

Wheeler Crest Community Services District
129 Willow Road
Swall Meadows, CA 93514



February 1, 2019

Public Hearing Notice

Saturday - March 2, 2019 – 3:00 PM – 129 Willow Rd

«Name»

«M_911_No» «M_911_Street»

Mailing address on file: «Mailing_Address»
«Mailing_City» «St» «Zip»

Members of the board of directors would like to meet informally with the Hilltop community water users to discuss the results of the tank inspection of the steel 7500 gallon buried reservoir and to formulate a strategy or course of direction.

Background

Your water system now has two sources of water. There is a gravity fed steel reservoir that receives water from the artesian well by siphon. The only mechanical part is a flapper or toilet valve which shuts off the water flow when the reservoir is full. There is also the “new” well and hydrostatic pump. The “new” well is typically turned on the first day of every month and provides water that first week. This is to ensure that it is in good working order. The second through the fourth week of the month it is turned off and the artesian / steel reservoir becomes your source for water.

Problem Statement

The steel reservoir was drained and inspected back in 2016. It was determined that the interior of the tank is in fair to poor condition. Moderate to severe pitting and corrosion is present and can also be found underneath painted surfaces. Balance in the general account has been low. A loan was taken out to build the “new” well and was in the process of being paid off. Now that the loan is closed, reserves are beginning to accumulate. The Board would like to discuss possible alternatives as what we consider for the next step. The complete engineering report of the tank inspection which includes photos of the inspection as well, can be viewed on our website at: <http://wheelercrestcsd.org/hilltop-water-system.html>.

Possible Alternatives

- A) Do nothing for a while anyway. This will allow the general fund to build. If the artesian / reservoir fails, we could run indefinitely while / if repairs are made. If a decision is made to repair the artesian / reservoir, emergency funds would have to be raised if sufficient funds are not available in the general fund.
- B) Paint the inside of the reservoir. It was recommended that a blast cleaning be done to remove all existing coatings and create a smooth surface followed by an epoxy coating with a thickness of 25 mils. There was an estimate of \$20,000 - \$28,500 by the company that did the inspection. Costs may have increased since then. If the estimate is over \$25,000, WCCSD is required to put it out for public bid. Currently, either a special assessment or taking out another loan would be required to fund the project.

- C) Replace the metal reservoir. This has been suggested with a couple possible alternatives. In all cases, an engineering study would have to be ordered that will probably run several thousand dollars. There are sufficient funds to pay for an engineering study, but if that is not the direction you would like us to pursue, then that money is wasted. Once the study is completed, a special assessment or a loan would most likely be required if the decision is made to proceed.
- a. Replace the reservoir with a non-metal / poly tank.
 - b. Cut the existing reservoir in half and place a poly tank inside the old structure. Although this might reduce excavation costs, it might reduce the capacity of the reservoir where it is deemed unacceptable.

Meeting Agenda Discussion Items

The purpose of the meeting is to formulate a strategy or course of direction taking into consideration the alternatives listed above or any other suggestions you might have.

If a special assessment or any increase in fees is the recommendation at the conclusion of the discussion, then the regulatory requirements of: 1) notification in writing of the proposed increase/assessment, 2) followed by a waiting period for comments (45 days), and 3) a scheduled public hearing would apply. If a majority of parcels owners disagree with the proposed increase / assessment, then the increase / assessment cannot be implemented.

If you would like to attend but this date does not work out for you?

Please RSVP via the email address provided below if you plan on attending or if you would like to attend but March 2nd does not work for you. This meeting is for you. If enough people request another date, we are happy to change it.

If you have any questions, comments or wish to add additional discussion items to the agenda please feel free to notify me or any Board member.

Glenn Inouye

Glenn Inouye
Wheeler Crest Community Service District – Chairman
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Public hearing notice - Additional Background Information.

System status.

