think that it would be better to have their standard authorization in place from the standpoint of being able to keep things moving forward in the manner that the state is accustomed to. The process can be cumbersome already and this lack of authorization is a "monkey wrench". For that reason I am recommending that we go ahead and accept their standard language, but of course it is up to the board to approve it. I will continue to keep the board informed of all material changes and will ask for board consensus on any major steps. If we opt not to adopt this language we will need to pass a separate resolution for any and all changes and will most likely need to call special meetings on a frequent basis.

Resolution 103 will streamline doing things like: adjusting budget amounts, changing due dates and moving into construction when we get to that point. If the board is not comfortable with this approach we should call a special meeting ASAP to hammer out exactly what we do and do not want to authorize.

If resolution 103 is approved "as is", we will move forward with an amendment to the funding agreement changing the budget dollar figure from \$300,000 to \$500,000 and adding specific language to the "scope of the project" to mention the springs as an option. The current language does not preclude the springs, but they are not specifically mentioned; only the wells are mentioned.

Disclaimer

"Funding for this project has been provided in full or in part through an agreement with the State Water Resources Control Board. California's Drinking Water State Revolving Fund is capitalized through a variety of funding sources, including grants from the United States Environmental Protection Agency and state bond proceeds. The contents of this document do not necessarily reflect the views and policies of the foregoing, nor does mention of trade names or commercial products constitute endorsement or recommendation for use."

AUTHORIZING RESOLUTION/ORDINANCE

RESOLUTION NO: _____

WHEREAS the Alleghany County Water District has the authority to construct, operate and maintain its water system,
(insert appropriate findings)

RESOLVED BY THE Board of Directors _____ OF THE
(insert name of Governing Board of the Entity)
Alleghany County Water District _____ (the "Entity"), AS FOLLOWS:
(insert Entity name)

The President of the Board of Directors _____ (the "Authorized Representative") or designee is
(insert Title of Authorized Representative)
hereby authorized and directed to sign and file, for and on behalf of the Entity, a Financial Assistance
Application for a financing agreement from the State Water Resources Control Board for the planning, design,
and construction of the Renovations of the ACWD Storage Tank and Water Sources Project (the "Project").
(insert Project Name)

This Authorized Representative, or his/her designee, is designated to provide the assurances, certifications,
and commitments required for the financial assistance application, including executing a financial assistance
agreement from the State Water Resources Control Board and any amendments or changes thereto.

The Authorized Representative, or his/her designee, is designated to represent the Entity in carrying out the
Entity's responsibilities under the financing agreement, including certifying disbursement requests on behalf of
the Entity and compliance with applicable state and federal laws.

CERTIFICATION

I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted
at a meeting of the _____ held
(insert name of Governing Board of the Entity)
on _____.
(Date)

(Name, Signature, and Seal of the Clerk or Authorized Record Keeper of the Governing Board of the Agency)

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Contingency Fund Policy NOTES WITH DRAFT P&P

This pertains to the water operation only and does not include the non-enterprise operation.

Before the district can start setting aside contingency funds, the general fund balance needs to be built up to cover the first five-months of operational expenses not covered by our projected revenue for this same period. (July 1st to November 30th)

The following annual expenses have to be paid during this 5-month period: Insurance approx. \$3,500 - Audit \$2,000 – Loan Payment \$3,390 – Billing Software \$435, Lead & Copper Tests \$225 Total \$7,750. Looking at the most recent two-year history for this same period our routine expenses come to approx. \$1,000 per month in ADDITION to the \$7,750 noted above. (Depreciation expense NOT included)

Based on our new rates we can expect a minimum of \$2,160 per month in revenue (54 accounts x \$40) for this 5-month period. As mentioned before, several customers pay their bill annually in January which is why all 60 accounts aren't used for this estimate. Most likely there will also be overage fees collected during this period but that is not included in the minimum revenue calculation. (It is best to be conservative with revenue estimates).

General Fund Money is not "set aside" in a particular fund. It is used to keep the district's operation going. Based on the district's recent history a minimum of \$5,000 in the general fund on June 30th of each year is necessary before the contingency fund policy could be implemented. The exact figure will have to be determined at the end of each fiscal year.

