

**FLDDBROOK GLENDALE  
COMMUNITY SERVICES DISTRICT  
REGULAR MEETING OF THE BOARD OF DIRECTORS**

December 17, 2019  
Fieldbrook Fire Hall, 6:30 PM  
AGENDA

**1. Roll Call**

**2. Agenda Modifications**

**3. Public Comments**

Individuals wishing to speak on matters not listed on the agenda are asked to clearly state their name and address. No action will be taken on items not listed on the Agenda.

**4. Reports**

- 4.1 Wastewater Report
  - 4.1.1 – Monthly report
- 4.2 Safety Report
- 4.3 Fire Chief Report
  - 4.3.1 – Call/incident report.
- 4.4 District Engineer Report –
  - 4.4.1 – Muni meeting report –
  - 4.4.2 – Anker Tank – grant award(s) update
  - 4.4.3 –
- 4.5 General Manager Report
  - 4.5.1 –
- 4.6 Reports by members of the Board.
  - 4.6.1 –

**5. Consent Agenda**

The Board will approve all of the following items by a single vote unless any member of the Board or the public asks that an item be removed and considered separately.

- 5.1 Approval of minutes
  - 5.1.1 Regular Board Meeting, November 19, 2019
- 5.2 Correspondence/Information Items
  - 5.2.1 –
- 5.3 Approval to pay bills, issue payroll, county warrants, and bank transfers.
  - 5.3.1 Interfund Transfers \$78,807.47
  - 5.3.2 Checks (#5984-6013) \$89,660.23
  - 5.3.3 Payroll \$2,928.67
  - 5.3.4 General Journal Entries 444-446
  - 5.3.5 Warrant request fire fund \$25,000
  - 5.3.6 Related party transaction: Central Avenue Service \$461.24

**6. Action/Discussion Items – 6:30 PM**

- 6.1 – 2019 Audit Presentation, Hunter, Hunter & Hunt - Receive and File.
- 6.2 – Discontinuance of Residential Water Service. Discussion – first reading.
- 6.3 – Election of Officers – Action.
- 6.4 – Adopt Board Calendar 2020 – Action.
- 6.5 – Roster of Public Officials – Review.

**Action/Discussion Items – 7:30 PM**

- 6.6 – Summer Rate Modification. Action.
- 6.7 – Special Board Meeting in January. Discussion/Action.

**7. Future Agenda Items**

- 7.1 – 2019 Wastewater summer rate credit.
- 7.2 – Water/Wastewater CPI Rate Adjustments
- 7.3 – CPI Wage Adjustments
- 7.4 – Quarterly Financial reports and budget adjustments.

**8. Executive Session/Closed Session**

The Board may choose to consider items of an urgent nature that have arisen after this agenda was posted. The Board may also choose to adjourn to closed session to discuss legal or personnel matters.

**9. Adjournment/Announcements**

- 9.1 - Next regular meeting January 28, 2020

**FIELDBROOK GLENDALE  
COMMUNITY SERVICES DISTRICT  
REGULAR MEETING OF THE BOARD OF DIRECTORS**

November 19, 2019  
Fieldbrook Fire Hall, 7:30 PM  
MINUTES

**1. Roll Call**

*President Roy Sheppard called the meeting to order at 7:35 PM. Board members present were Vice-President Starr Kilian, Director Richard Grissom and Director Jason Garlick. Director Janet Miller was absent. Fire Chief Jack Sheppard and District Engineer Rebecca Crow were absent. Sewer Technician Grant Weaver and General Manager Richard Hanger were present. Approximately 14 community members were present.*

**2. Agenda Modifications**

**3. Public Comments**

Individuals wishing to speak on matters not listed on the agenda are asked to clearly state their name and address. No action will be taken on items not listed on the Agenda.

**4. Reports**

4.1 Wastewater Report

4.1.1 – Monthly report

*Sewer Technician Grant Weaver reported the system was functioning as designed.*

4.2 Safety Report

4.3 Fire Chief Report

4.3.1 – Call/incident report.

*Fire Chief Jack Sheppard was absent and submitted his report via email. The department had four calls. A date is being set for the final installation of the repeater.*

4.4 District Engineer Report – *Absent*

4.4.1 – Muni meeting report –

4.4.2 – Anker Tank – grant award(s) update

4.4.3 –

4.5 General Manager Report

*4.5.1 – General Manager Richard Hanger requested the December board meeting begin at 6:30 PM to accommodate a lengthy agenda and set a time certain of 7:30 for consideration of an Alternative Summer Wastewater Rate.*

4.6 Reports by members of the Board.

4.6.1 – *None*

**5. Consent Agenda**

The Board will approve all of the following items by a single vote unless any member of the Board or the public asks that an item be removed and considered separately.

5.1 Approval of minutes

5.1.1 Regular Board Meeting, October 22, 2019

5.2 Correspondence/Information Items

5.2.1 – McAdams, stand-by wastewater fee.

5.3 Approval to pay bills, issue payroll, county warrants, and bank transfers.

5.3.1 Interfund Transfers \$44,324.92

5.3.2 Checks (#5960-5983) \$46,409.72

5.3.3 Payroll \$2,892.96

5.3.4 General Journal Entries 440-443

5.3.5 General Manager reimbursement \$179.88 Adobe software

***Director Richard Grissom moved to approve the consent agenda as presented. Director Starr Kilian seconded the motion. The motion carried, Ayes 4, Nays 0, Abstain 0, Absent 1.***

**FLDDBROOK GLENDALE  
COMMUNITY SERVICES DISTRICT  
REGULAR MEETING OF THE BOARD OF DIRECTORS**

**6. Action/Discussion Items**

6.1 – Adjustment of wastewater late fees for summer months. Action.

*General Manager Richard Hanger presented the staff report and recommended the board consider issuing credits for domestic wastewater late fees incurred during the summer months. These fees total \$1,764.11. Also, recommended the board allow a credit for shut-off fees if requested and approved by the General Manager. Public comments were received.*

***Director Jason Garlick moved to approve issuing a credit for summer wastewater late fees and a credit of shut-off fees pending review and approval of the General Manager. Director Richard Grissom seconded the motion. The motion carried, Ayes 4, Nays 0, Abstain 0, Absent 1.***

**7. Future Agenda Items**

7.1 – Election of Officers. December.

7.2 – Board Calendar 2020. December.

7.3 – Annual audit presentation, fiscal year ending June 2019. December.

