

**Regular Meeting of the Alleghany County Water District Board of Directors  
Tuesday July 20, 2021 Meeting was over the phone**

1. Call to Order & Establish a Quorum The meeting was called to order by President Mehrmann at 6:08 pm. Directors present: Tobyn Mehrmann, Nancy Finney, and Robbin DeWeese, Absent 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 Robbin DeWeese and Nancy Finney 2nd Ayes: Tobyn Mehrmann, Nancy Finney, and Robbin DeWeese Nays: 0 Absent: Coral Spencer Abstain: 0

3. Information/Discussion Items

a) Correspondence: In the G.M.'s Report.

b) SRF Projects Update: Any updates are in writing in the packet.

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

CWO: Bruce reported that the total finished water produced was 274,130 gallons in June and the average raw water flow Gallons per Minute are 72 gallons. The water test results all came back negative. Bruce fixed a leak for one of our customers. Weed eating was done at the pump house.

G.M report was provided in writing.

Vicky asked if the rate analysis was done regularly. Rae explained that the State funding division for the projects requires an analysis that is less than 5 years old. If the district had to pay for the analysis it would cost about \$8000 but the State Revolving Fund is picking up the cost as part of the Technical Assistance being provided for the funding application for the Ram Spring improvement project.

d) Historical Church/Library Report: Some shelves were donated to the library.

e) Park Report: Rae found some new flags

4. Unfinished Business

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

b) A draft capitalization policy was included in the packets. After a discussion a motion was made to approve the policy as presented. Robbin made the motion to approve and Tobyn 2nd Ayes: Tobyn Mehrmann, Nancy Finney, and Robbin DeWeese Nays: 0 Absent: Coral Spencer Abstain: 0

c) No applications have been received for the board vacancy.

d) Board members need to make sure to get your Ethics and harassment training finished

#### 5. New Business

a.) The library rental agreement is the same, for an extension for another year. Robbin DeWeese made the motion to approve the extension and Nancy Finney 2nd Ayes: Tobyn Mehrmann, Nancy Finney, and Robbin DeWeese Nays: 0 Absent: Coral Spencer Abstain: 0

b) The adoption of Resolution 112 was brought to the board, this would activate the Drought Response Plan #35 There was also a discussion of how to conserve water. Vicky mentioned using a container to catch water when washing hands, rinsing dishes and other gray water to use to water plants; To try to keep showers short and not let water leak or run for long periods of time.

The motion to adopt Resolution 112 was made by Nancy Finney and Robbyn DeWeese 2nd Ayes: Tobyn Mehrmann, Nancy Finney, and Robbin DeWeese Nays: 0 Absent: Coral Spencer Abstain: 0

c) Renewal has come up for General Manager and Secretary positions.

It was noted that the updated job descriptions still need to be approved. Rae and Nancy are supposed to go over them and come back with a recommendation.

The vote was put up to renew Rae Bell as General Manager (Amber Mehrmann could not be voted in as Secretary as there was not enough of a quorum for the vote.) The secretary contract was tabled until next meeting. The motion was made by Robbin DeWeese and Nancy Finney 2nd Ayes: Tobyn Mehrmann, Nancy Finney, and Robbin DeWeese Nays: 0 Absent: Coral Spencer Abstain: 0

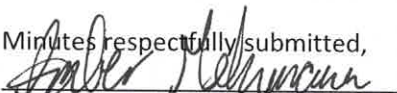
6. Public Response Time: None

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

Next meeting will take place September 14, 2021 at 6:00 P.M. by phone. Adoption of the final budget and Amber's contract extension will be on the agenda.

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: 6:49 P.M.

Minutes respectfully submitted,

  
Amber Mehrmann, Secretary

Postponed due to no  
quorum

## 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](http://alleghanywater.org)

Send an email to: [alleghanywater@gmail.com](mailto: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](http://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 30<sup>th</sup>)
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:

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## *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 28<sup>th</sup>. 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.



**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 8<sup>th</sup>. 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."

# Alleghany 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
<b>TOTAL</b>	<b>\$ 15,500.00</b>

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
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Deposits Total \$ -

### Expenditures

Ck #	Date	To:	For:	Amount
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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
<b>Balance</b>	<b>\$ 7,203.99</b>