

Circle Oaks County Water District



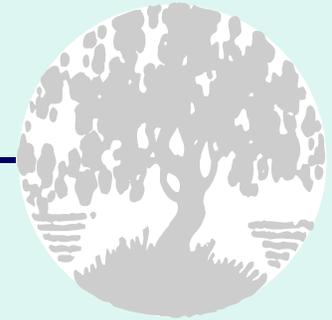
Public Information Meeting

***Water and Sewer Upgrades
Project***

Assessment District

June 25, 2010

Introductions



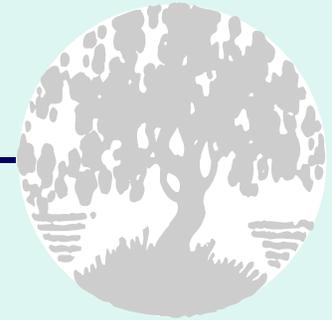
- COCWD Board of Directors
 - Jason Chavez, Board President
 - Lisa Hirayama, Board Member
 - Christy Vough, Board Member
- COCWD Staff
 - Jack MacDonald, General Manager
 - Anna Haley, District Secretary
- COCWD Committees
 - John Gallaway, Public Relations Chair
- Brelje & Race Consulting Engineers
 - Jack Locey, President
 - Richard Ingram, Vice President
- KLI Finance
 - Kristin Lowell, President

Agenda



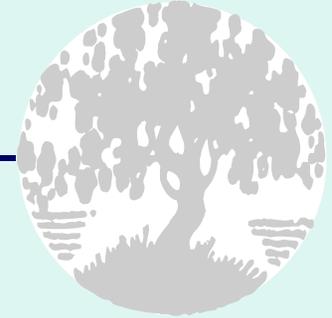
- Recent COCWD accomplishments
- Rebuilding and modernizing plan
- Funding options
- Assessment District details
- Questions

COCWD Recent History



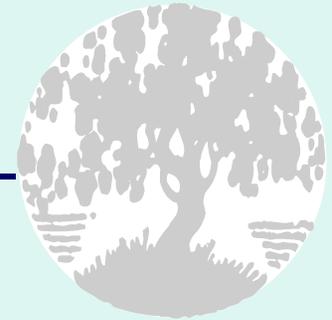
- **2005** – COCWD is 3 months from insolvency
- **2005** – Implemented a rate increase
- **2005** – Received a cleanup and abatement order from Regional Water Quality Control Board
- **2005** – Submitted a plan to address the cleanup and abatement order
- **2005** – Received a \$350k loan from CSDA to install monitoring wells (around sewer ponds) as a part of the cleanup and abatement order and to install new pumps at our booster station
- **2006** – Established a tiered rate structure to promote water conservation
- **2006** – Replaced severely restricted 1500 ft. line from our Well to the Treatment Plant
- **2007** – Upgraded the booster station, putting the upper zone within fire regulations
- **2009** – Replaced manual gas pumps with automated electric pumps at the ponds

Current Financial Status



- As of April 2010
 - The district has \$80,000 cash reserve
 - \$147,000 available balance on our CSDA loan account
- Solvent since the rate increase of 2005

Upgrade Design History



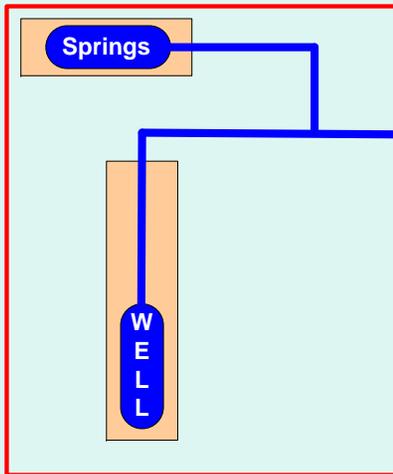
- **2000** – Triad/Holmes Associates Engineering and Design Report was prepared
- **2005** – Then COCWD Board President, Jim Mills developed a blue print for rebuilding and modernizing of the District, using the 2000 Triad Report
- **2006** – The Triad Engineering Report went through a series of updates
- **2009** – Brelje & Race supplemented the Triad Engineering Report leading to the final version submitted to the USDA as a part of this Assessment District