7.4 – *Alternative Summer Rate – time certain 7:30 PM*

**8. Executive Session/Closed Session**

The Board may choose to consider items of an urgent nature that have arisen after this agenda was posted. The Board may also choose to adjourn to closed session to discuss legal or personnel matters.

**9. Adjournment/Announcements**

9.1 - Next regular meeting December 17, 2019.

*Meeting adjourned at 8:40 PM.*

*Respectfully submitted,*

\_\_\_\_\_  
*Richard Hanger  
Secretary to the Board*

\_\_\_\_\_  
*Starr Kilian  
Vice-President*

Attachments  
*CCCU fund transfer  
Initialed disbursement register*

**FLDDBROOK GLENDALE  
COMMUNITY SERVICES DISTRICT  
REGULAR MEETING OF THE BOARD OF DIRECTORS**

December 17, 2019  
Fieldbrook Fire Hall, 6:30 PM  
Financial Report

5.3 Approval to pay bills, issue payroll, county warrants, and bank transfers.

- 5.3.1 Interfund Transfers \$78,807.47
- 5.3.2 Checks (#5984-6013) \$89,660.23
- 5.3.3 Payroll \$2,928.67
- 5.3.4 General Journal Entries 444-446
- 5.3.5 Warrant request fire fund \$25,000
- 5.3.6 Related party transaction: Central Avenue Service \$461.24

Fieldbrook Glendale  
Community Services District  
Agenda Background

**Agenda Item:** 6.1

**Agenda Title:** Audit Presentation, Fiscal Year 2019

**Meeting Date:** 12/17/2019

**Presented by:** Jeff Trump, Thomas Sousa, Hunter, Hunter & Hunt

**Type of Item:**       Action                       Discussion                       Information

**Type of Action  
Required:**               No Action                       Voice Vote                       Roll Call Vote

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**Background**

Management's Discussion and Analysis reviewed September 2019

**Recommendation:**

Following the presentation of the audit report, move to receive and file the audit report for fiscal year 2018-2019.

Fieldbrook Glendale  
Community Services District  
Agenda Background

**Agenda Item:** 6.2

**Agenda Title:** Discontinuance of Residential Water Service – Amending Ordinance 91-1

**Meeting Date:** 12/17/2019

**Presented by:** Richard Hanger

**Type of Item:**         Action                       Discussion                       Information

**Type of Action  
Required:**             No Action                       Voice Vote                       Roll Call Vote

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**Background:**

**First reading** of discontinuance of residential water service, amending Ordinance 91-1.

On September 28, 2018, Governor Brown signed into law SB 998, the Water Shutoff Protection Act, which changes the requirements and procedures relative to the discontinuation of residential water service for non-payment beginning February 1, 2020. SB 998 requires every urban and community water system with more than 200 water service connections to have a written policy on the discontinuation of residential water service for nonpayment. That policy must be available on the water supplier’s website. The policy must be in five languages, in addition to English, listed in Civil Code Section 1632 (Spanish, Chinese, Korean, Vietnamese and Tagalog) and in any other language spoken by at least 10% of the people residing the system’s service area. SB 998 sets forth the specific provisions and requirements for water service discontinuation, which includes a 60-day waiting period before service can be discontinued. The water supplier will also be required to contact, by telephone or in writing, the customer named on the account at least seven (7) business days before discontinuing service. If notice is given by telephone, the system must: (a) offer to provide the customer the system’s written policy on discontinuation of water service; and (b) offer to discuss options to avoid discontinuing water service, including alternative payment schedules, deferred payments, minimum payments, amortization and bill review and appeal. The new law also includes required processes if the water supplier is unable to contact the customer as well as a specific mandate for a customer appeals process. SB 998 also offers opportunities for payment arrangements, provisions for low-income customers and very specified conditions and/or circumstances which a water supplier will be prohibited from discontinuing water service for non-payment. SB 998 also mandates that water suppliers must report annually on its website and to the State Water Resources Control Board the number of service discontinuations for inability to pay. The State Water Resources Control Board (State Board) must post that information on its website. Community water systems subject to all of the requirements set forth above who fail to comply with the requirements of this new law will be subject to enforcement by the State Board and the California Attorney General.

**Recommendation: Review – First reading. Item will return for adoption in January.**

**ORDINANCE 91-1**  
**AMENDMENT**  
**Revision of Articles 13.7, 13.8, & 13.9**

**DISCONTINUANCE OF RESIDENTIAL WATER SERVICE POLICY**

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**1. POLICY EXPLANATION**

This policy details Fieldbrook Glendale Community Services District’s (FGCSD’s, The District) administrative actions regarding delinquent accounts and the discontinuance of residential water service. This includes notifications, payment arrangements, account appeals, fees, service discontinuance, and service reconnection. This policy shall comply with all aspects of the *Water Shutoff Protection Act* (SB 998), effective February 1, 2020.

District staff can be contacted in person at the main office (828 Seventh St., Eureka, CA, 95501) or by phone (707-443-5018) to discuss options for avoiding discontinuation of residential water service for non-payment under the terms of this policy.

A copy of this policy is available to the public on the District website and in writing upon request. This policy is available in English, Spanish, Vietnamese, Korean, Chinese, and Tagalog.

**2. DEFINITIONS**

- a) *Account Owner (Customer)*: The individual(s) who is financially responsible for the retail water service utility payment at a location.
- b) *Alternative Payment Agreement*: A written agreement between the Account Owner and the District providing for the payment of current or delinquent charges on an alternative schedule. All alternative

payment agreements must be requested by the account owner and approved by the District. See specific details in *Alternative Payment Agreements, #3-a*1.

- c) Appeals Process: Written request by the account owner to the General Manager for a review, discussion, and possible adjustment of the bill and/or balance on the retail water utility account. See specific details in *Appeals Process, #4*.
- d) General Manager: The District's General Manager and/or his/her designee.
- e) Non-Payment: Failure of the account owner to pay all charges (including penalties) by the due date, subjecting the retail water utility account to potential service discontinuance.
- f) Delinquent Account: Any account that is not paid, in full, by midnight on the 23<sup>rd</sup> of the month.
- g) Primary Care Provider: Any of the following: any internist, general practitioner, obstetrician-gynecologist, pediatrician, family practice physician, nonphysician medical practitioner, or any primary care clinic, rural health clinic, community clinic or hospital outpatient clinic currently enrolled in the Medi-Cal program, which agrees to provide case management to Medi-Cal beneficiaries.
- h) Service Discontinuance (Lock-Off): The discontinuance of service at an address by turning off and locking a meter, or the removal of a meter due to non-payment.
- i) Small Balance Account: Any balance on an account of \$25.00 or less may be carried over and added to the next billing period without being assessed a late fee or incurring further collection action.

