



## Ad Hoc Treatment Plant Committee Agenda

February 7, 2023 at 10:00 a.m.

### District Office & Online:

Please join my meeting from your computer, tablet or smartphone.

<https://meet.goto.com/161136077>

You can also dial in using your phone.

United States (Toll Free): [1 877 309 2073](tel:18773092073)

Access Code: 161-136-077

Right to be heard: Members of the public have a right to address the Board directly on any item of interest to the public that is within the subject matter jurisdiction of the Board, provided that no action shall be taken on any item not appearing on the agenda unless the action is otherwise authorized by subdivision (b) of Section 54954.2.

Please Note: If you have comments on a specific agenda item(s), please fill out a comment card and return it to the Board Secretary. The Board President will call on you for your comments at the appropriate time, either before or during the Board's consideration of that item.

***If you require special accommodations for attendance at or participation in this meeting, please notify our office 24 hours in advance at (805) 646-2114***

***(Govt. Code Section 94594.1 and 94594.2 (a))***

### **A. Call To Order**

### **B. Public Comments**

### **C. Discussion Items:**

- a. Status update on MKN final design plans. (Martinez/Kentosh) – No Attachment
- b. Discuss replacement treatment plant funding options. (Cooper) – No Attachment
- c. Discuss next steps. (Cooper/Kentosh) – No Attachment

### **D. Adjourn**

NOTE: THIS WILL BE DISCUSSED AT THE BOARD MEETING IN NOVEMBER 2022



## MEINERS OAKS WATER DISTRICT

November 15, 2022

### *Board Memorandum* **Status of Treatment Plant 50% Design**

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**To:** Board of Directors

**From:** Jim Kentosh, Director

Our water filtration plant for Wells 1 and 2 was built in the early 1990s. To save money, it was built “on the cheap,” with filter vessels placed in steel storage containers. Unfortunately, that approach resulted in corrosion and degradation of the facility in a relatively short time. So here we are 30 years later needing to replace the plant. It made sense when we started the redesign to upgrade the plant so it might last another 80 – 100 years, with proper maintenance. We hired MKN Associates to do that work.

MKN has completed the design to the 50% level. Plans and specs are available for review. They appear to be doing a good job. They also prepared a preliminary cost estimate for the treatment plant construction. To my huge surprise, their estimated cost for the project is around \$5,445,000. That number is much higher than I expected. Of course, a good part of that amount is driven by the escalating cost of labor and materials, which has exceeded overall levels of inflation.

So how would this replacement cost affect our customers? To provide a preliminary estimate, let’s assume we draw down our reserves by \$1 million and get a loan for 6% to fund the rest. If we divided loan payments equally among all customers, it would add \$17 per month to every customer’s water bills. That’s a big impact.

The need for a replacement plant is not absolute. Here are some options we could consider:

- 1) Finish the design work and apply for a loan to fund construction – bite the bullet.
- 2) Finish the design work so we have a “shovel ready” project for which we could apply for grant funding, and hope for the best.

- 3) Abandon Wells 1 and 2, or keep them for emergency backup only, and replace them with 2 new wells farther from the Ventura River, which will not require filtration.
- 4) Abandon Wells 1 and 2 and use water from Casitas MWD as a primary water supply to supplement Wells 4 and 7.
- 5) Apply for a waiver from the Department of Drinking Water that would allow us to use Wells 1 and 2 without filtration. (Good technical arguments could be made to support this approach, but it would be a long shot for regulatory reasons.)

I recommend that we start figuring out what is in our best long-term interest and begin building support from the Board and our constituents for an optimum solution. An Ad-Hoc Committee to study the details might be a good place to start.

