

SLVWD Board Meeting Summary

July 16, 2020

Mark Dolson

Unfinished Business

Past Due Process

The no-shutoff policy (required by SB998 and also supported by the District) is still in place, but the Budget and Finance Committee recommends that the District reinstitute late fees. The fees provide a helpful incentive for: (1) people who can afford to pay their bill but who need encouragement to actually do so, and (2) people who can't afford to pay their bill and who will be best served by setting up a payment plan in accordance with District policy. Rick Rogers (District Manager) noted that other districts are moving in this same direction. Stephanie Hill (Finance Manager) reported that the number of late and non-payments has doubled in the past month.

The Board unanimously regarded this proposal as reasonable and appropriate. The discussion focused on a few details. Director Fultz asked if the late fees will continue to be assessed on each successive bill. Stephanie said that customers continue to incur fees until they set up a payment plan. Director Fultz also wondered whether the fees could be waived once people start paying their bills. Stephanie explained that there is already a one-time waiver and that the vast majority of customers have not yet used their waiver. Director Fultz suggested that it might be good to revisit this policy in a month if financial conditions grow worse. Gina Nicholls (District Counsel) cautioned that Proposition 26 requires that any type of fee be justified. The late fee needs to relate to the estimated District collection cost, so unlimited waivers would potentially upset this analysis.

As an aside, it was noted that the District is offering a chance to win a Yeti Cup to customers who sign up for electronic billing. Signing up for Auto-Pay further increases the chance of winning. Stephanie said that this promotion more than pays for itself.

Director Fultz moved that the Board direct staff to reimplement late fees beginning with bills going out in August. The motion passed 5-0.

Board Policy Manual

The current Board policy manual does not adequately address the challenge of coping with last-minute document submissions for remote Board meetings. This agenda item was discussed at the June 4th Board meeting and then referred to the Admin Committee. The Admin Committee

recommends that materials should be submitted by 5:00 PM two days before the Board meeting so that the District Secretary will have adequate time to include them in the Board packet (the previous deadline was at noon one day before). When this is not possible, the material should be subsequently posted to the website. For Committee meetings, the process can be a little more flexible, and staff can present materials in real-time.

The Board felt that this revised policy achieved a good balance between trying to provide equal access to information for the public and the Board and trying to minimize staff stress. Director Henry moved that the Board approve this modification. The motion passed 5-0.

New Business

Chatterbox Contract Extension

Carly Blanchard (Environmental Planner) explained that the goal of this agenda item was to obtain Board approval for extending the Chatterbox PR contract. The District began contracting with Chatterbox in March, 2020 to begin establishing an Outreach and Communications Plan. Chatterbox completed a public survey in April and created a 3-month outreach plan. It has been posting three times per week on the District's social media accounts, has released a campaign to promote online bill pay, and launched the District on new social media platforms (Twitter and Instagram). Rick Rogers reported that other district managers have been impressed with these results and have expressed interest in following in SLVWD's footsteps. The District has so far paid Chatterbox roughly \$20,000.

The FY 2020/2021 budget has \$25,000 allocated for outreach. The staff recommendation is to extend the Chatterbox contract for \$23,600 to cover approximately 265 hours of work which includes execution of marketing plans, launching all marketing elements, weekly communications/reporting for marketing, and monthly reporting for social media.

Director Farris asked whether the District had specifically reviewed and responded to selected individual comments from the survey to demonstrate the District's commitment to engaging with the public. The answer was that Chatterbox was taking responsibility for this and believed that all comments had been addressed.

Director Fultz reiterated some of his earlier concerns about the Chatterbox contract. He asked for a clearly stated goal and metrics that will allow the Board to assess how successfully the District has engaged with the community. He said that the current activities seem to be targeted at building a brand whereas the focus should be on something much deeper: building trust and engaging the community in some very frank conversations about the major challenges that are facing the District. Director Fultz would like to see the Admin Committee doing more with regard to community engagement. He is very troubled by how the District is approaching this and thinks the experience and input to date should be used to formulate a revised plan and a concrete way to judge ROI. Lastly, he cautioned that, with an election coming up, the District

should be careful about the nature of information that gets published in upcoming months (in light of complaints about District mailings prior to the 2018 election).

Carly responded that the District is currently focused on building its audience on social media. It is relying on Sprout Social to analyze each platform, and the numbers are going up. In response to a follow-up question, Carly estimated that she is spending a maximum of 2-3 hours per week working with Chatterbox but usually just one hour per week.

Director Henry commented that many people in Lompico (including her) are not knowledgeable about social media. They also don't like the new website and don't get the Press Banner. Carly noted that Chatterbox is not focused only on social media and that the Press Banner has recently published our press releases for free.