### 3. ALTERNATIVE PAYMENT AGREEMENTS

- a) Any and all alternative payment agreements must be requested by the account owner prior to the scheduled date of service discontinuance (lock-off). Alternative Payment Agreements include: 1) Alternate Payment Arrangements/Temporary Deferral of Payment; 2) Payment Amortization; 3) Partial or Full Reduction of Unpaid Balance.

1. *Alternative Payment Arrangement/Temporary Deferral of Payment*: An account owner who is unable to pay for retail water service within the normal payment period may request an alternative payment arrangement or a temporary deferral of payment to avoid late fees or disruption of service. The General Manager will consider all circumstances surrounding the request and make a determination as to whether the payment arrangement is warranted.

2. *Payment Amortization*: Payment arrangements that extend into multiple months are considered an amortization plan. An amortization plan will amortize the unpaid balance over an extended period agreed to by the District, not to exceed 12 months from the original date of the bill (unless approved by the General Manager). Amortization Plans must be in writing and signed by the account owner. The amortized payment amount and the current payment must be received by the District by midnight on the 23<sup>rd</sup> of each month. The account owner must comply with the terms of the amortization plan and remain current as charges accrue in each subsequent billing period.

3. *Partial Reduction of Unpaid Balance*: Request of partial reduction of the unpaid account balance must be presented in writing to the District Main Office (828 Seventh St., Eureka, CA, 95501), and will be forwarded to the General Manager. Only one request per Account Owner may be presented within a twelve month period. Decisions by the General Manager are final.



- b) Only one active alternative payment agreement may exist on an account at any given time. An account owner will not be eligible to participate in any alternative payment agreement if he or she has failed to comply with the terms of a prior alternative payment arrangement within the previous twelve (12) month period.
- c) Failure to comply with the terms of any alternate payment agreement listed above will result in the account being subject to service discontinuance. Service may be discontinued (shut-off) if either of the following occurs: (1) the customer fails to comply with the terms of an alternative payment agreement and the breach remains uncured for a period of 60 days or (2) if the customer does not pay his or her current residential service charges for 60 days or more while participating in an alternative payment agreement.
- d) The District retains the ability to select which of the payment arrangement options are available to the account owner, and may set the said parameters for such. (SB 998, Chapter 6, §116910, article (b)2).
- e) It is the account owner's obligation to ensure the timely submission of complete and satisfactory documentation demonstrating eligibility to participate in an alternative payment agreement. If the information is not submitted in a timely manner or if the information is incomplete, the District will provide notice of a new intended disconnection date no earlier than five (5) calendar days after mailing. In such a circumstance, the only way to avoid the disconnection of service is the payment, in full, of all delinquent charges.

#### **4. APPEALS PROCESS**

If the account owner wishes to appeal all or part of the account balance, a written request for such must be presented to the District Main Office and will be forwarded to the General Manager. While an account appeal is pending, no additional Past-Due/Late Charges will be applied to the account balance. The District will also not discontinue (shut-off) water service for non-payment while the appeal is pending. (SB 998, 116908, §2b)

- a) The written request for appeal may be dropped off in person or mailed to the main office (828 Seventh St., Eureka, CA 95501).
- b) The written request must include the account owner's contact information, the amount requested for appeal, and the explanation/justification for the request.
- c) This request must be received within 60 days of the issuance of the bill the customer wishes to appeal and prior to the scheduled date of service discontinuance (shut-off).
- d) For purposes of the appeal, disputed water charges are presumed valid. The burden rests with the account owner to demonstrate an inaccuracy by a preponderance of the evidence.

## **5. PAST-DUE CHARGES/LATE FEES**

- a) Past-Due Charges/Late Fees (if applicable) are assessed on the 24<sup>th</sup> of the month. Fees are calculated on all accounts that have a balance exceeding \$25.00 as of midnight on the 23<sup>rd</sup> of the month.
- b) An outstanding balance that carries over multiple months may be assessed multiple past-due charges/late fees.
- c) Past-due charges/late fees will not be assessed on unpaid charges that are the subject of an alternative payment agreement or on unpaid charges that were the subject of an unsuccessful appeal and which are not paid, in full, within five (5) days following the appeal.
- d) The account owner may request a waiver of past-due/late fee charges if the account has not been assessed past-due/late fees within the preceding six months. Approval of a waiver is at the discretion of the District.
- e) See Fee Schedule (Appendix B) for Past-Due/Late Fee calculations.

## **6. SERVICE DISCONTINUATION NOTIFICATION**

- a) 30-DAY NOTICE
  - 1. As a courtesy, the District will make a reasonable, good faith effort to notify account owners who have a delinquent account approximately 30 days after initial bill issuance.
  - 2. The District assumes no responsibility for phone or other contact information that has not been kept up-to-date by the customer.
- b) 60-DAY NOTICE
  - 1. As a courtesy, the District will again make a reasonable, good faith effort to notify the account owner that the account remains past due approximately 60 days after bill issuance.
  - 2. The District assumes no responsibility for phone or other contact information that has not been kept up-to-date by the customer.
- c) SHUT-OFF NOTICE
  - 1. The District will make a reasonable, good faith effort to notify an account owner whose account remains delinquent in the second week of the third month after the initial bill was issued (approximately 70-73 days delinquent).
    - i. The account owner will be advised of the amount past due, the service disconnection (shut-off) date, instructions on how to contact the District to make payment arrangements or appeal the bill, and the availability of the District's Policy on Discontinuation of Residential Service for Non-Payment in writing.

