



NOTICE

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

Date: Tuesday July 13, 2021 Time: 6:00 pm

Phone Conference - Dial-in number (US): (978) 990-5144 Access code: 6919768#

All meeting documents available online: alleghanywater.org

Send an email to: alleghanywater@gmail.com for meeting notices.

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 in the box at the Post Office at the time of agenda posting or on the district's website: alleghanywater.org

1. Call to Order & Establish a Quorum

2. Consent Calendar

- a) Approval of the agenda
- b) Reading and approval of the minutes for the regular meeting dated June 8, 2021
- c) Ratification of Treasury Report and bill payments for the month of June 2021.

3. Information/Discussion Items:

- a) Correspondence – provided on GM report
- b) SRF Projects Update – Report provided in writing
- c) Board/Staff Reports – Chief Water Operator (CWO) & General Manager (GM)
- d) Historical Church/Library report –
- e) Park report –

4. Unfinished Business (Discussion & Possible Action Items):

- a) Customer Accounts/Billings/Disconnects: One 10-day notice was issued in June and it was paid.
- b) Ordinances, Policies & Procedures and Bylaws: Capitalization policy
- c) Status of vacancy on the board
- d) Reminder to all board members: Ethics and harassment prevention training email with links sent in May, so far Nancy is the only person who has done it.

5. New Business (Discussion & Possible Action Items):

- a) Library rental agreement renewal
- b) Adopt Resolution 112 activating the Drought Response Plan Ordinance #35
- c) Renew contracts for services Secretary & GM (expired June 30th)

6. 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. **Per the district's bylaws, complaints about board members or district staff are to be submitted in writing (not to be aired at meetings).**

7. Next meeting date, Items for next Agenda & Adjournment. Next meeting date: August 10th 6:00 pm.
Location TBD. Agenda item:

**Regular Meeting of the Alleghany County Water District Board of Directors
Tuesday June 8, 2021 Meeting was over the phone**

1. Call to Order & Establish a Quorum The meeting was called to order by President Mehrmann at 6:03 pm. Directors present: Tobyn Mehrmann, Nancy Finney, Robbin DeWeese, and Coral Spencer . CWO Bruce Coons; GM Rae Bell, and Secretary Amber Mehrmann was present and took minutes. Public present: Vicky Tenney

2. Consent Calendar:

a.) A motion to approve the consent calendar was made with corrections to the minutes by Nancy Finney and Robbin DeWeese^{2nd} **Ayes: Tobyn Mehrmann, Nancy Finney, Coral Spencer and Robbin DeWeese Nays: 0 Absent:0 Abstain: 0**

3. Information/Discussion Items

a) **Correspondence:** None

b) **SRF Projects Update:** There has not been any changes.

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

CWO: Bruce reported that the total finished water produced was 226,070 gallons in May and the average raw water flow Gallons per Minute are 69.75 gallons.

The samples came back good.

PG&E contacted us to let us know about the power outages coming up.

G.M.: Rae finished the Electronic Annual Report. It was quite an extensive process.

d) **Historical Church/Library Report:** The ZIP book funds are still out. The library could use some shelves if anyone has any they would like to donate.

e) **Park Report:** Bruce said he will need help from Ned to get the flag up at the park.

4. Unfinished Business

a) **Customer Accounts/Billings/Disconnects:** There was one ten day notice.

b) **Draft Job Descriptions:** The descriptions still need to be finalized.

c) **The vacancy for the Board has still not been filled.**

5. New Business

- a.) Need to e-mail completed PDF of harassment and ethics training to the G.M.
- b) The motion was made to adopt the preliminary budget by Robbin Deweese and Nancy Finney
2nd Ayes: Tobyn Mehrmann, Nancy Finney, Coral Spencer and Robbin DeWeese Nays: 0
Absent:0 Abstain: 0

6. Public Response Time: None

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

Next meeting will take place July 13, 2021 at 6:00 P.M. by phone

A discussion of a preliminary budget will be had.

There is still a Board Vacancy open to anyone who is registered to vote.

There being no further business before the Board, the meeting was adjourned at: 6:31 P.M.

