

North Tulare County Regional Water Alliance Working Group Meeting Notes

Cutler-Orosi School District Conference Office

12623 Avenue 416 Orosi, CA 93647

Saturday, January 9, 2016

9:00 - 4:00 PM

Welcome and Updates about Upcoming Tasks:

- Community meeting for Monson for LEFA: January 27th
- New working group members: Mark Estrada, Shawn Reagan

Approval of meeting notes from: December

Public Input

- No public comments were made

Leadership

Wastewater JPA Presentation

Dennis Keller presented on the Cutler/Orosi WWTP JPA (see attached handout) – not true a Joint Powers authority but an “agreement” or partnership between Cutler & Orosi with ancillary agreements for other dischargers.

History and Infrastructure

Land purchased in 1960's and Cutler had to vote to take on responsibility to assume the debt.

Site was originally split 50/50 by Cutler and Orosi and mutually owned and this is still the case.

Much of the original site has been changed but the main treatment facilities are still there though they have been updated.

1970's—facilities were reaching hydraulic capacity and regulations were becoming more stringent and these facilities would not continue to meet standards. Joint study was done to evaluate what could be done for the community to include expansion and update. East Orosi was also looking into new options because of problems with leech fields. Sultana was also doing a parallel study to see what it would take to move to centralized wastewater.

D150 and E150 population projections thought that because of Interstate five construction that many of the eastern valley communities would shrink or disappear and move west. Community leadership did not believe this and decided to explore funding options for expansion. Anything above allowable population would need to be self-funded or funded via federal loans and not state grants so Cutler and Orosi agreed to take on this cost (no agreements back then—only on a handshake). Study was completed similar to the water treatment plant one now—Orosi was the lead. Construction contract was awarded but state intervened—a number of things needed to be resolved before they would kick in 87.5% funding. Needed info including capacity split (not in original study - Resulted in 60% capacity

allocated to Orosi, 40% capacity allocated to Cutler) and also plants for E. Orosi and Sultana. The state did not want to fund three plants—they demanded that all four communities be tied into the expanded plant. Governance and operation were determined without public input because it was a rush job and state would not allow for capacity on top of proposed—had to carve out service capacity for E. Orosi and Sultana from Cutler and Orosi's allocations. JPA was formed between Cutler and Orosi and other agreements were signed for the first time for logistical sharing, including those to E. Orosi and Sultana which guaranteed a certain amount of treatment and disposal capacity.

Late 1970's: Yettem and Seville issues were examined by the county and they looked at the addition of capacity onto the regional facility and made a request to Cutler and Orosi to allow capacity for those two communities similar to Sultana and E. Orosi including guaranteed treatment and disposal capacity. Orosi did not want to reduce their own capacity needs. Cutler reviewed future capacity demand and realized they likely would not need their allotted capacity so Cutler sold a portion of their 40% capacity for the benefit of Yettem and Seville.

1980's—Leftover money from the project and Orosi was able to use it for an additional pipeline so now there are four pipelines—three go into the facility. Basis of the facility is still that which was negotiated originally.

Figure two is the wastewater facility footprint. Land was purchased in three different Actions in piecemeal fashion to address newly-discovered needs, including meeting environmental requirements - the white area purchased to aid in disposal of treated effluent in relation to existing wells in area (houses now gone and wells destroyed). Working with Alta, there are structures to ensure that sand creek water does not mix with district's irrigation water because crops are for human consumption.

Have since installed UV disinfection to guarantee compliance with state standards – the display is current configuration, provisions allow for discharge to sand creek but relatively stringent and board may require acquiring more land or agreements with nearby farmers to receive treated effluent.

3rd figure is monitor well network. Monitored to ensure drinking water quality is not affected downstream of the disposal. Test for nitrates and bacteriological constituents.