## DWSRF FUNDING

| Maximum PF, Grant or Combination Thereof Per Construction Project <sup>38, 39</sup>  |  |   |  |                                |
|--|--|---|--|--------------------------------|
| Type of Community <sup>40</sup>  | Residential Water Rates as a Percentage of MHI <sup>41</sup> | Percentage of Total Eligible Project Cost         | Maximum Amount Per Connection <sup>42,43, 44</sup> |                                |
| <b>Category A – C and/or Consolidation Projects<sup>45</sup></b>   |  |   |  |                                |
| Small DAC/SDAC; Eligible NTNC <sup>46</sup> That Serves a Small DAC/SDAC; Expanded Small DAC/SDAC; Medium DAC/SDAC; <sup>47</sup> or Small Non-DAC with MHI < 150% of Statewide MHI  | N/A  | up to 100%  | \$60,000 <sup>48</sup>                             |                                |
| <b>Category D – F Projects</b>   |  |   |  |                                |
| Small DAC/SDAC or Eligible NTNC That Serves a Small DAC/SDAC   | N/A  | up to 100%  | \$45,000   |                                |
| Expanded Small DAC/SDAC  | >=1.5%   |   |  |                                |
|  | <1.5%  | Not Eligible for PF, Grant or Combination Thereof |  |                                |
| <b>Repayable Construction Financing Terms</b>  |  |   |  |                                |
| Type of Community  | Residential Water Rates as a Percentage of MHI               | Interest Rate                                     | Maximum Financing Term <sup>49</sup>               | Local Cost Share <sup>50</sup> |
| Small SDAC or Eligible NTNC That Serves a Small DAC  | N/A  | 0%  | 40 Years   | Waived                         |
| Small DAC or Expanded Small DAC/SDAC   | >=1.5%   |   |  |                                |
|  | <1.5%  | ½ General Obligation Bond Rate                    |  |                                |
| SDACs and DACs may be eligible for Prop. 1 GWGP drinking water treatment grants. For GWGP grants, the funding maximums provided above apply in addition to the limit for grant/PF from other funding sources. SDACs of any size may be eligible for GWGP grant funds regardless of water rates, and DACs of any size may be eligible for GWGP grant funds if residential water rates as a percentage of MHI ≥ 1.5%. For GWGP grants, DACs and SDACs of any size, including large DACs, are subject to the grant limits specified for Small DACs in the table above. No local match is required.  |  |   |  |                                |
| NOTES: Where DFA amends an existing agreement for final budget approval or to add a subsequent phase of work, PF/grant for the final budget approval amendment or new phase may be awarded based on current IUP criteria or those in place at the time of original agreement execution, at DFA's discretion. DFA may deny DWSRF/SCG DW grant, PF or a combination thereof if the construction project has already been funded in part by other drinking water funding sources, including DWSRF and SCG DW funding. Where a PWS is privately owned, DFA may also consider the private owner's assets and ability to afford a loan before otherwise awarding PF, grant or combination thereof. |  |   |  |                                |

Category A, B, and C projects:

- Category A – immediate health risk such as waterborne disease outbreak
- Category B – untreated or at-risk sources such as untreated surface water or untreated groundwater under direct influence of surface water
- Category C – compliance or shortage problems such as chemical contamination or source capacity problem

## EMERGING CONTAMINANTS

USEPA's 2022 [Contaminant Candidate List](#)

**From:** [Christy Cooper](#)  
**To:** [James Kentosh](#)  
**Cc:** [Justin Martinez](#); [Summer](#)  
**Subject:** Grant Funding  
**Date:** Tuesday, January 24, 2023 7:53:32 PM

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There are a number of grant options that I am looking at. The one below is probably not relevant but just need to check it off.

### **Emerging Contaminants**

Do we have any contaminants on the USEPA's 2022 [Contaminant Candidate List](#)? If so, this could help our chances of getting a larger grant. I just got notified of \$9 million in construction grants for WTPs for cities of Paramount and Whittier, but they have PFAS and the State is really focused on PFAS. And yes, we are all floored that the State thinks they can fund \$9 million in grants for 2 cities! Don't tell anyone, don't want to jinx it.