- ii. This final notice will be provided a minimum of seven (7) days prior to water service disconnection. (SB 998, 116908, §a1A)
  - iii. The District assumes no responsibility for phone or other contact information that has not been kept up-to-date by the customer.
2. If the account owner's mailing address on file with the District and the address of the property to which water service is provided are different, a notice will be mailed to the account owner's address and to the service address; addressed to "Occupant". (SB 998, 116908, §a1C)
  3. If the written disconnection notice is returned through the mail as undeliverable, the District will make a reasonable, good faith effort to post the "Final Notice" in a conspicuous place at the service address subject to discontinuation of water service. (SB 998, 116908, §a2)

d) OTHER SERVICE TYPES

1. For services other than to account owner-occupied detached single family residences, including commercial, master meter, multi-unit residential structure, or mobile home park, where the off-site owner/manager/employer is the account owner (customer), at least ten (10) days before water service disconnection, the District shall also attempt to notify the occupant(s) of the premises where service is provided of the pending service termination.
2. In a tenant/landlord situation, the District will make a reasonable, good faith effort to inform the occupants, by means of written notice, when the water service account is in arrears and subject to disconnection at least ten (10) days before water service disconnection.
  - i. The written notice will advise the tenant/occupant that they have the right to become the account owner without being required to pay the amount due on the delinquent account, as long as they are willing to assume financial responsibility for subsequent charges for water service at that address.
  - ii. In order for the amount due on the delinquent account to be waived, the tenant/occupant must provide verification of tenancy in the form of a rental agreement or proof of rent payments.

**7. WATER SERVICE DISCONTINUATION**

- a) All delinquent water service payments must be received by the District by midnight on the day specified in the Final Notice. Any customer's account which remains unpaid and without an alternative payment agreement beyond the due date of the final notice will be subject to water service discontinuation (shut-off).
- b) All alternative payment agreement requests or requests for appeal must be received by the District Main Office (828 Seventh St., Eureka, CA, 95501) by 5pm on the day specified in the written disconnection notice.

- c) The District will discontinue (shut-off) water service by turning off and locking off the water meter on the date provided on the 30-Day, 60-Day, and Final Service Discontinuation Notices. The account owner (customer) will be charged a “Reconnection Fee.” See Fee Schedule (Appendix B) for Reconnection Fee amount.
- d) District Field Staff are unable to make payment arrangements or accept payments.
- e) Water services shall not be shut-off to a residence if **ALL** of the following conditions are met:
  - 1. Receipt and verification by the District Main Office of “*Certification of Medical Necessity*” provided by the Primary Care Provider stating the “*discontinuance of residential service will be life threatening to, or pose a serious threat to the health and safety of, a resident of the premises where residential service is provided.*” (SB998 §116910, a1)
  - 2. An account owner (customer) has demonstrated they are financially unable to pay for residential service within the District’s normal billing cycle. The account owner (customer) “*shall be deemed financially unable to pay for residential service within the ...normal billing cycle if any member of the customers household is a current recipient of CalWORKS, CalFresh, General Assistance, Medi-Cal, Supplemental Security Income/State Supplementary Payment Program, or California Special Supplemental Nutrition Program for Women, Infants, and Children, or the customer declares that the households annual income is less than 200 percent of the federal poverty level.*” (SB998 §116910, a2)
  - 3. The account owner (customer) is willing to enter into an amortization agreement, alternate payment schedule, or a plan for deferred or reduced payment, consistent with the written policies of the District. (SB998 §116910, a3)
  - 4. It is the account owner’s obligation to ensure the timely submission of complete and satisfactory documentation. If the information is not submitted in a timely manner or if the information is incomplete, the District will provide notice of a new intended disconnection date no earlier than five (5) calendar days after mailing. In such a circumstance, the only way to avoid the disconnection of service is the payment, in full, of all delinquent charges.

## **8. WATER SERVICE RECONNECTION (RESUME SERVICE)**

- a) In order to re-establish or resume water service that has been disconnected for non-payment, the account owner (customer) must pay at minimum all past-due bill amounts, all past-due charges/late fees and the reconnection fee attributable to the service discontinuation.
- b) Payment plans and payment amortization plans are not available to the account owner while the water service is discontinued.

- c) The District will endeavor to reconnect service as soon as possible between the hours of 8:30am - 4:30pm on normal business days. At a minimum, the District will reconnect service before the end of the next regular working day following receipt of payment.
- d) There may not be District personnel available to complete an after-hours reconnection. If available, service restored after 4:30pm Monday-Friday, weekends, or holidays will be charged an after-hours reconnection fee. The after-hours reconnection fee is in addition to the regular reconnection fee and the past-due charges/late fees for a delinquent account. See Fee Schedule (Appendix B) for Reconnection Fee amount.
- e) Water meters, curb cocks, and locks are District property, and shall only be operated by qualified District staff.
  - 1. Retail water service that is reconnected or resumed by any individual other than District staff will be subject to a "Tampering Fee" and a "Lock Replacement Fee". If applicable, these fees will be added to the account owner's (customer's) water utility account, and will be subject to the same policies of water utility services and if left unpaid, may result in the discontinuance of water service.
  - 2. See Fee Schedule (Appendix B) for Tampering Fees and Lock Replacement Fees.
  - 3. Any damages that occur as a result of unauthorized restoration of service are the responsibility of the account owner (customer). Any damage to District property (lock, meter, curb cock, etc.) requiring replacement of equipment will be billed to the account owner's water utility account. Charges to the account owner will include all costs for replacement and installation of the damaged property.
  - 4. Unpaid balances for damage to District property or miscellaneous charges will be subject to the same policies of water utility services and if left unpaid, may result in the discontinuance of water service.

## **9. RETURNED PAYMENTS**

When a payment of any kind is not honored by a customer's bank (returned payment), the retail water account shall be considered unpaid and subject to possible disconnection. The District will make a reasonable, good faith effort to notify the customer by phone or mail of the returned payment.

- a) If the account is delinquent, water service will be discontinued (shut-off) if the amount of the returned payment and the returned payment charge (if applicable) are not paid on or before the date specified in the Service Discontinuation Notice(s). Only payment in the form of cash or cashier's check will be accepted to pay for the returned payment and returned payment fee (if applicable).

- b) If it is determined that a payment was made in person or online on the disconnection deadline date in order to avoid service interruption and/or a reconnection fee, and that payment is subsequently returned by the bank, a seven (7) day *Final Notice of Discontinuance of Service* will be issued, advising the customer that payment for the returned payment and the returned payment charge (if applicable), must be made by the date specified on the Final Notice to avoid water service discontinuation and the reconnection fee. Payment must be made by cash or cashier's check only.
- c) In the event a customer's check or online payment is returned by the bank unpaid three (3) times within a twelve (12) month timeframe, a letter will be mailed to the customer notifying them that only cash or cashier's check will be accepted as payment for a period of twelve (12) months from the most recent returned payment.
- d) Returned Checks & Payments for Previously Discontinued Water Service
  - 1. In the event an account owner (customer) tenders a non-negotiable payment to restore retail water service previously disconnected for non-payment and, in good faith, the District restores retail water service to the location; the District will consider the delinquent account unpaid and may promptly discontinue water service without providing additional notice.
  - 2. Any account owner issuing a non-negotiable payment to restore retail water service discontinued for non-payment will be required to pay cash or cashier's check to restore any future water service discontinuations for a period of 12 months from the date of the returned payment.

