CAMBRIA COMMUNITY SERVICES DISTRICT
RESOURCES & INFRASTRUCTURE COMMITTEE AND FINANCE COMMITTEE SPECIAL
JOINT MEETING MINUTES
Tuesday, May 14, 2019 2:00 PM

1. **CALL TO ORDER**

Interim General Manager Ogren called the meeting to order at 2:07 p.m. with all committee members present.

2. **PUBLIC COMMENT ON AGENDA ITEMS**

Public Comment:
None.

3. **REGULAR BUSINESS**

A. Introductions

The Committees and staff introduced themselves. The following committee members were present:
Paavo Ogren
Haley Dodson
Cindy Steidel
Ted Siegler
Marvin Corne
Cheryl McDowell
Mary Maher
Dewayne Lee
Paul Nugent
Brad Fowles
Jim Webb
Tom Gray
Karen Dean
Donn Howell
John Allchin

Public Present:
Elizabeth Bettenhausen
Allan Dean
Laura Swartz
Crosby Swartz
Toni Artho
Delon Blackburn
Harry Farmer

B. Discussion of Objectives for Joint Meeting

Mr. Ogren introduced the item and provided a brief summary of the item and turned it over to Chairman Steidel.

Chairman Steidel stated the referral from R&I, that there was an expectation to positively consider the

turn-key program.

Vice Chair Siegler said PG&E could give us a head start to get our projects done. He asked what the risk is if we embark on the PG&E turn-key project? I would like to feel certain that we are going to follow through and continue to use PG&E as our implementation manager, so we don't end up committing to $540k.

Committee member Lee stated are we going to get studies? Recommendations? Applied toward some hard assets? Is there a list of what was accomplished last year up to this point. We recommended and budgeted a few number one priority water and wastewater projects last year. How many have been completed?

Mr. Allchin stated that he believes the 218 budget only allowed for $200,000 for the truck and influent screen.

Vice Chair Dean stated those items were completed.

The committees had an extensive discussion regarding the Bartle Wells study and Capital Improvement Plan (CIP).

Mr. Ogren stated he thinks it's important to compare the priority list from the Bartle Wells study to the priority list that they are reviewing at the meeting.

Public Comment:
Crosby Swartz

Mr. Ogren stated we are setting up the spreadsheets to show how much revenue we got per billing period and track what we expected. Are we collecting the amount of revenues we projected during the first four billing periods?

Committee member Dean stated the committee came up with prioritized lists with John and Jim. We need to look at the new CIP list.

Mr. Allchin stated priorities that were two, three or four may be moved to priority one.

Public Comment:
Elizabeth Bettenhausen

    C.   Discussion of Resources and Infrastructure Committee CIP Prioritization
         I.   Water Systems Priorities

Chairman Howell stated it is the recommendation of the R&I committee that we have a formal motion to recommend that we accept the water priority list as given with the provision that priorities can change in the event that emergencies come up.

Chairman Steidel stated the project cost totals would be in excess of revenues.   The project costs don't happen all at once in looking at the data. Example: Item 2 replacing water meters. They won't be done all at one time.

Mr. Ogren stated we need to report back to R&I what we can put back in the budget at the June meeting.

Committee member Siegler asked about SCADA. Is the implementation of SCADA supposed to capture the needs of SWF or is it the non-SWF water system? If it is SWF, we should look for funding from that side as well. Secondly, is there SCADA interaction between the water and wastewater systems that may affect the

budget? The budget is $1 million between water and wastewater so it's a big deal.

John Allchin responded that the SCADA at SWF is not compatible with anything else. The water SCADA is not working properly and needs to be fixed. Water and wastewater are separate SCADA systems. It's best not to mix water and wastewater SCADA systems.

Public Comment:
Crosby Swartz
Elizabeth Bettenhausen

Committee member Maher pointed out that all the number 1's on the list add up to $440,000.

Mr. Ogren asked if the committees are comfortable making recommendations for the items that add up to the $440,000 on the condition that the available balance would be for water meter replacements and upgrades?   Before taking any action on water meter replacements and upgrades, the overall program implementation needs to be reviewed by R&I first.

Vice Chair Siegler stated it's hard to make that recommendation without seeing the budget. We also want to make sure we have the bandwidth to tackle the $440,000 worth of projects plus water meter replacements.

Mr. Ogren said the R&I committee has already made the recommendation on the priority of the CIP list. Any unused funds from the $440,000 not used in the first year will be rolled over into the next year.

Chairman Steidel said we can consider doing targeted reserves to cover the cost of the meters into future years.

