

This brief is being provided to inform the board, staff, and public of the details of an agenda item that requires no action from the board. The President of the Board will provide board members, staff, and the public the opportunity to ask questions about this topic when this agenda item is announced.

Date: 15 March 2021

Originator: General Manager

Purpose of Brief: Informational Briefing

Supporting Documents Included: No

1. GMCSO Rate Study Update

The CSO has not conducted a rate study since 2006 and has not levied a rate increase in over 10 years. Cost of living increases in salary, electrical, and cost of supplies, coupled with needed repairs/replacement/maintenance to aging infrastructure have stressed the District's operating budget to the point we need to assess operating fees.

Mr. Chris Fisher, Willdan Associates, provided an initial proposal to conduct a comprehensive rate study and financial plan for the District. This initial proposal excluded a review of Standby Fees on undeveloped lots due to questions regarding the nature and origin of those fees and how they are governed under Prop 218.

We have since answered those questions and determined that the CSO has been mischaracterizing these fees as "Standby Assessments" for undeveloped lots. In fact, as established by the County in 1996, these should appropriately be characterized as "Non-user" fees for developed lots, defined as lots with existing water and sewer connects. The Non-user fees were set at the time the County approved the development permit for the express purpose of "operation and maintenance of the community water and sewer system."

Status:

- (1) Awaiting on a response from Willdan Associates on whether they will include these fees in their proposed rate study
- (2) Awaiting a response from HDR Engineering, the company that performed our 2006 rate study and connection fee study, to see if they are interested in bidding on our next study.

2. CSOA Emergency Preparedness Summit

I participated in the CSOA sponsored 2-day virtual Emergency Preparedness Summit moderated by the USC Sol Price School of Public Policy. While extremely interesting, the summit was aimed at large districts with a substantially larger customer base and significantly more resources. However, much of what was discussed applies to any size district. Once the Summit presentations are made available, I will distribute to the Board and staff for review. Based on the information presented, the GMCSO has made significant strides in developing our various emergency response plans. Our objective should be to wrap these plans in a Continuity of Service Plan to ensure we can continue to provide essential services throughout and after any Emergency.

3. Septic System Concerns

New state regulations put in place in 2020 require increased septic system inspections, which in turn have highlighted growing concerns with our aging septic systems. Technically tanks are owned by individual and commercial owners, however, the CSD has a responsibility for inner workings of tank, inspections, and pumping. Owners have an implicit responsibility to maintain their tanks and protect the tanks from external damage. Recent inspections have identified a growing tree root incursion problem which, if not taken care of, presents the potential of major tank damage or replacement. The District has an overarching Ordinance (law) and various policies and licenses that touch on septic system responsibilities, but no clear and easily applied guidance. Staff is working to resolve these issues through implementing an overarching septic policy.

4. Water Leaks

Unlike our older manual read water meters, the CSD's new meter reading solution provides a great deal more information than simply total consumption since the last read. It can provide time-based usage as well as trends. When we identify an unusual usage pattern, we notify the owner. Recently we've had a spat of incident where the remote owner has asked us to enter their house to check for leaks. I've established the protocol that we will only do an exterior inspection but will not enter private residences. We have received some pushback on this stance, but the District can't afford the liability, nor is it the CSD's responsibility. We will encourage absentee owners to make arrangements with a caretaker or neighbor to deal with such residential checks.

5. Major Initiatives

Over the next few months, I have six primary initiatives:

- 1) To proceed with initiating a new GMCSD rate study and potentially a connection fee study
- 2) To complete a revised draft district Municipal Service Review (MSR) for submission to LAFCO and for use in or Fire Services Consolidation initiative (last MSR was in 2011)
- 3) To bring a new SEPTIC SYSTEM DESIGN, INSTALLATION, AND MAINTENANCE POLICY to the Board for approval
- 4) Work with staff to define and implement mitigation strategies in response to the District's prioritized risk assessment
- 5) Work with staff to implement an updated CSD Welcome package for new homeowners, new property owners, and institutional property owners.
- 6) Develop some sort of targeted District bulletin to inform owners of specific water and sewer issues which may require action (e.g., water leak responsibility, septic responsibilities)