

# SLVWD Board Meeting Summary

September 17, 2020

Mark Dolson

## Unfinished Business

### CZU Wildfire Operational Update

District Manager Rick Rogers provided an update on the response to the recent fire. The District is currently working to restore the last remaining customer connection. However, 462 connections remain under the “Do Not Drink / Do Not Boil” order. The District is also continuing to address (via flushing and sampling) the benzene contamination affecting 62 customers in Riverside Grove. The District is still supplying bottled waters (mostly donated by various agencies and vendors) and is also continuing to operate a 5-gallon filling station in Boulder Creek. In addition, it is supplying water to the Big Basin District. It is also moving forward on temporary repairs for its Foreman Creek facility, but this facility can’t be brought back online until after the heavy winter rains are over, at the earliest.

The major new development was that the 3-million-gallon Lyon water tank and the 250,000-gallon Little Lyon water tank (comprising around 45% of the District’s total storage) were both found to have internal contamination (likely VOCs) due to the chimneying of soot into the tanks via the piping. This will necessitate cleaning (pressure-washing and then sandblasting) and recoating which will probably cost close to a million dollars. A spec is expected to be completed next week, and the recoating should take 4-5 weeks. Meanwhile, three additional temporary storage tanks are being deployed. On the bright side, the Lyon tanks were due for a new coating anyway, and they are currently empty. Rick said FEMA is likely to cover this, and the District also has pollution and contamination coverage that will likely supplement this.

Rick also noted two related positive developments: (1) the District will realize some cost recovery from the sale of damaged trees for lumber, and (2) the District will be revisiting the Lyon site access issues in light of the revised landscape (planning for a \$12-15 million repair project was initiated following a landslide, but this may now have changed for the better).

There was a fair amount of public comment. Larry Ford asked about preparations for winter flooding, slides, and debris flows. Rick said the County is taking the lead, and staff are participating. There is extreme concern about debris flow on all streams. These are fully expected, and evacuation plans are under development. There will be a lot more to follow.

Larry also asked about preparations for another fire. Environmental Planner Carly Blanchard said Panorama Environmental is still working on a management plan for the entire District and still looking into hardening of infrastructure, but the current focus is on emergency response.

Gail Mahood encouraged the District to post the USGS debris-flow map on its website and to encourage ratepayers to review this. The map shows the hazard of mud flow in a high-intensity rain event. These hazards are relatively low in most drainages, but Foreman Creek has a moderate hazard, and some people are downstream of this. Also, Gail noted that there could still be repeated debris flows for at least another year after this coming spring. She asked whether the District can mitigate this with construction. Rick said that this has not yet been addressed. The County will make a huge push, but there won't be much that they can do higher up on steep slopes.

Joe Cucchiara called attention to incomplete and inconsistent contamination reporting on the District's website. Operations Manager James Furtado thanked him for identifying this and promised to fix it.

#### Emergency Contracts Status Update

District Manager Rick Rogers alerted the Board that he will bring additional emergency contracts to the next Board meeting. He said the District is approaching \$1.2 million on its initial response and will probably approach \$2 million on the total immediate response. He estimated final costs at \$12.8 million.

Rick said that the District has been in meetings both with FEMA and with its Risk Management carrier. FEMA has funded a number of categories, but dollar amounts are not yet available. Director of Operations James Furtado reported that Sandis Engineering has been working closely with him and has been a huge help.

Director Farris asked whether the District is approaching the limits of its \$60,000 contract with Panorama Environmental, and Environmental Planner Carly Blanchard confirmed this. She expects the District to bring an updated request to the Board soon.

The only public input came from Joe Cucchiara who pressed the District to be as proactive as possible in enlisting state and federal representatives for help in petitioning for 100% participation to relieve the 25% state and local share that is not directly funded by FEMA. Rick said that the FEMA approval had only come very recently.

#### CZU Wildfire Customer Relief

Rick Rogers requested direction from the Board on how to handle customer bills with high usage during the CZU Lightning Fire. He said he had spoken with representatives of two other water districts who told him that attempting to resolve anomalous water bills on a case-by-case basis following a major fire had turned into a huge problem with their customers and a public-relations nightmare.

Finance Director Stephanie Hill explained that August water usage for some customers was excessive because the evacuation prevented them from fixing or discovering leaks or because they mistakenly believed they could protect their home by leaving sprinklers running. (Conversely, other customers used less water because they turned off their sprinklers and sacrificed their gardens.) Stephanie said the District has a standard leakage policy whereby 50% of above-normal use (based on the past year) can be credited back to the account but that this policy would likely not apply to many of the situations encountered during the fire. She also suggested that this could be a good opportunity for the District to educate customers as to why leaving sprinklers on is not recommended.

Stephanie said 442 accounts consumed at least three additional units in August as compared to July. This would translate to about \$85,000-100,000 in revenue. Stephanie estimated that the total for all customers who used more water in August than in July might come to around \$200,000. The total amount of excess water consumption was around 4-5 million gallons.

Director Farris asked if Stephanie had a specific recommendation, and she said that any solution would need to be as simple as possible to administer. Director Farris asked District Counsel Gina Nicholls if there were any legal restrictions on this kind of adjustment, and Gina said that there were not, provided that there is a clear, written policy.

The Board discussed this further and also heard some public input calling further attention to the diversity of relevant usage scenarios. The Board was unanimous in not being concerned with the loss of revenue, in wanting a simple solution that would be well-received by customers, and in wanting customers to know that the District might need to shut off water as dictated by the needs of fire-fighters. However, Director Fultz took exception to the idea that the District should try to educate its customers regarding sprinkler strategies.

The Board voted 5-0 to approve a resolution to not charge customers any more in August than they were charged in July.

## **New Business**

### Surplus District Property

This was an uncontroversial follow-up to the Surplus Property policy discussion that the Board engaged in at its July 16<sup>th</sup> meeting and to the Board's March designation of its Manana Woods Well Site as "Surplus." District Counsel Gina Nicholls explained that recent developments allow this site to be redesignated "Exempt Surplus" because it can be sold to another public agency, the Scotts Valley Water District (SVWD), for that agency's use. This was seen as mutually advantageous.

Directors Moran and Fultz spoke in favor. Director Moran said SLVWD shares interests and membership (in the Santa Margarita Groundwater Agency) with SVWD, and the two should

work together. Director Fultz said both parties will benefit, and Gina and Rick Rogers have done a great job of putting this together. There was no public comment.

The Board voted 5-0 to approve the motion to redesignate the Manana Woods property. The Board also voted 5-0 to appoint Gina Nicholls as a co-negotiator to work with Rick Rogers on the pending discussion with SVWD.