Minutes respectfully submitted,

Amber Mehrmann, Secretary

Allegheny County Water District

Treasurer's Report

June 2021

MAIN ACCOUNT

Beginning Balance \$ 16,052.64

Deposits

Date	From:	For:	Amount
6/22	Customers	Water	\$ 2,171.74

Deposits Total \$ 2,171.74

Expenditures

Ck #	Date	To:	For:	Amount
5632	6/7	Bruce Coons	WDO April Payroll - Gross \$501.76	\$ 429.63
5633	6/7	Edda Snyder	Bookkeeper April Payroll - Gross \$175	\$ 161.61
5634	6/7	Edward Snyder	WDA April Payroll - Gross \$212.50	\$ 196.25
5635	6/7	Bruce Coons	WDO May Payroll - Gross \$568.48	\$ 491.76
5636	6/7	Edda Snyder	Bookkeeper May Payroll - Gross \$175	\$ 161.61
5637	6/7	Edward Snyder	WDA May Payroll - Gross \$284	\$ 262.27
EFT	6/17	PG&E	Pumphouse	\$ 187.81
EFT	6/17	PG&E	Tank Site	\$ 7.64

Expenditures Total \$ 1,898.58

RESERVE FUND WATER OPERATION	
Contingency Fund	\$ 15,000.00
Equip. Maint. Fund	\$ 500.00
TOTAL	\$ 15,500.00

Ending Main Account Balance \$ 16,325.80
 Less Reserve Fund \$ (15,500.00)
 Plus Undeposited Funds \$ 1,663.34
 Available Funds \$ 2,489.14

NON-ENTERPRISE ACCOUNT (Historical Church & Park)

Beginning Balance \$ 7,203.99

Deposits

Date	From:	For:	Amount
			Deposits Total \$ -

Expenditures

Ck #	Date	To:	For:	Amount
			Expenditures Total \$ -	

Report Prepared by Edda Snyder
 Verified against Bank Statement

Ending Non-enterprise Account Balance \$ 7,203.99

x _____
 Print

Historical Church Balance	\$ 4,974.63
Park Balance	\$ 2,229.36
Balance	\$ 7,203.99

Ram Spring Improvement Project ~ State Revolving Fund (SRF) Project
Report for ACWD BOD Meeting Date: 7/13/2021 Prepared by GM Rae Bell

Changes since last report are highlighted.

This project is related to the planning project approved for funding in 2015 and completed in 2020. The planning documents (plans and estimates) are approximately 90% complete. The remaining planning work will be the first phase of this project after the application process is completed.

There are five application packets that must be completed to apply for funding: General, Legal, Financial, Technical and Environmental.

- The General application packet with all attachments was submitted on 4/25/2020
- The Financial application packet with all attachments was submitted on 5/5/2020
- The Technical Packet is on hold while the TMF (Technical Managerial and Financial) analysis and a new rate analysis are done with the help of RCAC (Rural Community Assistance Corporation).
- The Environmental packet will be completed with the assistance of RCAC. See note below.
- The legal packet has not been started.

Technical, Managerial and Financial (TMF) Analysis & Tune-up

- The Emergency Response Plan was finished as approved by the ACWD board in November. The binder is at the pumphouse.
- The job descriptions were sent to the HR attorney for review and need to be finalized by the ACWD board.
- The Operations and Maintenance (O&M) manual is slowly coming together. Only awaiting some SOP's for water testing then it all has to be compiled.
- Rate Analysis: STARTED on 6/18/2021 all requested documents submitted to RCAC. On 6/28/2021 Bruce and I attended a meeting with RCAC rep. Sarah Bixler to go over their system of coming up with a rate recommendation. See General Manager report for more information.

Technical Assistance Request ACWD's engineer and a representative from Enplan the environmental firm met onsite at the pumphouse on June 8th. The State has requested quarterly updates from RCAC.

The new deadline to have the TMF done is 9/30/2021

Disclaimer "Funding for these projects has been provided in full or in part through an agreement with the State Water Resources Control Board. 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."

ACWD General Manager (GM) Report July 2021

Prepared by Rae Bell Arbogast

- Moratorium on water shut-offs: Somehow we missed the memo on this. Evidently the State put a moratorium on water shut-offs because of COVID. ACWD has not shut-off any water services for non-payment in over a year and our 48-hour notice already does provide payment options as required by the COVID rules. We have modified the shut-off notices further to comply with the rule which is scheduled to be lifted on 9/30/2021.
- The Brown Act is also scheduled to return to normal on 9/30/2021. This means that we will no longer be allowed to hold remote meetings after that date. (Unless things change between now and then)
- Preliminary budget: we all missed something! There was a note on the budget detail sheet from last year (that got carried over to this year's worksheet) that we need to set aside \$500 per year to cover the tank inspection that must be done every five years by an outside firm. This was not included in the preliminary budget adopted last month. It can be fixed with the final budget adoption in September. I have added the tank inspection to the master calendar as well. It will be due in 2024. (We had an inspection done in 2019 as a part of the construction contract. That is when we found out about the rusty bolts.)