Director Moran wanted to know how many people read the Board meeting agenda and how many people watch the meeting video. Carly said that these numbers can be obtained from the website. Director Moran also asked about outreach to neighborhoods that are having pipe and tank replacement (e.g., to alert residents to road closures) and about sharing fire management information. Rick Rogers said that project notifications will be shared with neighborhoods when dates are available from contractors.

Director Farris was happy with the choice of Chatterbox. He noted that they are proposing a July press release on construction and capital improvements and suggested delaying this to August so that July can focus on fire management.

Director Swan moved to approve the Chatterbox contract extension. The motion passed 4-1 with Director Fultz opposed.

Sale of Surplus Property

The goal of this agenda item was to introduce the Board to, and seek general direction on, some of the issues and complexities involved in disposing of selected properties that the District no longer has any need of. The District owns approximately 172 parcels of which 23 have been previously declared surplus, and 15 more (mostly related to the Lompico Water consolidation) are being newly recommended for surplus. In addition, there are seven parcels that require further discussion. These parcels (over 100 acres) are commonly known as the Zayante Watershed and were once intended for a proposed dam on Zayante Creek. Staff have physically visited all sites and determined that they are of no future use to the District.

Requirements for declaring property surplus and disposing of the property are complicated. The District's draft policy is intended to comply with the 2019 Surplus Land Act (part of AB1486) which requires local agencies to prioritize the development of low-income housing when selling or leasing surplus land that doesn't qualify for an exemption. Non-exempt land must first be offered for sale or lease to affordable housing developers or for other vital public goods

including parks and schools. One welcome development is that the online real-estate auction site Bid4Assets now greatly simplifies the actual transaction and is the obvious choice.

The District is categorizing its surplus properties as either: (1) surplus, non-exempt, (2) surplus, exempt, or (3) surplus, exempt, to be disposed of other than by auction. Properties in this third category are small, landlocked parcels that may be sold or traded with the owner of the surrounding land. For clarity, the District also needs to adopt a resolution specifying that the Administration Building (now no longer red-tagged) is not surplus.

The Board was supportive of the staff's progress on this initiative. They urged the staff to keep moving forward but also to keep the public fully informed. The only public input during the meeting came from Jim Mosher and Cynthia Dzendzel.

Jim expressed concern about the watershed and urged a broader discussion about the District's role in protecting the watershed. He recommended involving the public and environmental scientists in a review of watershed properties. Director Fultz said that he agreed with Jim that the Zayante property needs more in-depth discussion. He said that the parcel is zoned "Parks and Recreation" and that some appropriate agency might be interested.

Cynthia asked if there are water rights associated with Zayante, and Rick said that the District is looking at returning the water rights back to the stream. Cynthia asked if any of these areas were of interest to the Santa Margarita Groundwater Agency, and Rick basically said no. Cynthia also asked if any restriction can be placed on the property (e.g., to prevent logging or development), and Rick said this would have to come from the county.

Director Henry noted that most of the Lompico lots are very small, so it will be hard for people to reach the one-acre level required for building. They might just want additional privacy or an opportunity to add an ADU. Water rights to Lompico Creek won't be available (due to salmon).

Director Farris suggested that proceeds of sales should be funneled into infrastructure projects. Rick Rogers noted that the Board is free to provide direction but that it might make sense to use these funds to partially offset cost overruns on current Lompico projects. Director Fultz agreed, saying that the District is \$1.5M to \$2M over on the Lompico program and hasn't yet fulfilled all of its promises. Director Henry commented that the Lompico properties won't generate much revenue and that unanticipated environmental issues (e.g., an endangered rat species at the Lewis Tank) have substantially increased costs.

In summarizing the Board's feedback, Rick Rogers said that further evaluation of the seven Zayante parcels will be needed by the Environmental Committee before these can be put in the surplus bucket.

Department Status Reports

Director Moran asked about progress on hiring a new engineer. Rick Rogers said that the top candidate is currently reviewing an offer from the District.

Director Fultz asked that some information be added to the website helping the public to better track and understand water quality issues associated with seasonal shifts from surface water to well water. He also noted a recent instance in which a contractor drilled through an 8" main in the middle of the night without first calling 811. He wanted to know how aggressive the District is in recouping payment for such incidents. Rick Rogers said that this contractor will likely pay but that it isn't always worth going to court in such cases. The District is developing a policy on this.

Director Fultz asked whether the two pipeline projects will still be completed by winter. Rick Rogers said that it will be close but both are expected to complete. This work is currently one week behind schedule.