

Minutes: Lake Canyon Mutual Water Board Meeting

Wednesday August 17, 2022 7:00 p.m.

Held via Zoom Audio and/or Video Conference

408-656-6181 cell to contact LCMWC 408-834-7745 (message only)

lakecanyonmwc@gmail.com <http://www.lakecanyon.com>

PUBLIC FORUM: Any member of the public may address and ask questions of the Board relating to any matter within the Board's jurisdiction, if the matter is not on the agenda or pending before the Board.

Call to Order / Start Zoom Meeting for remote meeting access: 7:00 p.m.

Ru calls the meeting to order at 7:07 p.m.

Roll Call: Jim DiZoglio, Mindi Porebski, Sam Monga, Ru Rajapakse, Casey Farrand

Also in Attendance: Bud Everts, Aaruna Godthi, Jenn Tran

Consent Agenda: Financial, Water, Staff, Projects, and Maintenance reports (2 min)

Mindi makes a motion to approve the financial reports

Casey Seconds

Motion Passes 4-0

Reports: Reports: Communication, and Correspondence Reports (10 min)

[Link to Bud's report](#)

- \$246K in the bank
- Spring flow last month was 3.3 gallons per minute (gpm), this month 2.8 gpm
- Last week, there was an issue with tank levels dropping, and San Jose Water had to rectify an issue where the pool water level was too low. Was fixed next day and tanks are back up to 100%
- Demand went down slightly month over month
- Meter readings are this Sunday Aug. 21, with a new volunteer in training
- Tank cleaning upcoming maintenance: \$3,800
- Bridge damage near 19495 Beardsley by Quanta: repair by Tom Newhall will cost \$2500; will be reimbursed by Quanta
- Bridge bolts were intended to be done by this time, but Tom was out at another project in Lompico. Should be complete this Friday, Aug. 17 or early next week to replace with the new bolts that will stay tight.
- Annual meeting confirmed for Sept 24th, 4:00 pm @ 19010 Oak Ct

Mindi makes a motion to accept the reports

Sam Seconds

Motion Passes 4-0

Business

- Continue 19521 Manzanita Dr project needs
 - Bud went through materials from owners of the property
 - Majority of water company issues are around fire protection
 - No response yet from Christina DaSilva, Santa Clara County Fire Dept.
 - Asked for clarification from the Santa Clara County, and waiting for a response
 - May require a special meeting depending on the timing of the county response
- [All] Vote to ratify change to Bylaw to "biannual meeting" language to reflect that community meetings take place in September as well as May
 - **Current Language:** A service charge, consumption fee, and an allocation fee, per improved parcel to be determined yearly at **the May** Members meeting or the June Board of Directors meeting.
 - **Proposed Language:** A service charge, consumption fee, and an allocation fee, per improved parcel to be determined yearly at **a biannual** Members meeting or the June Board of Directors

- meeting.
- Discussion for future agenda / meetings:
 - Review the Bylaws for consistency in reference to annual meetings in pg 7, 10, and 14 that should be reconsidered
 - The Bylaws outline our meetings in Article 14 that could be referenced and considered for clarity
 - The Bylaws are vague on how we determine non-water emergency rate changes, as it says it will be “set by the board of directors” and in other places uses “determined” language but does not specify how it is determined yearly.
 - The Bylaws could be updated to be much more specific on when we would present proposed changes, how votes would work, and what majority is needed
- Proxies for annual meeting need to go out 14 days before the Sept 24 meeting

Sam makes a motion to ratify the change in the LCMWC Bylaw as follows:

Current Language: A service charge, consumption fee, and an allocation fee, per improved parcel to be determined yearly at **the May** Members meeting or the June Board of Directors meeting.

Proposed Language: A service charge, consumption fee, and an allocation fee, per improved parcel to be determined yearly at **a biannual** Members meeting or the June Board of Directors meeting.

