

# ACWD General Manager (GM) Report December 2023

Prepared by Rae Bell Arbogast

Correspondence Back and forth emails on the following topics: Cranmer Engineering with water quality testing results, Coleman Engineering and ACWD water operators re: tank leak, Golden State RMA and State Fund re updated insurance quote, Francine Fau of the Water Quality Control Board Dept. of Finance and Chad Coleman re: funding agreement, Coleman Engineering and Calif. Rural Water Association about the bridge loan program, California Water Quality Control Board re: new reporting requirements for annual EAR report.

## **AGENDA ITEM 4. d) BRIDGE LOAN**

This item was tabled last month. After the meeting I did extensive research looking for viable alternatives to taking out this loan (line of credit) but did not come up with anything. Below is the loan officer's response to my question asking if he has ever seen a loan fail. In an earlier email he stated that as the lender, CRWA cannot guarantee that ACWD would not get stuck with any costs. He did not think that it is necessary to attend our board meeting.

*We don't really track our loans by whether they're bridge loans or not, but I personally have done maybe 10 in the last year, and while we've had some that have had delays where we've had to extend the loan (which is no problem) we haven't had any that have not been repaid with the grant funds. I can't recall which grant funds you folks are relying on, but assuming it's SWRCB, which about 90% of these are I would say you're very safe. They can take a long time with disbursements but they always eventually pay. You will also only ever have a loan balance of what you would have had to pay anyway. I guess you could get stuck with a bit of interest/loan fees, but unless you're planning on waiting for reimbursement from the grant before making payment to the contractor (which is a risky proposition in itself) you don't really have much extra at risk.*

*I guess my question back to the board would be if you don't get a loan do you have the funds in hand to cover 3 months (the amount of time it takes to get reimbursement) of construction draws out of pocket? If you do, then wonderful, you don't need a loan, but if you don't, I don't know of any contractors that are going to wait 3 months to get paid so how will you actually complete the project? [See my note below actually much longer in most cases. RB]*

Thanks!

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To reiterate what was shared last month: There is NO cost to ACWD. The State Funded Project covers all loan origination fees and interest. On the two previous projects the State allowed monthly billing. That has changed to quarterly billing with the new project. This means that work performed by a contractor at the beginning of a quarter might not be reimbursed by the State for as long as 5-6 months! It is not reasonable to expect contractors to wait that long to be paid. The Bridge Loan program was set up for this exact reason, to assist small districts such as ours.

I would also like to point out that last month everyone seemed to be focused on the potential risk of the loan (which is minimal) rather than the overall benefit of the project. In my book, the benefit far outweighs the risk. Worst case scenario, even if ACWD did get stuck with some costs (which is not expected) ACWD would still be in a much better position as far as infrastructure goes after the project is completed.

**AGENDA ITEM 5. a) WATER DISTRIBUTION OPERATOR (WDO) JOB DESCRIPTION** To refresh everyone's memories. These job descriptions were compiled in 2021 as part of the Technical Managerial and Financial (TMF) analysis conducted by the California Rural Water Association (CRWA). It was paid for by a TA request with the State Revolving Fund and was required as part of the application process for the Ram Spring Project.

CRWA recommended that ACWD have an HR attorney review the descriptions. ACWD had that done in 2021 and had to pay for it out of pocket. Once we got the descriptions back, a committee was formed to look at the attorney's recommendations, but we ran into scheduling difficulties. One thing that was challenging for us was that the attorney's comments could only be seen on the electronic files (you could not print them). I finally looked at the comments myself and they are very minimal. Our goal at the beginning of this year was to do one Job Description per monthly meeting. We started with Bruce's description and due to extenuating circumstances, we got stuck on that one for most of the year. Bruce's job description was finally adopted last month.

This month I have incorporated the HR attorney's comments into the WDO (Edward's) job description. The only significant change is at the end where his regular pay is listed at \$1.00 an hour over minimum wage. This represents a \$1.00 per hour raise for him. He did not request this, I put it in for board consideration.

He is planning on coming to the meeting. He did not want a closed session to discuss this. I support the increase 100% because as it is, ACWD pays the on-call snow shovelers minimum wage and Edward is carrying a lot of responsibility.

I also added the prevailing wage for State Funded Projects at the end. This is on Bruce's adopted job description as well.

**AGENDA ITEM 5. c) BROWN ACT** Last month the Secretary expressed concern that ACWD may not be in compliance with Post Covid Brown Act Rules. I cannot plead ignorance on this topic as Pliocene Ridge CSD just dealt with the same thing. The new post covid rules have several new components but my understanding is that the main part that causes a problem for ACWD is the requirement that remote meetings include a computer login option with visual which we cannot provide.

To the best of my understanding and based upon conversations with the Sierra County Clerk Recorder's Office the simplest solution appears to be having the board vote to go back to "traditional Brown Act rules". The traditional rules do allow for phone conferences.

The only problem is that the traditional rules state that if a Board Member attends remotely, the location that they are calling from must be listed on the agenda AND must be made accessible to the public. For that reason, Pliocene Ridge is making the call-in option available to non-board members only. But if a Board Member wanted to call in remotely, they technically could if they meet the requirements listed above. Since the agenda goes out a minimum of 72 hours in advance, they would have to notify the Secretary or GM in time to get it on the agenda.

My recommendation is for the board to vote to go back to the traditional rules for now. If somebody wants to take on a research project and/or use our 1-hour of free legal with the California Special District's Association to sort it out, please volunteer! The Recorder's Office does have legal counsel, so I tend to follow their lead.