First Reading \_\_\_\_\_

Second Reading \_\_\_\_\_

Revision Adopted \_\_\_\_\_

Fieldbrook Glendale  
Community Services District  
Agenda Background

**Agenda Item:** 6.3

**Agenda Title:** Election of Officers for 2020.

**Meeting Date:** 12/17/2019

**Presented by:** Richard Hanger

**Type of Item:**        Action                    Discussion                Information

**Type of Action  
Required:**            No Action                Voice Vote                Roll Call Vote

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**Background**

Officer of the board consist of the President and Vice-President. The board also appoints a representative and an alternate to the HBMWD Water Task Force.

2019 Officers

President – Roy Sheppard

Vice-President, Starr Kilian

Water Task Force, Jason Garlick

Alternate to the water Task Force, Starr Kilian

**Recommendation:**

Open nominations.

Close nominations.

Elect directors to the respective offices.

Appoint a director of the board and an alternate to the HBMWD Water Task Force.

Alternatively, the board may elect a slate of officers and appointments in a single action.

Fieldbrook Glendale  
Community Services District  
Agenda Background

**Agenda Item:** 6.4

**Agenda Title:** Board Calendar for 2020.

**Meeting Date:** 12/17/2019

**Presented by:** Richard Hanger

**Type of Item:**         Action                       Discussion                       Information

**Type of Action  
Required:**             No Action                       Voice Vote                       Roll Call Vote

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**Background**

Regular board meeting will be held the fourth Tuesday of each month. November's board meeting will be held the third Tuesday of November. December's board meeting will be held the third Tuesday of December.

**Recommendation:**

Adopt the board calendar for 2020 as presented.



## Board Calendar 2020

Regular board meetings are held the fourth Tuesday of each month. November and December's board meetings will be held on the third Tuesday. To ensure proper noticing and preparation of the agenda, agenda items must be received **ten** calendar days prior to the meeting date. Calendar adopted December 17, 2019

January 28

February 25

March 24

April 28

May 26

June 23

July 28

August 25

September 22

October 27

**November 17**

**December 15**

Fieldbrook Glendale  
Community Services District  
Agenda Background

**Agenda Item:** 6.5

**Agenda Title:** Roster of Public Officials for 2020.

**Meeting Date:** 12/17/2019

**Presented by:** Richard Hanger

**Type of Item:**       Action                       Discussion                       Information

**Type of Action  
Required:**               No Action                       Voice Vote                       Roll Call Vote

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**Background**

Roster of public officials is kept on file with the Humboldt County Elections Office.

**Recommendation:**

Review and edit as necessary.

## Roster of Public Officials 2019

**LEGAL NAME OF AGENCY:** Fieldbrook Glendale Community Services District

**PHYSICAL ADDRESS:** 4584 Fieldbrook Road, Fieldbrook CA 95519

**MAILING ADDRESS:** P.O. Box 2715, McKinleyville, CA 95519

**TELEPHONE NUMBER:** (707) 443-3316

### MEMBERS OF GOVERNING BOARD

	<b><u>Name</u></b>	<b><u>Address</u></b>	<b><u>Telephone</u></b>	<b><u>Elec/Appt Date</u></b>	<b><u>End Term</u></b>
1	Roy Sheppard	1340 Crockett Fieldbrook, CA 95519	(707) 839-0542	12/17	12/22
2	Starr Kilian	4090 Old Railroad Grade Fieldbrook, CA 95519	(707) 839-8817	12/17	12/22
3	Jason Garlick	246 Wagle Lane Fieldbrook, CA 95519	(707) 840-0909	12/17	12/22
4	Richard Grissom	334 Wagle Lane Fieldbrook, CA 95519	(707) 839-8337	12/15	12/20
5	Janet Miller	4360 Fieldbrook Road Fieldbrook, CA 95519	(707) 839-0498	12/15	12/20

**NAME OF PRESIDING OFFICER:** Roy Sheppard, President

**NAME/ADDRESS OF SECRETARY:** Richard Hanger 5021 Mitchell Road Eureka, CA 95503

**FREQUENCY/TIME/PLACE OF REGULAR BOARD MEETINGS:**

Fourth (4<sup>th</sup>) Tuesday of each month, 7:30 PM, Fire Station, 4584 Fieldbrook Road. November's Board meeting will be held the third Tuesday of November. December's Board meeting will be held the third Tuesday of December.

**NAME/ADDRESS/TELEPHONE OF PERSON(S) WITH RECORDS/BUDGET:**

Richard Hanger 5021 Mitchell Road Eureka, CA 95503 (707) 443-3316

**Note:** Terms of office were extended by one-year by Resolution 2017-07. This Resolution moved elections to even-years as required by Senate Bill 415 the California Voter Participation Rights Act.

**SUBMITTED BY:** \_\_\_\_\_

**Richard Hanger**

**TITLE:** Clerk of the Board

**DATE:** December 18, 2018

Fieldbrook Glendale  
Community Services District  
Agenda Background

**Agenda Item:** 6.6

**Agenda Title:** Summer Rate Modification

**Meeting Date:** 12/17/2019

**Presented by:** GHD, Richard Hanger

**Type of Item:**         Action                     Discussion                     Information

**Type of Action  
Required:**             No Action                     Voice Vote                     Roll Call Vote

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**Background:**

11/13/2018 – Rates approved

12/2018 – Rate implantation

01/2019 – First billing

10/22/2019 Board authorization to review summer rate implementation

11/19/2019 Board authorization to credit summer late fees

**Recommendation:**

Review GHD memo and presentation.

Receive public comment.

Move to amend summer rates for 2020.



# Memorandum

December 6, 2019

To:	Fieldbrook Glendale Community Services District	Ref. No.:	11159235
From:	Rebecca Crow, PE	Tel:	707.443.8326
cc:	Neal Carnam, PE; Hannah Gidianian		
<b>Subject:</b>	<b>FGCSD Rate Study – Alternative Summer Rate Structure</b>		

## INTRODUCTION

The Fieldbrook Glendale Community Services District (FGCSD or District) contracted with GHD to conduct an assessment and evaluation of the District’s existing sewer rates and to develop alternative rate structures to meet system revenue requirements in late 2018. As a result, the District’s current sewer rate structure was updated in 2019. Prior to the update, the rate structure had not been changed for 15 years. The new 2019 rate structure implemented a volume-based sewer charge based on water consumption. The rate included a 15% discount applied to the base rate for summertime irrigation, water use that does not enter the sewer.