Jim Seconds

Motion Passes 5-0

- [Bud] Pipeline Project Update
 - Pushed leg 1 pipeline of the project to start next year.
 - Estimate of cost from Kevin is \$87,000. Waiting on estimate from Tom’s participation, but estimated around \$40,000. Costs may vary depending on the cost materials at the start of the project.
 - Next step is to submit plans to the state water resources control board. If we get approval for the separation between the pipes that will help reduce costs.
- [Sam - 10 min] Update on automated water readers and leak detection
 - Bud & Sam met with Valley Water and were given some guidance on funding
 - Mini-grant program for up to \$5K for conservation, education, etc.
 - Standard Grant (up to \$100K): more paperwork intensive and payment is after the fact with receipts, etc. Requires us to quantify the impact of water savings, etc. If we can show that smart water meters do save water that might help them convince their leadership to supply more communities with smart water meters
 - Can test with base station and meters
 - Computer in water treatment plant just needs wifi connection
 - No inherent leak detection capability, but the data is there
- [Sam, Jim, & Bud] Committee findings on monthly rate review and per gallon charge rate study
 - Situation the LCMWC is in:
 - With current reserves, rate of growth, and maintaining our \$100,000 reserves, we do not have sufficient funds to pay for our upcoming projects (eg. all parts of the pipeline project)
 - Priority pipeline project is in need of funds and is critical to provide safety and meet hydrant needs on Laurel and Oak
 - Last rate increase was Oct ‘16 and inflation and company operating costs have increased since. To maintain a financially stable company we need to ensure our rates keep pace with our costs
 - Improve our rate of savings so we can address upcoming projects in a more timely manner
 - Other costs and projects are necessary: tank cleaning, water treatment equipment updates, defensible space tree trimming, water meter technology update
 - Proposing 3.8%-4% increase for base rate to match operating expenses, inflation, and immediate project costs
 - Proposing Tier 1 goes from 1 cent to 1.5 cents
 - Proposing Tier 2 goes from 2 cents to 3 cents
 - Propose to update undeveloped rate to be 25% of the \$187 base
 - Other funding mechanisms considered:

- Grants are not available to us due to median household income in our area
 - Loans prohibitive due to interest rates, requirements for prevailing wage
 - Non-paying properties have liens put against them
 - Special assessment
 - Board discusses pros and cons of other options including:
 - Assessment for special projects + rate increase for running the business
 - Higher rate increase with no need for special assessment
 - Assessment only
 - Jim & Sam to work on presentation for the community with information on the proposal and board to review at a special meeting of the LCMWC board on Wednesday, August 31 at 7pm
- [Sam] Finalize signage decisions for Upper Beardsley Bridge length restrictions
 - Will look for custom sign companies to create image with box truck and recommended restriction at 26 feet
 - Length determined based on fire engine size, standard delivery/moving box truck size, and previous board member experience
 - [Mindi + Jim] Volunteer needs: Propose additional dates for volunteer days for cleanups along the back of canyon trail, creek, etc.
 - Only 4 community member submissions to the dates for volunteers yet
 - Will send back out in the meeting minutes and encourage in advance of the annual meeting to increase submissions

Next Regular Meeting potential agenda items:

- [Bud] Continue 19521 Manzanita Dr project needs
- [All] Discuss additional Bylaw changes proposed to update Bylaws to current reality, remove inaccuracies, and update for clarity
- [Bud] Pipeline Project Update
- [Sam] Update on automated water readers and leak detection
- [Sam] Finalize signage decisions for Upper Beardsley Bridge length restrictions
- [Mindi + Jim] Volunteer needs: Finalize dates for volunteer days

Special Meeting agenda items:

- [Sam, Jim, & Bud] Review community presentation on proposal for rate increase
- [Bud] Continue 19521 Manzanita Dr project needs

Jim makes a motion to accept the minutes

Sam seconds

Motion Passes 3-0

Adjourned at 9:59 p.m.

Next meeting: Wednesday, Aug. 31st 7:00 p.m. via Zoom