

June 2023 Questions – Director Siegfried

- p. 82: I think the time has arrived for a review of 1) whether chemical root control consistently reduces the frequency of root-related SSOs and 2) whether current collection system cleaning protocols are sufficient to prevent root-related spills. I think such a review should include a description of what current protocols are, how they were arrived at and have been modified over time with what results, and a data-based evaluation of whether we have sufficient staff and equipment to carry out properly what needs to be done.

I am referring this to Daryl Lauer to assemble a report.

- p. 170: There are several references to zones. I understand there not to be any zones in this project. It seems appropriate to delete these references.

Bond Counsel provided the resolution based on his experience and knowledge of the requirement of assessment district formation. He will be attending the Board meeting and the question can be asked to him directly.

- p. 178: Will staff time to prepare this resolution be reimbursed?

Treanor – The work is being done through the Coastal Conservancy which allows staff time to be billed as appropriate for Project Management. To date the Coastal Conservancy has paid CAWD \$49,276 to reimburse CAWD for staff time spent on the CRFREE Mitigation Pipeline Undergrounding Project. I would probably not bill the Coastal Conservancy for preparing this resolution, but I will charge time moving forward as part of managing this additional work.

Is the County being kept aware of additional costs as we incur them?

Treanor - The County is aware of the additional work being undertaken. There currently is no actual funding agreement with the County. The funding agreement with the County is pending the release of the FEMA grant.

- p. 200: I think there is a discussion to be had about whether CAWD is a built-out district, both because we are expanding and because density is more likely than not to increase.

Built out in the sense that there are not many open lots available in town. But you're correct, density will likely increase. The problem is in estimating just how much and the timing of any increase.

- p. 201: What is the rationale for excluding the collection system in the connection fee calculation?

Collection systems are generally built by the developer and the cost carried over to the buyer. The connection fee is paid once upon tying into the CAWD system. The fee represents the cost of buying into CAWD facilities, namely the treatment plant.

- p. 202: There have been occasional attempts to add commercial space, for example immediately east of the Chevron station on Rio Road. I can envisage that COD could be a relevant metric as well as

flow in constructing connection fees for the some of the categories. Can we devise a way to incorporate COD in connection fees if necessary?

Cost of Delivery and flow are not utilized in the connection fee calculation. That calculation is based solely on the cost of treatment plant assets.

Unless, by COD you mean Chemical Oxygen Demand, which is a similar metric to BOD. And is also not utilized in connection fee calculation.

I think what you are referring to is creating fee zones for user fee? For example, we know that the cost of power to the Highlands is higher than it is to local pump stations. We could conceivably create a separate Highlands Zone that would include the higher power cost of delivery. Before we go much further, I would recommend that we start with the flow data (Treanor & Lauer) are working on, and hiring a Rate Study firm.

- p. 206: Why was it necessary to consult with Downey Brand when it is clear that the settlement agreement did not mention reporting results? Whether or not to provide documents was well within district counsel's competence.

Downey Brand was the legal firm that negotiated the agreement for CAWD along with the amendment. One of the criteria for hiring was prior experience with River Watch. Therefore I felt it was best to go with the "expert". This was not a question of district counsel's competence, but District counsel did recommend Downey Brand to us for their expertise. Finally, there was confusion at a staff level about what deliverable would be expected of CAWD – that's evident in resolution 2023-30

Why do we need a "strategy" of waiting for them to approach us when reporting results was neither mentioned nor agreed in the settlement agreement?

We can certainly quibble over the use of the word "strategy"; I merely wanted to give staff direction on how we would handle the ending of our settlement agreement. It was Melissa Thorne's opinion that we would undoubtedly hear from River Watch.

- p. 208: I find that I cannot get a sense of what specific services KJ will provide. The letter mentions the "Settlement Agreement" and "CAWD will compile, complete and submit the final report," which are irrelevant, since no report is required in the Settlement Agreement. Moreover, my understanding is that Rachel rated the condition of all segments of the collection system, and we have GPS and flow data for the system.

KJ will assist in providing a Condition Assessment Report. Please think of the Condition Assessment Report as separate from the Settlement Agreement. Our position is, that the document will be useful to CAWD in planning future collection system work – much the same way as we've done at the Plant and are doing in Reclamation. It is good to have a "final" document that brings together all information that has been collected for analysis purposes. Finally, although I am loathe to say it out loud, Ms. Lather has indicated she is thinking about retirement. A condition assessment report will be valuable for whomever we hire to take her place and/or for Mr. Treanor who may be required to step into a new role.

- p. 241: Under what set of conditions is this segment of our easement forecast to remain stable?

Are you referring to the public utility easement? It will remain in place until such time as the District releases its interest.

The board has not been presented with information on the cost to the district of ownership of each of the alternative proposals over the lifespans of each option. This seems like necessary information, and I think that a decision on the options should be postponed until this information is developed and presented.

We presented information on the cost of service and construction at the June 22, 2023 meeting. The Board needs to look at which option has the greatest chance of successful construction, permitting and long term performance without spills. We believe that to be the approved project. There is no pending decision on the options, this is an approved project.