

Minutes: Lake Canyon Mutual Water Special Board Meeting

Wednesday Jan 25, 2023 7:00 p.m.

Held via Zoom Audio and/or Video Conference

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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: Ru called the meeting to order at 7:04 pm

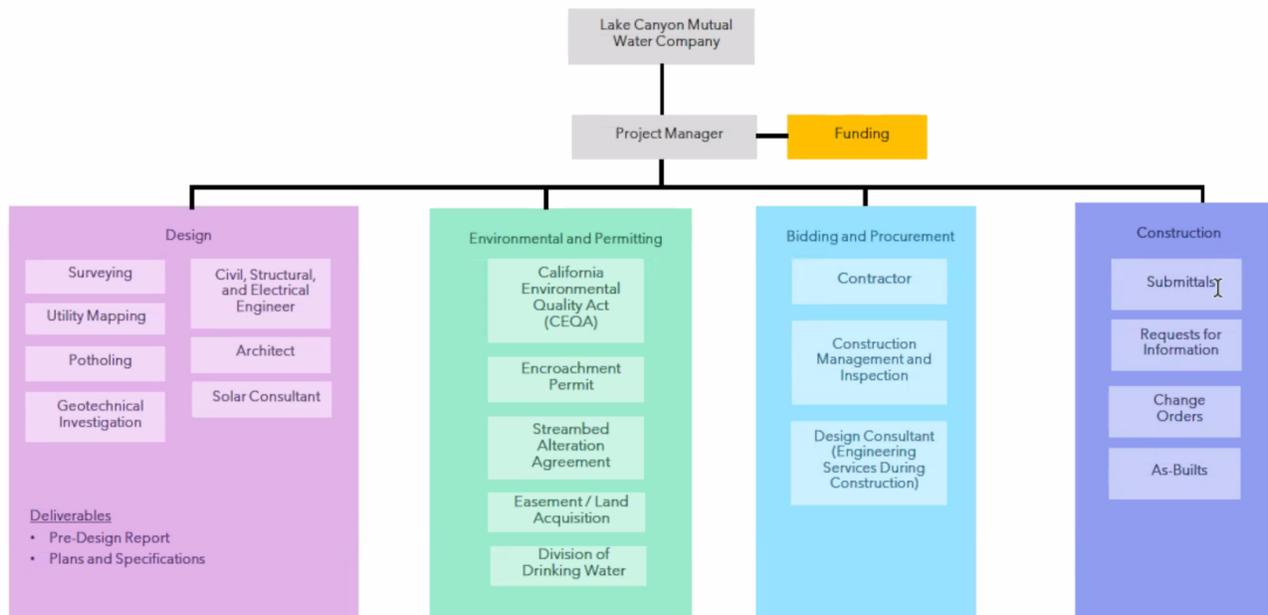
Roll Call: Jim DiZoglio, Mindi Porebski, Ru Rajapakse, Sam Monga

Also in Attendance: Bud Everts, Aaruna Godthi, Don Kirk

Special Business

- **[Ru / All]** San Jose Water merger project and grant application
 - At last Friday's meeting with Fraxia, Nancy Ku gave an overview of the entire project process

San Jose Water Company Consolidation and Pipeline Project



- The first phase takes some time and budget (10-15%) for drawings, survey, core samples, etc.
- The second phase is environmental permitting, encroachment permits, etc.
 - Not all of the costs from the first two phases were included in the original San Jose Water (SJW) estimate
- To get from phase 1-3, you are often talking 1 - 2 years into the project, and some cities shelve projects at that point. In between phases 2 and 3, that is the risky time when costs can change a lot due to markets, etc. She recommended budgeting an extra 20 - 30% on top

