

Castle Rock County Water District

Board of Directors Meeting Minutes: November 22, 2014

1001 Castle Rock Road, Walnut Creek, CA 94598

Present: Fred Allen, Richard Hoag, Robert Dienhammer, Manfred Peter

Absent: Matthew Smith, Bill Messick

Meeting called to order at 10:00 AM

Prior Meeting Minutes: N/A

Old Business:

- (1) **System Leaks** – A 24 hour leak test was performed by district board members. The test indicated a loss of approximately 13,000 gallons. American Leak Detection was hired to inspect the district pipes going to each customer. A substantial leak was detected under a redwood tree on Pine Creek Road. The service charge for this inspection was \$1,350. An additional leak on Pine Creek Road was noted by a CRCWD customer. Both leaks have been repaired for a cost of \$3,971.79 (Guerra Brothers Plumbing fee of \$1,675.65; additional labor and parts fees totaling \$2,296.14). The district board members will perform a follow-up system leak test in the 1st quarter of 2015 to confirm that leaks have been repaired.

- (2) **USA North 811** – A membership application for USA North 811 has been received by the district. The annual fee is \$153 and will allow the district to be notified when there is public or private party digging activity in the district's service region. Fred Allen will be named the main point of contact, and each board member who reads quarterly meters will be responsible for investigating any planned digging activity in his meter reading area.

New Business:

- (1) **LAFCO** – At their October 8, 2014 board meeting, LAFCO board voted in favor of CRCWD having a zero SOI (sphere of influence) relative to CCWD, whose SOI's overlap. The zero SOI generally implies a transitional SOI indicating that the public service responsibility and functions of the district should ultimately be abandoned or redacted to another agency. However, LAFCO does support CRCWD continuing to operate as an independent special district over the foreseeable future.

LAFCO has provided several recommendations for improving the CRCWD's public disclosures and communications with its customers. These

recommendations include (a) developing a CRCWD web site, (b) completing an engineering study to memorialize the condition of the water delivery system pumps, pipes and water tank and (c) posting board meeting minutes and annual financials for public review on the new web site. The board members agreed unanimously that LAFCO's recommendation would be beneficial to the district as long as the proposed activities could be performed cost efficiently.

The board will pursue several third party estimates for web site development and an engineering report. A \$1,500 estimate for web site development has already been received from J2 Consulting, and a verbal estimate of \$7,500 has been received from Paul Causy, who provides independent consulting services related to municipal water, special district water and waste water.

- (2) **Customer Connections to CCWD** – There are nine customers that are not connected to Contra Costa Water District's (CCWD) treated water service. CCWD has expressed interest in offering these nine customers a discounted "group rate" connection fee. Board members performed a survey of the nine customers to discuss their interest in a "group rate" connection fee, and the consensus was that there would only be interest if there was a substantial reduction (a minimum of 50%) in the required connection fees. A follow-up meeting with Jeff Quimby at CCWD will be scheduled in December to discuss the results of the survey.
- (3) **CRCWD 2013/2014 Financials** – For the fiscal year ending June 30, 2014, the district reported a net operating loss of \$4,666 on total operating revenues of \$71,591. Including the net contribution of \$11,436 the district received from property taxes, the district reported a net annual contribution of \$6,770. As of June 30, 2014, the district reported cash on deposit with County Treasurer of \$132,820 and a net equity position of \$164,971.
- (4) **Future Water Rates** – The board will continue to monitor operating expenses relative to the revenue generated from district customers.

Meeting adjourned at 10:45 AM