Since implementation of the 2019 rate structure the method of crediting customers for summer irrigation water use has been questioned. This memo provides an alternative summer rate structure. An ideal rate structure covers all operational expenses through charges that are fair and equitable. This memo also reviews future budget projections, capital improvement projects, and water consumption data.

FGCSD operates and maintains a wastewater collection system and discharges to the City of Arcata for wastewater treatment and disposal. The system was constructed in 1989 – 1990 and includes approximately 4 miles of sewer force mains and 4.8 miles of gravity sewer mains and two pump stations. Over the past few years the District has experienced a significant increase in operational expenses. The main source is the increased cost of sewer treatment and disposal paid to the City of Arcata.

The District is billed by the City of Arcata as an individual customer for sewage service. There is a small base rate, but the majority of the cost is based on sewage flow volumes. In 2015, the District began to experience a significant increase in this expense and began investigating the cause. It was found that the City of Arcata had increased their sewer rates to address problems within their system and the District was not notified of the increase. Once the District realized the increase in rates for sewerage service, the 2018 study commenced, and a new rate was established in December of 2018.

As wastewater expenses are based on flow, one area investigated to control costs was determining if sewer flows had increased and why. This is a common occurrence for aging sewer systems, and it is typically due to increased inflow and infiltration (I/I). Inflow is stormwater entering a sewer system at points of direct connection. These sources are typically improper and/or illegal connections to the sewer system, such as roof drains. Infiltration is groundwater entering a sewer system through cracks and/or leaks in the sewer pipes. These can occur over time due to ground settlement or movements caused by earthquakes. Several



# Memorandum

I/I issues were discovered during these investigations, and the issues are currently being addressed by the District through various capital improvement projects and ongoing system evaluations.

These investigations also found that the sewer system has a problem with nonbiodegradable items, such as baby wipes and plastics, including sanitary products that should be disposed of with solid waste at the landfill instead of into the sewer system. The issue caused by nonbiodegradable items is that they will clog up pumps and other mechanical equipment, resulting in higher maintenance costs.

While there has been a slight increase in wastewater flow volumes, the main reason for the increases in expenses is due to the increasing sewer rates, adopted by the City of Arcata in 2014. Arcata has been increasing sewer rates by approximately 10% annually, while FGCS D has only been increasing rates by approximately 2% annually, the amount equivalent to the Consumer Price Index (CPI), per District Ordinance 2000-02. This has created a large revenue gap between the amount District customers are charged for the sewer utility, and the amount the District pays the City of Arcata for the service.

## REVENUE REQUIREMENT

In June of 2018, the FGCS D Board of Directors reviewed a draft of the five-year budget projection for the District's Sewer fund. This budget was updated based on board comments and updated annual budget totals for FY 2018-19. The updated budget projection for FY 2019-20 and the next 4 years are shown in Table 1. The analysis conducted in September 2018 projected annual deficits of over \$200,000 per year by year 5 if a rate increase was not implemented. Hence the District implemented rate increases in December 2018

The District's near-term capital improvement needs are shown in Table 2. Recently, the District has incurred capital improvement expenses due to investigation and mitigation of the I/I issue as well as the replacement of one of the District's main pumps (costing approx. \$30,000). In addressing the I/I issue, the District expects to see some stabilization of flow volume.

In order to budget for future capital improvement projects, an estimated annual capital improvement expense has been set at 33% of the system's depreciation value. Depreciation is an accounting value that considers the cost and expected life of the various components of the system. If you were to collect 100% of the depreciation amount every year, you would accumulate enough funds to replace the entire system when it has reached the end of its "life". The majority of the system's value is in the sewer pipes and manholes. These have depreciation lives estimated at 40 years, even though they will actually last much longer. What generally happens as a practical matter is that if money is spent to maintain these components, they can last 100 years or more. Other components that need to be replaced, like pumps and valves, are included in the future capital improvement projects. For this system the current annual depreciation value is \$93,819 so an annual capital improvement expense of \$30,960 is recommended and included in the annual budget for this rate study.



# Memorandum

**Table 1: 5 Year Budget Projection (11.18.2019 update)**

Line Item	Fix %	Variable %	Projected Annual Change	Actual 2019	Projected FY 2019/20	Projected FY 2020/21	Projected FY 2021/22	Projected FY 2022/23	Projected FY 2022/23
Sewer Treatment	20	80	2.5%	\$ 205,717	\$ 210,860	\$ 216,131	\$ 221,534	\$ 227,073	\$ 227,211
Contract Labor and Administration	100	0	5%	\$ 45,712	\$ 47,997	\$ 50,397	\$ 52,917	\$ 55,563	\$ 55,695
Insurance	100	0	2.5%	\$ 2,377	\$ 2,437	\$ 2,498	\$ 2,560	\$ 2,624	\$ 2,626
Professional Services	100	0	0	\$ 4,558	\$ 4,558	\$ 4,558	\$ 4,558	\$ 4,558	\$ 4,558
Dues and Memberships	100	0	5%	\$ 605	\$ 635	\$ 667	\$ 700	\$ 735	\$ 737
Utilities	0	100	3%	\$ 12,141	\$ 12,505	\$ 12,881	\$ 13,267	\$ 13,665	\$ 13,677
Property Taxes	100	0	2%	\$ 324	\$ 330	\$ 337	\$ 344	\$ 351	\$ 351
Supplies	50	50	0	\$ 1,015	\$ 1,015	\$ 1,015	\$ 1,015	\$ 1,015	\$ 1,015
Maintenance	50	50	5%	\$ 8,688	\$ 9,122	\$ 9,578	\$ 10,057	\$ 10,560	\$ 10,585
Bad Debts/Bank Fees	100	100	0	\$ 5,282	\$ 5,282	\$ 5,282	\$ 5,282	\$ 5,282	\$ 5,282
Licenses & Fees	100	0	0	\$ 3,163	\$ 3,163	\$ 3,163	\$ 3,163	\$ 3,163	\$ 3,163
Payroll	100	0	2.5%	\$ 24,892	\$ 25,515	\$ 26,153	\$ 26,806	\$ 27,476	\$ 27,493
33% of Depreciation	100	0	0	\$ 30,960	\$ 30,960	\$ 30,960	\$ 30,960	\$ 30,960	\$ 30,960
<b>Annual Operating</b>	<b>50%</b>	<b>50%</b>		<b>\$ 345,434</b>	<b>\$ 354,379</b>	<b>\$ 363,619</b>	<b>\$ 373,164</b>	<b>\$ 383,025</b>	<b>\$ 383,353</b>