As an example, this year our beginning general fund balance was \$5,185 and we ended up needing to borrow \$3,000 from the non-enterprise account mainly because \$3,189.59 was paid on July 6th for a major pump repair. Without that expense we would not have needed to borrow the funds. The purpose of the contingency fund will be to cover expenses such as that major pump repair.

Contingency fund recommendations vary but most suggest 3 to 6 months of operating expenses as a good amount to strive for. (Not to confuse things but some people refer to a contingency fund as a "reserve" fund. Usually a "reserve" fund indicates a specific allocation and in this case it is not being allocated to a specific expense account or item, but the two terms are often used interchangeably.)

Similar to our budget process, it is best to use a cash-based approach for this policy. As an example this means that depreciation expense is NOT counted and loan payments ARE. Using this method, based on the last two fiscal years our average monthly expenses work out to \$2,981.38. (Rounds to \$3,000 per month). Based on the standard recommendation our policy would be to build up from \$9,000 (3 mos) to \$18,000 (6 mos) in the contingency fund. The attached draft policy is written so that actual dollar figures are not used to avoid the need for frequent updates. The board does need to decide how many months to insert in the "Policy" portion. The word "objective" rather than "policy" is used because if we don't have the money we don't have it!

ACWD DRAFT CONTINGENCY FUND POLICY

Policy:

- a) The primary objective of ACWD is to keep enough money in the general fund to cover routine operational cash expenditures without having to borrow money or incur minimum balance bank fees.
- b) The secondary objective of ACWD to set aside contingency funds in an amount equal to approximately (3 or 6) months of average cash-based operating expenses.
- c) Contingency fund money may be withdrawn in the event of unexpected expenses or loss of revenue in order to meet objective "a" as stated above.

Procedure: After the books are closed-out at the end of each fiscal year, the general manager or designee shall prepare a summary of the previous year's cash-flow results, including a calculation of the general fund balance needed at year-end to meet objective "a" and the "average cash-based monthly operating expense" amount for objective "b". Based on these calculations a recommendation regarding both objective "a" and "b" will be provided for the fiscal year just-ended. The board will decide by motion the amount (if any) to be moved to the contingency fund.

Procedure: Withdrawals from the Contingency fund require board approval unless there is an emergency that must be addressed immediately, in which case the Water Treatment Operator shall verify with the General Manager or Bookkeeper the amount needed.*

Procedure: The contingency fund shall be tracked on a spreadsheet incorporated with the annual budget worksheets. The contingency fund balance shall be incorporated into the monthly treasurer's report.

* More notes: Assuming that a separate bank account is NOT set up for the contingency fund, in fact no money will be "moved" and the board can approve any emergency "transfers" at the next meeting.

If anything, until we actually do build up a fund, we will be relying on the "non-enterprise" account or the credit card to cover emergency expenditures. Probably we should have a P&P regarding this as well (emergency expenditures and borrowing \$ between funds).

Alleghany County Water District

RESOLUTION NUMBER 102

A RESOLUTION AUTHORIZING APPLICATION FOR FINANCIAL ASSISTANCE TO REPLACE THE DISTRICT'S WATER STORAGE TANK

WHEREAS, the Alleghany County Water District (the "Entity") has the authority to construct, operate, and maintain California Water System ID# 4600012

BE IT RESOLVED by the Alleghany County Water District Board of Directors that, the President (the "Authorized Representative") or designee is hereby authorized and directed to sign and file, for and on behalf of the Entity, a Financial Assistance Application for a financing agreement from the State Water Resources Control Board for the planning, design, and construction of The Storage Tank Replacement Project (the "Project").

This Authorized Representative, or his/her designee, is designated to provide assurances, certifications and commitments required for the financial assistance application, including executing a financial assistance agreement from the State Water Resources Control Board and any amendments or changes thereto.

The Authorized Representative, or his/her designee, is designated to represent the Entity in carrying out the Entity's responsibilities under the financing agreement, including certifying disbursement requests on behalf of the Entity and in compliance with applicable state and federal laws.