- Then comes contractor bids & construction starts
 - Then change orders happen - unexpected things like hitting a huge rock, etc. plans change and costs increase.
 - In general, these projects go over budget
- So discussion of alternative options with schematic shown ([SJW plans](#)): e.g. get a metered two-inch-line from SJW Montevina intersection
- Most water companies that Jordan Blough, the Grant/Funding Development Manager at LACO Associates deals with are in the red. We are doing well comparatively
- Had a meeting today (Jan. 25th) and told SJW that the project won't work for us at this time and we are considering the alternative 2-inch line. Colby Sneed, SJW Director of Operations, thought this might be the way to go. So SJW is very supportive.
- Ru shows a map of Montevina and existing water meters that feed the lower Montevina houses.
 - SJW recommends we also put the meter next to the other meters
 - We have a few options for how to get from there to our community
 - There is one household unhappy with the line they have, and says that his SJW pipe leaks all the time. There is a property being developed and they need a water connection.
 - Question - perhaps that can be included in the grant, as the grant money is interested in reducing leaks
- Coming over from Black / Beardsley is about 500 ft less in length compared to the fire road but the county is very difficult about allowing pipes along the roads plus costs of traffic control, etc. would make this a more difficult and/or costly route
 - Board looks at wider map to consider alternative routes for the pipeline
 - Will discuss options with Jake Walsh, SJW Assistant Chief Engineer, Planning and/or engineering firms to understand options
- San Jose Water provided some insights into the added 16% overhead charge (development fee). They confirmed they don't deal with these project types often. They were amenable to requesting the 16% being removed, but that needs to go through some other departments for review.
- In summary, if we got approved for the grant, there was still the possibility that the costs exceeded the amounts greatly and so it is too high an expense for us.
- So following the phone call, there was a call with Jordan Blough at LACO and a decision was made that the project costs were too high. However, Jordan can still be a resource regarding grants for us going forward. But we paid the retainer for \$6,000 and he is going to put together a view of the costs so far.
 - So the work has stopped with LACO and there will be no additional costs for the grant writing at this time
- Board thoughts on the alternate plan to supply existing distribution system via 2in pipeline of San Jose treated water:
 - We should get the proposal engineered and ensure the pipeline is well marked.
 - There may be an option to have the pipeline insured
 - Under this model, the pump we have existing would pump to the main tanks. We could replace the redwood tank at some point, and use those to flow down to the houses.
 - We still need to do the pipe upgrade project on Laurel and Oak
 - Jim is interested in entertaining a fully engineered system, but would like to know more about engineering costs and if we can save building some parts the same we have in the past pipeline legs.
 - A 2" pipe to fill the tanks is a gain, being able to sleep at night during fire season as the supply won't run dry waiting on trucks to deliver water.
 - Sam is supportive of the direction but wants to summarize:
 - We are not pursuing the grant for the "Cadillac" project - meaning the full project where we merge with SJW and they take over distribution and supply
 - There are several open items to move forward on the 2in pipeline, and we should organize ourselves around that
 - We also will have other projects which will need funding (laurel pipe, redwood tank)
 - Mindi is supportive of moving away from the expensive project due to the exorbitant cost, but

acknowledges that this newly proposed solution does not solve everything we were setting out to including: we still need to maintain a water distribution operator on staff, we don't solve the issues of volunteering (meter reading, etc).

- We don't have details of the full cost of distribution.
- Ru recommends while we have time we can start building relationships, doing communication to galvanize everyone toward this solution, and do research for the right grants to fund this - especially if we could find a grant to cover all of the costs
- In order to support this project, Ru's recommendation is to keep LACO on board as consultant on time & materials basis and have them do some grant research for us. It has made a huge difference having their help on this.
 - Bud agrees they are very competent and good working partners
- Bud recommends three steps:
 - 1) Grant Research - Bud recommends we attend the next CFCC (California Financing Coordinating Committee) seminar which brings in all the state and federal agencies that have water-related grants and they do presentations on what is available, and discuss individual projects with interested parties
 - 2) Discussion with SJW on best routes / options for direction of pipeline, so that if there are partnerships or cost sharing opportunities, we don't miss out on having those discussions early
 - 3) CommunicationL We need to raise the awareness of this project in the community and ensure folks are brought up to speed on this work. We could use the first weekend in May (Saturday, May 6, 2023) for our spring meeting and share this with the community

Mindi makes a motion to formally end the pursuit of the Urban Drought Relief 2023 Grant application and the full SJW consolidation solution

Sam Seconds

Motion passes 3-0

● **[All]** Review of state of water emergency status

- Bud shares his recommendation that we are meeting well over 100% of our needs through the spring, due to the recent rains
- Turbidity has also settled down - it was very high during the last few weeks - that issue is resolved
- SJW has opened all the pipes and is draining out some water from Lake Ranch to prevent using the overflow
- There is no need to conserve water. Bud has changed the signs at the front of the canyon to "Water OK"
- Bud recommends we rescind the current State of Water Emergency enacted in 2022.

Sam makes a recommendation to rescind the water emergency

Jim seconds

Motion passes 3-0

Review of Meeting Minutes from this meeting

Mindi motions to approve the minutes

Sam seconds

Motion Passes 3-0

Meeting Adjourned at 8:21 p.m

Next meeting: Wednesday, February 15, 7:00 p.m. via Zoom