General system Several upgrades to the infrastructure have occurred. Specifically replacing several valves that were not working (could not be closed) making it necessary to shut off the water to everyone when a leak in the system occurred. Replacing a section of the main line from just below the new well down to Swall Meadows Rd (and the valves in-between) was accomplished. The components that were replaced were probably original and if not chronically failing were certainly prone to failure. This section on the main was the source of three leaks in 2016-2017. Since the work was completed in February of 2018, we have not experienced another leak.

You recently experienced low water pressure. This was a result of the artesian well losing siphon and the reservoir being completely emptied. After re-establishing the siphon and filling the reservoir, water pressure was still low. We had to “flush” the line from below the reservoir to “burp” or remove any air pockets. Normal water pressure was restored. This was accomplished with very little interruption of service since the “new” well was being used to provide service while the work was being conducted.

Current Financial Status

The balance of the “new” well loan was paid off due to additional funds provided by the Regional Water Management Group (RWMG). RWMG provided the grant to assist in building the well. This surprise amount of \$ 2139.60 was received in October 2017.

As of January 9, 2019 the Hilltop general fund has a balance of \$10,843. This includes the first installment of your annual fee of \$5,200. Therefore, the remaining \$3,900 is expected when the second installment is posted in April. The general fund would then be around \$14,700

The following is an annual income projection based on current income and expenses anticipated.

| | Annual | Net | Fund | |
|------|---------|-----------|---------|----------|
| | Income | Expense | Gain | Balance |
| 2018 | | | | \$14,700 |
| 2019 | \$9,100 | (\$7,000) | \$2,100 | \$16,800 |
| 2020 | \$9,100 | (\$7,000) | \$2,100 | \$18,900 |
| 2021 | \$9,100 | (\$7,000) | \$2,100 | \$21,000 |
| 2022 | \$9,100 | (\$7,000) | \$2,100 | \$23,100 |

The \$7,000 annual expense is based on 2018 expenditures. A complete budget report of income and expenses can be found on the website at:

<http://wheelercrestcsd.org/hilltop-water-system.html>

Public hearing notice - Additional Background Information.

Sustainable Ground Water Management Act (SGMA) - In 2014, the State of California passed SGMA. WCCSD is impacted by being within the boundaries of the Owens Valley Groundwater Basin (OVGB). The intent of this legislation is to prevent over pumping of groundwater that has caused water tables to recede, wells to go dry, and salt water encroachment into fresh water reservoirs. The drought experienced by California had an obvious impact on the over pumping that was experienced in various regions within the State. Therefore, each groundwater basin rated medium or high must develop a groundwater sustainability plan (GSP). OVGB is rated medium so therefore a plan is required. WCCSD is mandated by law and is participating with numerous other entities in the building of the GSP. The initial budget to produce the GSP as developed by the Joint Powers Authority (JPA – those entities participating in building the GSP) is \$865,915. The Mono County Board of Supervisors have been essential in their support and financial assistance to WCCSD and our participation in a JPA. WCCSD's portion of the costs as a funding participant in the building of the GSP is \$67,962 over 3 years or \$22,654 per year. Again, with the significant financial assistance that was approved by the Mono County Board of Supervisors spearheaded by Fred Stump our Mono County District Supervisor, no special assessment was required. Additional financial assistance from a grant that is being issued by the State of California's Department of Water Resources Board has been submitted by the OVGB/JPA and has been approved for \$713,155. However, this Grant does not cover all costs anticipated in building the plan. E.g. additional funds will most likely be required to build reserves or if project overruns are experienced. OVGA meetings are held monthly and WCCSD (as a voting member on the BOD) has had a representative in attendance at every meeting.

As a result of the GSP and changes mandated by its findings, there may be significant current and future budgetary impact which is not reflected in the proposed budget. Although the Hilltop water system has been exempted in the past due to the small number of connections, it is unclear how Hilltop will be impacted by the GSP. A more detailed overview will be presented at the public meeting. For more immediate information you can visit our website at <http://wheelercrestcsd.org>. Or for a complete, detailed explanation of SGMA, visit the State's website at: <http://water.ca.gov/groundwater/sgm/>