CERTIFICATION

I do hereby certify that the foregoing is a full, true and correct copy of a resolution duly and regularly adopted at a meeting of the Alleghany County Water District held on December 13, 2016.

By the following vote:

Ayes:

Nays:

Abstain:

Absent:

DRAFT

Signature: _____

By: Leslie D. Baker III

Secretary

Alleghany County Water District

Alleghany County Water District

RESOLUTION NUMBER 103

A RESOLUTION TO REPLACE RESOLUTION 89 & 92 TO APPLY FOR FUNDING ADDING LANGUAGE TO AUTHORIZE AMENDMENTS

WHEREAS, the Alleghany County Water District (the "Entity") has the authority to construct, operate, and maintain California Water System ID# 4600012

BE IT RESOLVED by the Alleghany County Water District Board of Directors that, the President (the "Authorized Representative") or designee is hereby authorized and directed to sign and file, for and on behalf of the Entity, a Financial Assistance Application for a financing agreement from the State Water Resources Control Board for the planning, design, and construction of The Renovations of the ACWD Storage Tank and Water Sources Project (the "Project").

This Authorized Representative, or his/her designee, is designated to provide assurances, certifications and commitments required for the financial assistance application, including executing a financial assistance agreement from the State Water Resources Control Board and any amendments or changes thereto.

The Authorized Representative, or his/her designee, is designated to represent the Entity in carrying out the Entity's responsibilities under the financing agreement, including certifying disbursement requests on behalf of the Entity and in compliance with applicable state and federal laws.

CERTIFICATION

I do hereby certify that the foregoing is a full, true and correct copy of a resolution duly and regularly adopted at a meeting of the Alleghany County Water District held on December 13, 2016.

By the following vote:

Ayes:

Nays:

Abstain:

Absent:

DRAFT

Signature: _____

By: Leslie D. Baker III
Secretary

Resolution NO. 89

**A RESOLUTION AUTHORIZING FILING OF APPLICATION
TO THE SAFE DRINKING WATER STATE REVOLVING FUND**


WHEREAS, the Alleghany County Water District has the authority to construct, operate, and maintain California Water System ID# 460012 and

WHEREAS, the Alleghany County Water District desires to enhance the provision and protection of the drinking water supplied to the consumers of Alleghany, therefore;

BE IT RESOLVED by the Alleghany County Water District Board of Directors that, pursuant and subject to all of the terms and provisions of the Safe Drinking Water State Revolving Fund (SDWSRF) program, application be made to the State of California Water Resources Control Board for funding; and

BE IT FURTHER RESOLVED that the Chairman of said Board of Directors is hereby authorized and directed to cause the necessary data to be prepared and application to be signed and filed with the State of California Water Resources Control Board.

Passed and adopted at a special meeting of the board of directors of the Alleghany County Water District on the **31st** of **March 2015**

Signature: 

By: Donna Hauck
Secretary
Alleghany County Water District

Votes: 4 ayes 0 naves 0 absent 0 abstain

Resolution NO. 92


A RESOLUTION APPOINTING DESIGNEE TO CARRY OUT
RESPONSIBILITIES UNDER FINANCING AGREEMENT

WHEREAS, the Alleghany County Water District has applied to the Safe Drinking Water Fund DWSRF project no. 4600012-006P

WHEREAS, the Alleghany County Water District (ACWD) must appoint a representative to carry out the responsibilities of the finance agreement related to said project, therefore;

BE IT RESOLVED by the Alleghany County Water District Board of Directors that, the President (or the designee thereof) of said Board of Directors is designated to represent ACWD in carrying out ACWD's responsibilities under the financing agreement, including certifying disbursement requests on behalf of ACWD and in compliance with applicable state and federal laws.

Passed and adopted at a special meeting of the board of directors of the Alleghany County Water District on the 29th of May 2015

Signature: 
By: Donna Hauck
Secretary
Alleghany County Water District

Votes: _____ ayes _____ naves _____ absent _____ abstain

Alleghany County Water District

RESOLUTION NUMBER 103

A RESOLUTION TO AUTHORIZE
SPECIFIC AMENDMENTS
TO FUNDING AGREEMENT #D15-02031

Version 2

WHEREAS, the Alleghany County Water District (the "Entity") has a Financial Assistance agreement from the State Water Resources Control Board for the planning, design, and construction of The Renovations of the ACWD Storage Tank and Water Sources Project #4600012-006P (the "Project") and Funding agreement #D15-02031 (the "agreement").