Major change in agreements has been measurement—initially just one on raw sewage coming in. A second was added to measure how much effluent is discharged and spread on irrigation land so the nitrogen levels are controlled within the discharge. Most levels of nitrogen coming into the plant are above the MCL so the plant treats it so that what goes back out has much less nitrogen. Capacity is now still the same as it was originally except for an increase 10 dwelling units for Sultana. There were meters but were a huge burden and cost. Instead of metering of raw sewage, they now use equivalent dwelling units and on good faith, each community reports the number of equivalent dwelling units which is the basis for billing for sewer services.

Capacity: 1.414 (1983), then 1.5, then 2.0 and now back to 1.5 because of new regulations on sludge limits. MHI triggers funding availability.

Governance:

Owned jointly by Cutler and Orosi and leadership has monthly meetings. Meeting location rotates annually between Cutler and Orosi. Each board designates three people and alternates to sit on JPA board (same representation) despite varying capacity allocation—ownership and governance and board

reps 50/50. Other communities have a voice as the public and a discharger to provide input but they do not have a vote at the table. Responsibilities come with ownership and representation.

Q: Could Sultana buy in or join the existing JPA??

A: Existing agreement could be changed (undone and re-done) as long as new agreements are ready to take its place. Joint Powers Agreement—individual can enter into but not be part of a Joint Powers Agency which requires being a public agency. There would need to be money exchanged for this to happen because Cutler, Orosi and the state funded the project so all facilities are owned solely by Cutler and Orosi. Communities only helped pay for the mercury seal. In order to not have a gift of public funds, there would need to be an evaluation of what is being received as a full partner and would need to be paid for. Legally, you are only bound by whatever agreement you have. The four communities only see their monthly bill based on dwelling units but have not encumbered any capital costs along the way. Depreciation is different so each community needs a depreciation account because if you wear it out, you need to pay for it—use and abuse. JPA has to give a six month heads up for use of depreciation funds.

Q: What if the system is out of compliance?

A: If the system is not in compliance, then the four communities that buy in are held harmless and Cutler and Orosi would be the responsible parties.

Q: So only JPA can control rates?

A: All equivalent dwelling units are charged the same and treated the same so if cost per EDU goes up, it goes up for everyone.

Joint Powers does their own standing annual budget before the individual systems set their budgets. Audit reports are done to have checks and balances and ensure money is handled properly, though JPA is not its own entity.

Keller-Wegley is very involved with the JPA—their services are contracted including processing financials.

Many years ago, though Sultana's max was 80,000 gallons a day, the meters were showing up around 120,000, partly because meters were failing and also because there were illegal tie-ins. Probably part of the reason why there was a switch to EDUs.

JPA board is the decision makers and also manages the staff be them full time employees or contractors. JPA has been assigned an IRS number and they have workman's comp, regular insurance with both individual boards as additional insured, airs and emissions etc.

Everything that happens with the piping and getting the waste to the plant, it is the responsibility of the dischargers but once it hits the plant, it is under the authority of the JPA.

Each individual governing board for each community deals with growth as long as they are within quality and quantity. If the new tie-ins would be outside of quality and quantity, then they would need to go to JPA.

Capacity rights and construction are a big deal and were not envisioned in 1983 to become the issues they have now become. All 6 communities have a capacity allocation and limit. If one wants to add marginal capacity to the treatment process, it is almost impossible. You cannot add capacity in such increments—it is not practical from a cost or technical standpoint. The JPA was not given the authority

to build anything so Cutler and Orosi individually need to determine how it is done. Sultana and Yettem and Seville are near or at their capacity limits—an unofficial moratorium is in place. A solution could have been a pool of unallocated capacity. Can add capacity if there is an affordable increment.

JPA authority cannot exceed authority of involved agencies but can go to maximum common powers of all involved.

How do we do better business than we do now? Ex: Seville will have an upgraded water system but sewer has no current growth capacity so growth is limited. *Learn from current limitations of Sewer JPA. This is a clean slate. One of the major things to consider for this new governance is ownership and power. Whoever would sit on new board your focus would be the new plant, not your individual community—you are serving ALL of the customers. Those on the board have a huge obligation.

Q: If you could do it again, what would you change?