# Memorandum

**Table 2: Future Capital Improvement Projects (to be addressed within the next 5 years)**

Location	Equipment	Condition	Needs	2017 Est. Cost	Timeframe
Pump Station #1	Generator	Good	Generator	-	-
	Pump 1	Good	Replaced 2016	-	-
	Pump 2	30 yrs old	Refurbish? Send to factory TBD	\$15,000	1-5 years
	Backup Pump	Refurbish 30 yr old Pump #1	Finalize refurbish (or not?)		
Pump Station #2	Pump 1	Good	Replaced 2013	-	-
	Pump 2	30 years old	Replace	\$10,000	1-5 years
	Generator	Mobile backup generator available at Fire House. This generator will need to be replaced to meet current Air Board Standards and threat of PG&E PSPS program			2020
Both Lift Stations	Wet Wells	Partially filled with sediment/grease	Need to be pumped out and cleaned of sediment and grease. Coordinate with City of Arcata	TBD	next 2 years
	Telemetry System	Not working, if any	Minimum: add light to signal if there is an issue, or other alert/messaging system	\$2,000	1-2 years
			Alternate upgrade telemetry for pump tail/high water level alarms	TBD	TBD
Sewer System Lines	Multiple Locations (approx. 6)	TBD	Hydro & Camera sewer lines to determine their condition	TBD	Summer 18
Air Relief Valves	12 Air Relief Valves from Glendale to Arcata	Annual maintenance has not been regularly performed. Sewer technician is starting the process and, as of May 2018, one unit was found working and a second unit was found to be leaking. The condition of the remaining Air Relief Valves should be evaluated, and a regular maintenance schedule set up	Inspect, clean, and replace Air Relief Valves if needed. Equipment from City of Arcata would be needed	TBD	Next 2 Years
			Obtain one backup Air Relief Valves new to have on hand.	approx. \$1,200 ea.	Next 2 years



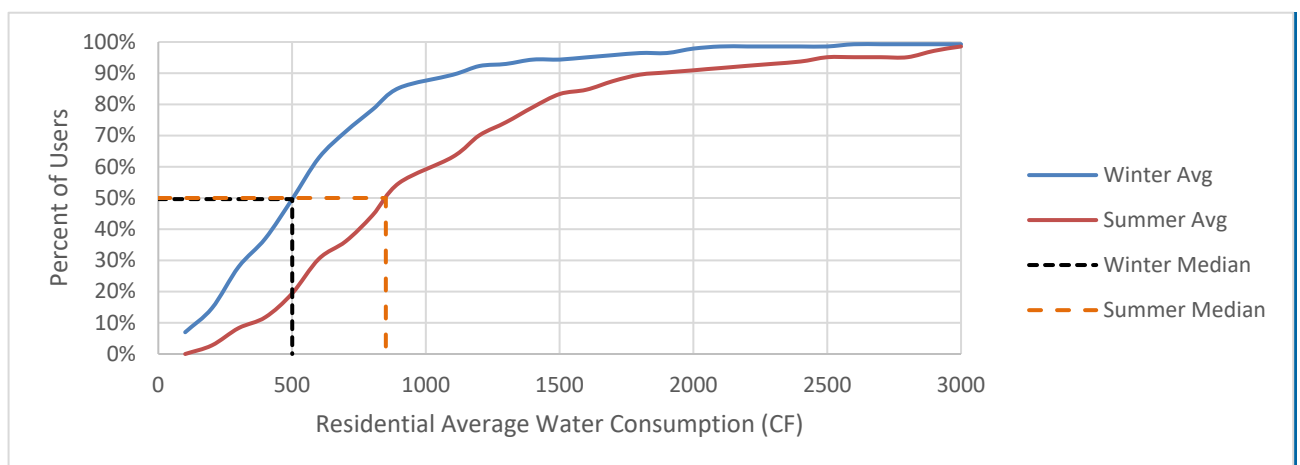


## RATE ANALYSIS

The primary objective in designing a rate structure is to meet the District's revenue requirement while fairly assessing volume-based charges between winter water use, which primarily enters the sewer system, and summer water use, which can include irrigation water which does not enter the sewer. This rate analysis examines the various customer classes utilizing the service to determine a fair structure that equitably allocates the revenue requirement across customer classes.

The budget projected for FY 2019/2020 is approximately \$354,379. Using this as the revenue requirement an alternative methodology for assessing sewer rates in the summer was developed.

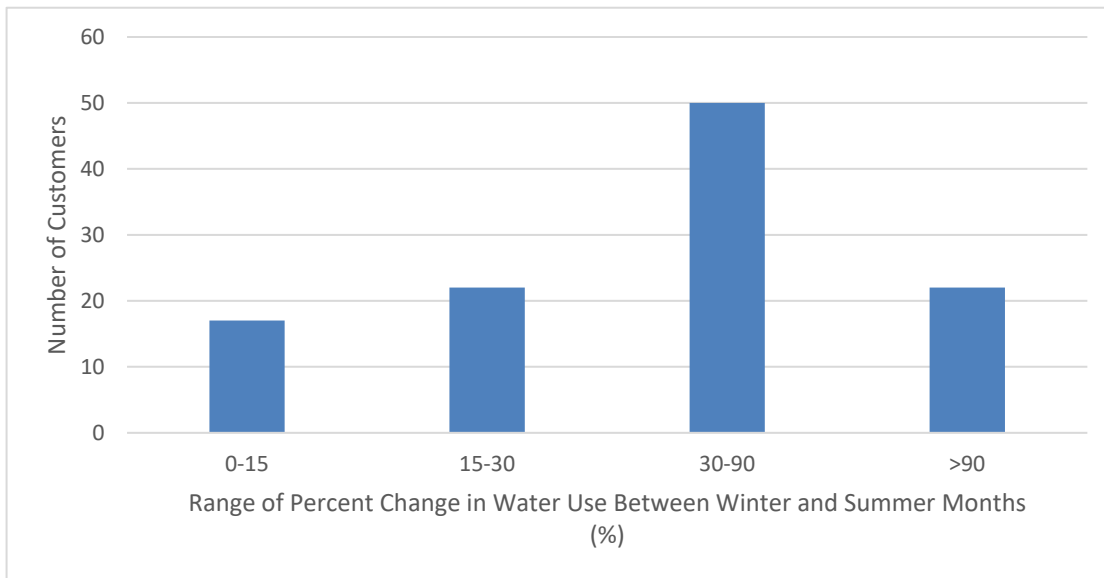
Using actual monthly customer data from Jan-Oct 2019, Figure 1 shows the distribution of residential customers by level of consumption. From this we can see that the median customer water use during the winter is approximately 500 CF per month and 850 CF per month in the summer (June - October). A low-water use customer consumes approximately 300 CF per month, a high-water use customer consumes approximately 800 CF per month, and a very-high use customer consumes 2300 CF per month (only approximately 6% of customers are above this). These customer benchmarks are used to evaluate the effects of the updated methodology on different customer types.