Vice Chair Siegler would like the R&I to consider meter replacement as a priority 1 issue.

Committee member Gray stated not all meters are as high priority to replace as others.

Mr. Ogren stated that I think we're in agreement that the the number 1 priorities are the water line across the pedestrian bridge and SCADA and once R&I has their recommendations, then Finance can cancel the designated the reserves.   If we don't set it up as a designated reserve and it's in the budget with the caveat that we go back to the Board of Directors, then I don't think we have to go back to Finance prior to going to the Board. That is really the Finance committee's preference.

Mr. Ogren continued, does the Finance Committee want to see this on your agenda mid-year? If you do, we set it up as a designated reserve. If you're fine with it going directly to the Board, then it's put into the budget, it's not a designated reserve, and it doesn't have to come back to the Finance Committee mid-year. You don't have to answer this today. We'll be reviewing the budget in a few weeks and you can decide then.

II.   SWF System Priorities

Chairman Howell stated it is the recommendation of the R&I committee that we have a formal motion to recommend the SWF CIP with priorities as indicated with the provision that priorities can change in the event of emergencies.

Public Comment:
Elizabeth Bettenhausen

Mr. Ogren states the $40,000 for work by the Army Corp. to come up with alternative ways to dispose of SWF brackish water brine shouldn't be included in the CIP list. It will come from Army Corp money.

Vice Chair Siegler suggests leaving it on the page, but with $0.

Mr. Ogren thinks a footnote would be appropriate.

Vice Chair Dean states we are now looking at $210,000 in priority 1s, and not $250,000. It's suggested to move the $40,000 to EIR consulting, an increase from $110,000 to $150,000.

Mr. Ogren suggests moving the $40,000 to contingencies. The committees agreed.

A discussion was had regarding tank replacements.

The committee took a break at 3:43 p.m. and reconvened at 3:51 p.m.

> III.   Wastewater System Priorities

Chairman Howell stated the R&I committee formally recommends through the Finance Committee and to proceed with the Sustainable Solutions Turnkey (SST) program. PG&E acts as a project manager. We are asking the Finance Committee to initiate the initial payment to commence the investment grade audit (IGA). If we decide to not go with the IGA, we need to review the list and perhaps move forward with the items this year.

Chairman Steidel stated this assessment was to review potential energy savings at the Wastewater Treatment Plant. That was the Sustainable Solutions Turnkey program. An energy assessment was done by PG&E, a preliminary energy assessment (PEA). PG&E will be performing an IGA for the 12 items defined. If we decide to go forward with the IGA for the 12 items, $160,000 is due to PG&E by the District at signing. These funds will come out of the FY 2018/19 budget. A couple of potential benefits to moving forward with the program – work content will extend the WWTP by approximately 20 years, which is a significant accomplishment for the community. There would be a reduction in competing resources. District staff would be freed up to do maintenance and operational work at the WWTP.

> IV.   PG&E Turnkey Project – see Addendum 1 – Replaced with Addendum 2

The committees had an extensive discussion regarding the PG&E turnkey program.

Public Comment:
Leslie Richards

Mr. Allchin answered the committees' questions regarding the PG&E turnkey program.

Public Comment:
Laura Swartz
Crosby Swartz

> D.   Discussion of Approach to Budgeting CIP within the 2019/2020 Budget

Mr. Ogren stated we've embedded this item in all of the discussions so far. Follow up actions by each committee: We've talked about the need to get into more of the details with R & I on capital project development. One of the big examples we had was the meter replacement program, but it's not the only example. For Finance, there's follow up with respect to the turnkey project, the funding options, is there

debt options, should we do some due diligence work in advance with regard to USDA funding programs and what do we think our actual capacity might be. The questions for the two committees overall are how satisfied are you with these discussions so far? Do we need to extend time?   Do you think that we've met the primary objectives of the joint meeting so that each committee is able to move forward?

Mr. Ogren asked Vice Chair Siegler/Committee member Maher (budget ad hoc committee), if they have any additional comments?

Vice Chair Siegler said the real issue is seeing the rest of the numbers laid out. It's been helpful when thinking about the CIP.

Mr. Ogren said he wants to recognize all the work that's been done by the R & I committee, the Finance committee and District staff John Allchin and Jim Green.

     E.   Discussion of 2019/2020 follow-up Actions by Each Committee

          I.   Final Evaluation of PG&E Turnkey Project

         II.   Other Actions Relating to Capital Projects Development

This item was not discussed at the meeting.

4. **ADJOURN**

The committees adjourned the meeting at 5:03 p.m.