Water Rate analysis: As mentioned on the SRF project report, Bruce and I attended a meeting with Sarah Bixler of RCAC on June 28th. The meeting was over an hour long. Sarah explained RCAC's method of coming up with a rate recommendation including how they meet the requirements of Proposition 218.

The rate analysis that was done for ACWD in 2015 was done by a different firm. You may recall that we found some inconsistencies with the recommended rate structure and proposition 218. It should be noted that proposition 218 spells out certain rules for water rates but does NOT explain HOW to comply with those rules. As a result, a series of lawsuits ensued that have set precedent for interpreting the law. Specifically, proposition 218 states that a water system must be able to show how rates are arrived at to justify them. If more than one rate is charged, the water system must be able to show that the corresponding cost of water production is different. [paraphrased]

This requirement to justify different water prices applies not only to different classes of customers but also to usage tiers. As an example: charging a different rate for water use over 8,000 gallons would only comply with proposition 218 if it could be shown that all gallons over the 8,000 gallon threshold cost a different amount to produce. [Can't do it]

For the capital improvement (long-term equipment replacement) portion (CIP) of their rate calculation RCAC does allow for grants to be factored in. You may recall that in 2015 the CIP was simply thrown out because the rate that included it was beyond affordable.

RCAC's rate structure recommendation will be in the format of a flat rate to cover fixed costs (costs that do not change regardless of the amount of water produced, example: insurance) and a per gallon charge to cover variable costs (those costs that fluctuate with water production, example: electricity) This type of rate structure results in all customers paying the same price for each gallon of water that is actually used. Affordability also must be factored in. The new rate recommendation should be ready sometime later this month or next month.

Correspondence (since May meeting)

Incoming: Lease extension for historical church library, notice from State Water Resources Control Board of impending water unavailability with a certification request to identify essential use permits

Outgoing: The Consumer Confidence Report was made available to all ACWD customers and both the report and certification of completion were submitted to the State Division of Drinking Water, certification to State Water Resources Control Board that Cumberland is non-essential but provided a cross-reference to Ram Spring water right explaining that its use is essential for health and safety.

Alleghany County Water District (ACWD) Policies & Procedures

Policy #103 Capitalization

It is the policy of the Board to provide the district's fiscal officer or accountant with the means necessary to consistently decide which expenditures should be capitalized.

Fixed assets include land, buildings, structures and other improvements, equipment or any related capital lease. These items are further defined as follows:

- A. **Land** includes all parcels purchased or, if acquired by donation, the appraised value on the date received. All expenditures made to acquire land such as purchase price, closing costs, attorney's fees and recording fees should be capitalized.
- B. **Buildings, structures and other improvements** include all costs related directly to their acquisition or construction, including materials, labor and overhead costs during construction; attorney and architect's fees and building permits and other related fees. Building alterations will be capitalized when they increase the value or life of the building. All other land improvements having a limited life and requiring ultimate replacement shall be capitalized. This includes grading and landscaping, pavement, sidewalks and other related recreational improvements, which add to the value of the property.
- C. **Equipment** includes vehicles, office equipment, computer equipment and other equipment of a relatively permanent nature ***and*** of significant value.
 1. Relatively permanent nature should be interpreted as having a useful life expectancy of five or more years.
 2. Significant value shall be defined as all equipment acquisitions with a cost of \$2,500 or more, ***subject to the following exceptions:***
 - a. All electronic equipment with a value of \$2,500 or more including, but not limited to, cameras, camera accessories, photocopiers, fax machines, video or projection equipment, recording or transcribing machines, radios, , TVs and VCRs.
 - b. All computer hardware and software including accessory components with a value of \$2,500 or more.
 3. The cost of equipment includes the purchase price, freight charges, taxes (sales, use, transportation) and installation charges less any discounts received.
- D. **Capital leases** include all arrangements to lease land, buildings and structures, or equipment with the District intending to assume ownership rights when the lease is paid off. If a purchase would normally meet the fixed asset criteria stated above, it shall be accounted for as a fixed asset regardless of the financing arrangement used.

- E. **Construction-in progress** includes the cost of construction work undertaken but not yet completed. Finalized costs on completed construction projects will be capitalized to the Buildings and Improvements fixed asset account.

TREATMENT OF COSTS SUBSEQUENT TO ACQUISITION

- A. Maintenance is defined as expenditures, which neither materially add to the value of property nor appreciably prolong its life, but merely keep it in an ordinary efficient operating condition. Maintenance costs shall not be capitalized.
- B. Capitalized expenditures are defined as expenditures that materially add to the value or betterment of property/equipment or appreciably extend its life. The cost of capitalized expenditures should be added to the book value of the asset where the original cost of a component being improved can be specifically identified.
- C. Additions are new and separate units or extensions of existing units, with a value of \$2,500 or more and are considered to be fixed assets.