**Figure 1: Wet Month Average vs. Dry Month Average Cumulative Frequency Chart**

Note that the analysis presented in Figure 1 & 2 uses only measurements taken from January to October of 2019.

**Figure 2** shows a breakdown of the percent difference between summer (mid Jun- mid Oct) and winter water use for 0-15% change, 15-30% change, 30-40% change, and greater than a 90% change by the number of customers within each range through mid-June to mid-October (billing months Jul-Oct).



**Figure 2: Number of Customers with a Percent Change in Water Use Between Winter and Summer**

**Figure 2** demonstrates that only 23% of the customers currently have a percent change of 15% or lower between summer and winter. Thus, the original rate implementation methodology did not fully capture the credit for summer irrigation.

### **FGCSD Sewer Rate**

From **Figure 2** it can be concluded that the current 15% summer allotment is not an accurate account of summer sewer usage. In reviewing the seasonal variations, it is recommended the District modify the summer water use discount from a 15% credit of summer water usage to averaging the Feb-Apr months and using this average for the calculation of sewer rates in the summer months of mid-June to mid-October (billing months Jul-Oct).

This means, that District customers will be billed based on the Feb-Apr average usage. The exception would be when the actual summer use is lower than the winter average. In this case actual water use would be used as it results in a lower, more accurate sewer bill. Businesses would be excluded from this discount.

Fieldbrook's current sewer rate incorporates a monthly sewer charge per living unit and an additional charge for every 100 cubic feet (CF) over 400 CF (Table 3). The methodology for applying the summer credit was updated as described above. Business and residential customers are charged the same.



**Table 3: Proposed FGCS Rate Structure and Summer Discount**

Customer Type	Base Rate per Service Connection	Consumption included with Base (CF)	Excess Rate (per 100 CF)
Domestic:	\$100.61	400	\$9.40
Business:	\$100.61	400	\$9.40

Note: The summer discount is applied by taking the average Feb-Apr consumption to calculate the sewer bill rather than actual amount used, unless the summer amount is less than the Feb-Apr average. The summer months are Mid June to Mid October.

To confirm that the District would meet revenue requirements by incorporating the new summer month methodology into the existing sewer rate, the projected annual revenue was calculated using current water usage data. The estimated revenue, using the updated methodology, resulted in an annual revenue of \$359,800, which is just above the revenue requirement.

To assess if the District customers will have fair sewer prices, actual customer accounts ranging from low, high, and very high water use were compared and are shown in Table 4. Table 4 demonstrates that the updated summer discount will significantly reduce sewer bills for customers with high summer water use related to irrigation.

**Table 4: Comparing Existing Summer Costs of District Customers with Projected Summer Costs Using Actual Customer Data**

Existing Water Usage Charged for (Highest Usage) CF	Winter Avg (Avg Feb-April) CF	Existing Summer Cost	Projected Summer Cost
400	400	\$ 81.81	\$ 100.61
800	300	\$ 119.40	\$ 100.61
2300	900	\$ 178.60	\$ 147.41
3500	400	\$ 373.21	\$ 100.61



# Memorandum

Table 5 shows estimated sewer bills based on water use.

**Table 5: Example Sewer and Water Rate Bills Based on Consumption**

Consumption (CF)	400	600	800	1000	1500	2000	3000
Wastewater Base Rate (\$100.61)	\$100.61	\$100.61	\$100.61	\$100.61	\$100.61	\$100.61	\$100.61
Wastewater Consumption Rate (\$9.40/100CF)	\$0.00	\$18.80	\$37.60	\$56.40	\$103.40	\$150.40	\$244.40
<b>Wastewater Bill Total</b>	<b>\$100.61</b>	<b>\$119.41</b>	<b>\$138.21</b>	<b>\$157.01</b>	<b>\$204.01</b>	<b>\$251.01</b>	<b>\$345.01</b>
Water Base Rate (\$48.33)	\$48.33	\$48.33	\$48.33	\$48.33	\$48.33	\$48.33	\$48.33
Water Consumption Rate (\$2.64/100CF)	\$0.00	\$2.64	\$7.92	\$13.20	\$26.40	\$39.60	\$66.00
<b>Water Bill Total</b>	<b>\$48.33</b>	<b>\$50.97</b>	<b>\$56.25</b>	<b>\$61.53</b>	<b>\$74.73</b>	<b>\$87.93</b>	<b>\$114.33</b>
<b>Total Wastewater and Water Bill</b>	<b>\$148.94</b>	<b>\$170.38</b>	<b>\$194.46</b>	<b>\$218.54</b>	<b>\$278.74</b>	<b>\$338.94</b>	<b>\$459.34</b>

Note that the water base rate is based on the assumption of a 5/8" water meter size. If the meter is bigger the rate will vary.

Following District review and public discussion, the new rate structure can be adopted. It is recommended the District retain the provision that allows for increases in charges adopted by the City of Arcata and an annual increase to account for increases in CPI.

Fieldbrook Glendale  
Community Services District  
Agenda Background

**Agenda Item:** 6.7

**Agenda Title:** Consider Special Board Meeting

**Meeting Date:** 12/17/2019

**Presented by:** Richard Hanger

**Type of Item:**       Action                       Discussion                       Information

**Type of Action  
Required:**               No Action                       Voice Vote                       Roll Call Vote

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**Background:**

Consider setting a special board meeting to discuss credit for 2019 wastewater summer consumption charges.

**Recommendation:**

Staff is recommending 7:30 PM on Tuesday, January 7<sup>th</sup> or Tuesday, January 14<sup>th</sup>.