A:

- 1) *Ask each community what they want or need*
- 2) *I would want to plan for extra capacity but the issue is it likely not fundable by the state—there are growth limitations*
- 3) *Water treatment plant and sewer treatment plant are similar and all pieces have capacity associated and similarly there will be affordable capacity issues like discussed above and a built in moratorium until there is critical mass to grow.*

Primary reason these communities are on sewer is to protect the drinking water from contamination.

Each community utility is charged a certain amount based on needed budget and EDUs and then that is charged out to community members via each individual utility. This JPA does not have prop 218 jurisdiction.

Water treatment plant will also include distribution system and people along water lines in rural areas will want to participate and can—unlike in the case of the sewer system. Who represents these people? This leads to how each entity is participating, especially Tulare County—do they just represent Yettem and Seville or these people in unincorporated areas. How do you protect the individual boards and their districts?

A major question and issue is liability. Ex: Is this agency going to take on fire suppression responsibility?

Decide whether you want capability to bring others into the fold and also on the degree of power and autonomy of the individual boards and that of the JPA.

Need to really analyze which legal structures allow me to do what I want to do and which do not?

JPA review: Joint Powers Agreement vs. Agency/Authority (see attached presentation)

Governance review:

What abilities and who will be in this agreement/entity?

Governance functions brainstorm:

Purchase of land

Sign inter agency contracts
Secure funds
Determine number of communities participating
Vision/Mission
Decision making, board structure and representation
Budgets and rates
Staffing/Consultants/Contractors/Professional services
Compliance and regs
Ownership of assets
Legal liability
Insurance
Management
Building/Construction
Operations
Billing
Update and modify roles and responsibilities
Authority to do studies
Power to be lead agency for environmental (CEQA)
Prop 218 (joint or individual)
Connection of people outside of existing service areas (include property owners adjacent to line—cost on the consumer) and who is responsible for them? Is there enough water for them?
2nd level entity powers-direct service

*Important Note:

Prop 1 and SRF requires that the entity applying for funds has to be able to:

- construct
- operate a public water system
- assess fees for water supply

Question of water and wastewater plants and staying separate, collaborating on growth and other issue
—may be good farther down the road to have an authority to oversee both. For now, the group wants to concentrate on water.

Drinking Water Source and Infrastructure

Terra Bella Surface Water Treatment Plant Field Trip Presentation

Plant components (see attached presentation)

- 1) Clarifier
- 2) Drying Bins
- 3) Gravity Filters
- 4) Disinfection
- 5) Storage Tank

6) Pressure Tank

6 mile pipeline from Friant-Kern Canal to plant and there is the threat of bacteria and algae so requires disinfection and then may create issues with disinfectant byproducts. Proposed plant for NTC group will be significantly closer to the canal and this will not be an issue.

Communications

Project Summary Review

Reviewed project summary for needed changes and approval. Once changes are incorporated, CWC will translate into Spanish and it will be available on the website and be distributed for communications and community outreach purposes. A copy of the proposed project summary sheet is attached.

Edits:

Sultana: Population is 775, not 650

Questions:

Q: Did Orosi, Cutler and Alta AID get reimbursed for their original study or will they?

A: The answer is no—they made the investment to see what was out there for long term solutions for the future of the communities.

Q: Are water costs listed for Yettem and Seville subsidized by the county, do they include sewer?

A: No, this is actually what they pay monthly. They pay these actual amounts many customers cannot afford rates and are delinquent, requiring the county is covering those costs to run the systems. Sewer is in addition to this. In Seville, they pay \$59 for sewer and in Yettem, \$97.

Q: Do percentage figures include addendum updates?

A: Yes, this is with updated population numbers and using 100% reliance on surface water for all seven communities, except for when the Friant-Kern canal is down.

Q: Are the communities locked in every year no matter the water supply situation for purchasing water from Alta.

A: As the current proposed contract stands, yes. This will be part of the supply agreements to be negotiated later.