Alleghany County Water District

RESOLUTION NUMBER 111

A RESOLUTION ACTIVATING ORDINANCE # 35 DROUGHT RESPONSE PLAN

WHEREAS,

1. Alleghany County Water District is a public agency in Sierra County, California that provides water to the community of Alleghany for both domestic use and fire prevention.
2. The State of California is experiencing drought conditions as verified by a notice from the State Water Resources Control Board dated June 15, 2021.
3. In times of drought, it is in the best interest of the community of Alleghany to conserve water to maintain maximum levels of water supply for use in the event of a fire.

THEREFORE, BE IT RESOLVED by the Alleghany County Water District Board of Directors that, the district's Drought Response Plan (Ordinance #35) shall go into effect on August 1, 2021 until drought conditions cease to exist. Notices shall be posted on the bulletin board at the post office and either mailed or emailed to all customers with the August 1st water bills.

PASSED & ADOPTED by the Board of Directors of Alleghany County Water District on the 13th day of July 2021 by the following vote:

Ayes:

Nays:

Abstain:

Absent:

Tobyn Mehrmann, President

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 July 13, 2021

Signature: _____

By: Amber Mehrmann

Secretary

Alleghany County Water District

ORDINANCE NO. 35

AN ORDINANCE ESTABLISHING A DROUGHT RESPONSE PLAN

BE IT ORDAINED by the Board of Directors of the Alleghany County Water District, Sierra County, California as follows:

Section 1. During times of drought as determined by the State or a local agency; Alleghany County Water District shall notify all customers of the following mitigation measures:

1. Water is to be used for beneficial and useful purposes only. All unnecessary and wasteful uses of water are prohibited.
2. Washing down of buildings, streets, sidewalks, driveways, parking lots or other paved surfaces is prohibited except to alleviate immediate fire or sanitation hazards.
3. Free-flowing hoses are prohibited for all uses, including vehicle and equipment washing, ponds, and evaporative coolers. Shut-off devices shall be installed on any hose or other large-volume filling apparatus in use.
4. Reasonable effort shall be made to fix all leaks as soon as a customer becomes aware that they have a leak. The district shall make all efforts to notify customers as soon-as-possible whenever it becomes aware of any unusually high water use.
5. All pools, spas, and ornamental fountains/ponds shall be equipped with recirculation pumps and shall be constructed to be leak-proof. Pond/Pool draining and refilling shall be allowed only for health, maintenance or structural considerations.
6. All landscape watering should be done in the early a.m. or in the evening.
7. Customers with odd street numbers are encouraged to water on odd days of the month and customers with even street numbers are encouraged to water on even days of the month in order to decrease demand on the water system during high-use times of the year.
8. Automatic irrigation system timers shall be set to operate only during off-peak hours between 9:00 pm and 6:00 am
9. Restaurants shall serve water only upon request.

These mitigation measures only apply to water sold by Alleghany County Water District.

If Alleghany County Water District becomes aware that water customers are out of compliance with this ordinance during a time of drought it will send a written notice requesting that the customer's practice be modified.

Alleghany County Water District shall send out a subsequent notice to all customers when the drought measures are lifted.

Section 2. All ordinances and parts of ordinances inconsistent herewith are hereby repealed.

Section 3. This ordinance shall take effect upon adoption unless otherwise stated and shall be posted within 15 days of adoption in three public places in the District.

I hereby certify that the foregoing is a full, true, and correct copy of Ordinance number 35 duly passed and adopted by the Board of Directors of the Alleghany County Water District, Sierra County, California, as an urgency item at a special meeting held on the 28th day of June, 2016 by the following vote:

AYES, and in favor thereof, Directors: *Arbogast, Tenney, Mehrmann, Hamb*

NOES, Directors: *0*

VACANT, *0*

ABSENT, Directors: *DeWeese*

ATTEST:

Leslie D. Baker III
Leslie D Baker III, Secretary

SIGNED:

Rae Bell Arbogast
Rae Bell Arbogast President

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, Leslie D. Baker III certify that the following document was posted on behalf of Alleghany County Water District, Sierra County California:

Ordinance No. 35

In the following location(s):

Alleghany Post Office Bulletin Board on 7/6/16.
Alleghany Firehouse 7/6/16
At the Park 7/6/16

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

Signed under penalty of perjury: X Leslie D. Baker III
Leslie D. Baker III