BE IT RESOLVED by the Alleghany County Water District Board of Directors that, the President (the "Authorized Representative") or designee is hereby authorized to make specific changes to this funding agreement defined as: budget category amount changes and due-date extensions.

BE IT FURTHER RESOLVED, with the passage of this resolution the Entity authorizes increasing the budget amount for the agreement from \$300,000 to \$500,000 and including verbiage in the scope of the project to include a study of the Entity's spring water sources.

CERTIFICATION

I do hereby certify that the foregoing is a full, true and correct copy of a resolution duly and regularly adopted at a meeting of the Alleghany County Water District held on December 13, 2016.

By the following vote:

Ayes: DeWeese, Hamb, Mehrmann, Tenney

Nays:

Abstain: Arbogast

Absent:

Signature: _____

By: Leslie D. Baker III

Secretary

Alleghany County Water District



WOOD RODGERS

November 9, 2016

Job No. 8637001

Ms. Rae Bell Arbogast, President
Alleghany County Water District
P.O. Box 860
Alleghany, CA 95910

Dear Ms. Arbogast:

**Subject: ACWD – Test Wells Project – Selection of Site #3 – Technical Memo –
CORRECTED FROM NOVEMBER 8, 2016**

The Division of Drinking Water (DDW) has required that the District have system redundancy of a minimum of 20 gallons per minute (gpm). Following the results from drilling at Site #1 (Tank Site) and Site #2 (Cumberland Site), DDW requested the Project Manager of Alleghany County Water District (District) select a potential third test well site in an attempt to meet their project objectives for water capacity, redundancy, and quality. Site #3 was suggested by the District's Project Manager, and the site is located south of the intersection of Miners Street and Foote Crossing Rd, on a privately-owned parcel by Michael Miller. The primary reasons the third test well site was suggested at this location are listed below:

- Drilling at the Tank Site revealed that a well could potentially produce 20 gpm; however, the Well #1 was not constructed due to borehole stability issues from a shallow loose, poorly-cemented sand and gravel layer from 140 to 160 feet. The drillers are currently working on Well 1B at the Tank Site using drilling methods that should help stabilize the borehole, until this formation is stabilized and secured.
- Drilling at the Cumberland Site was successful, and the completed Well #2 indicated that this site could produce 15 gpm of water supply to the District (water quality results are pending). However, Well #2 cannot be used solely to meet water system demand and DDW redundancy requirements.
- Site #3 has ideal access for the drilling rig and construction equipment. The site is relatively flat, open space and is located near powerlines and the District's water main. This helps reduce construction costs associated with equipping the well with a pump, piping the water into the system, and general Operations and Maintenance (O&M) costs.
- Geologic data indicate that Site #3 is located near the contact between (from younger/shallower to older/deeper): Tertiary volcanics; Eocene river deposits (gold-bearing quartz gravels); Jurassic to Paleozoic ultra-basic rocks (chiefly serpentinite); Kanaka formation (chert, conglomerate, slate and greenstone); and the underlying Tightner Formation (green schist and limestone lenses) (source: Ferguson and Gannett, 1932, Geologic Map of the Alleghany Area, USGS Professional Paper 172, Plate 1).

Ms. Rae Bell Arbogast
November 9, 2016 - CORRECTED
Page 2

- Although Site #3 appears favorable in regard to site accessibility, the water quality and quantity are currently unknown at this site. A test well will help confirm the water production capabilities and water quality at this site.
- If a public drinking water well is determined feasible at Site #3 in regard to capacity and water quality, it could be used in conjunction with Well #2, and possibly Well 1B, to help meet the District's objectives and meet DDW's redundancy requirements.

If you have any questions or require additional information, please call me at (916) 341-7447.

Lawrence H. Ernst

Lawrence H. Ernst, PG, CEG, CHG
Principal Hydrogeologist