Post summary sheet on website with draft watermark with a disclaimer that these are not the final financials. If you have additional questions, please contact: x person from y community. For communities with boards, put general board info. Need to determine who is comfortable for the other communities.

Action: Discuss later to send a letter or specific invitation for each session for Alta and Tulare County to attend. They said they wanted to be involved, they were asked to be here and they are not. They are a part of this and need to be here as a resource.

How do we bring steering committee and NTC Water Alliance (Working Group) together? Community members and board leadership need to be aware of what is going on with Alta and the engineers and not be left out of the conversation.

Important to point out that the technical piece and governance piece are parallel but need to be coordinated.

Financials:

There is a preliminary rate study and we need direction on how to distribute the information:

Cutler and Sultana would like to have an individual presentation to the Board of the rate study

E. Orosi Lucy and Mary need an individual meeting to go over the financials

Seville residents requested a meeting with the County and RCAC to have the financial information presented

Eventually all the financials will be combined and a final report will be presented to the group. Financial analyses will be done for each of the preferred governance options to help the group make an informed decision.

Website Review:

The website has been drafted and RCAC is requesting feedback and comments. Within the website RCAC incorporated the description of the Alliance including purpose, project goals, project partners, and information from all of the previous and upcoming sessions.

Proposed changes:

Add a note that says: "Including elected boards and community volunteers"

The list of the participants notes the elected officials by an asterisk. Add: For more information contact (add the contact information for PUD or CSD)

We will discuss with the volunteers individually if they would like to be listed as contact for the communities that have no PUD/CSD

Change meeting minutes to "meeting notes"

Include the picture of the "Working Rules" and the drawing of the three levels

Include link to the website on the notes

(<http://www.rcac.org/environmental/regionalization/ntc-water-alliance/>)

Orosi Board would like to have their legal counsel review before we can share the link with the public

Add regionalization process link to the site

As RCAC's contract comes to a close, the group is going to have to move over the content to a new website under their ownership

Assignments & Working Groups

- Orosi board to review website at next meeting and provide feedback
- Evaluate the pros and cons of the different governance structure info presented and plan to discuss next section.
- RCAC to draft letter to county and Alta to request their attendance at all future meetings for review and finalization by the group.
- RCAC to make updates to the website
- Ryan to incorporate edits into Project Summary, translate and send out
- Each group needs to research what powers do the current CSDs, PUDs and county zone of benefits have (RCAC to ask county)?
- 2 volunteers to call in to steering committee meeting (Mr. Prado and Fernie planned to attend)
- Put functions powers and authorities in a matrix for next time—RCAC.
- RCAC-send save the date flyer for leadership to group

Next Sessions:

February 13th

March 5th

April 2nd

April 30th

May 21st

List of Participants in this session:

1. Alex Marroquín, Orosi PUD
2. Argelia Flores, Seville
3. Anthony Rubalcaba, Orosi PUD
4. Armando Porrás, Cutler PUD
5. Chad Widman, Orosi
6. Charlie Davidian, Yettem
7. David Gonzales, East Orosi
8. Fernie Rubalcaba, Cutler PUD
9. Jesús Quevedo, Cutler
10. Johnny Sandoval, Orosi PUD
11. José F. Guerrero, Cutler PUD
12. Kari Quintana, Sultana

13. Maria Magaña, Seville
14. Mark Estrada, Yettem
15. Michael Prado Sr., Sultana CSD
16. Robert Rodriguez, Cutler PUD
17. Ronnie Castillo, Orosi PUD
18. Rubén Becerra, Seville
19. Shawn Reagan, Sultana CSD

From Agencies:

Paul Boyer, Self Help Enterprises
Lorri Silva, State Water Resources Control Board (SWRCB)
Dennis Keller, Keller Wegley Engineering
Stan Keasling, RCAC
Mary Fleming, RCAC
David Okita, Community Water Center
Erastro Teran, Community Water Center

Facilitators:

Blanca Surgeon, RCAC
Erika Holzhauer, RCAC
Olga Morales, RCAC
Sarah Buck, RCAC
Ryan Jensen, Community Water Center

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