Review of Our Current System and Needed Improvements

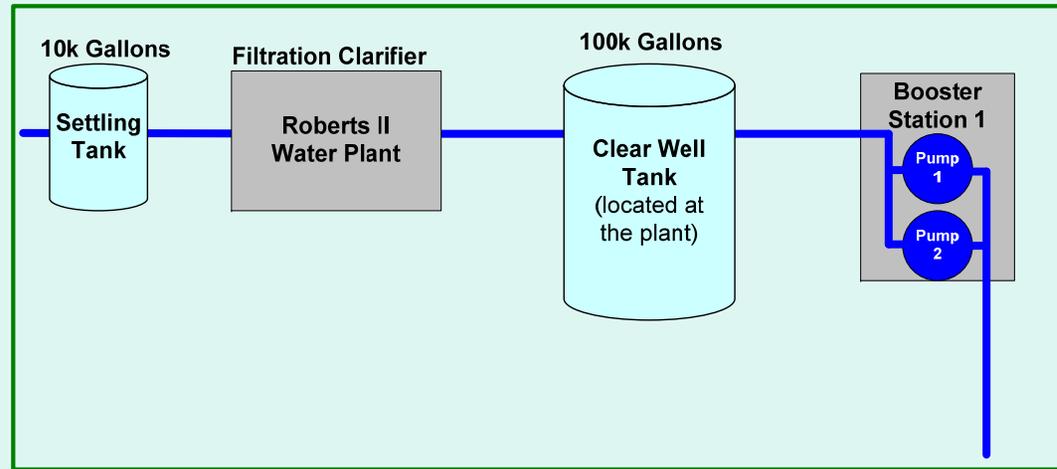


- Water Source
- Water Treatment
- Water Storage & Distribution
- Fire Hydrants
- Sewer System
- COCWD Office

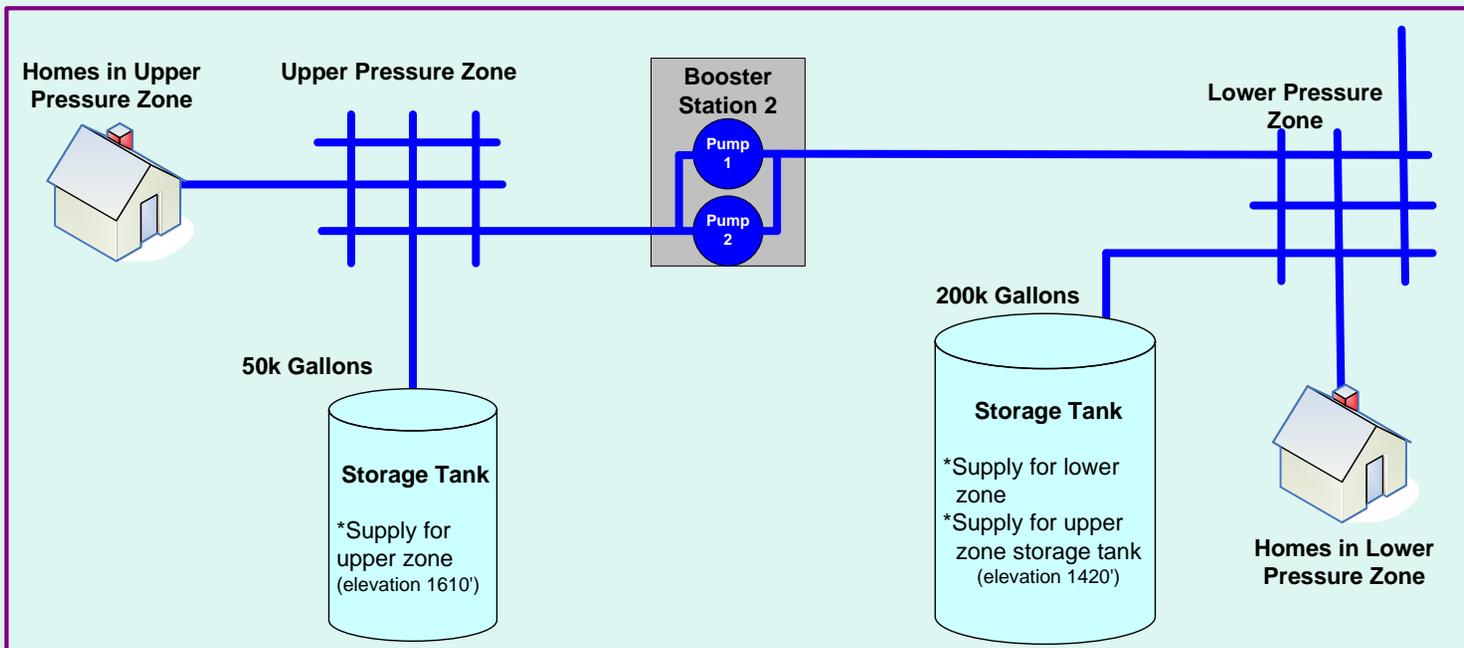
Water Source



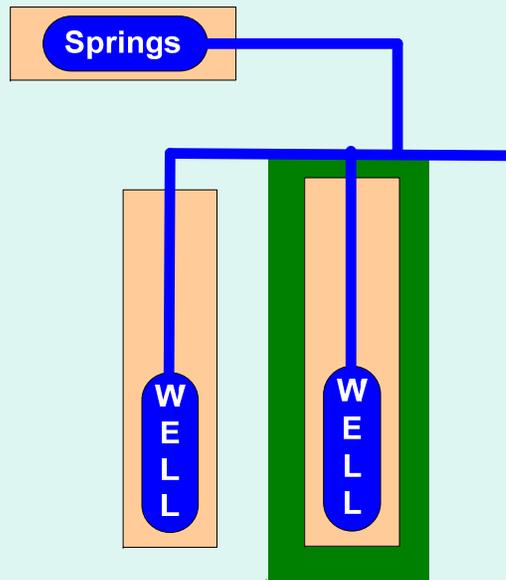
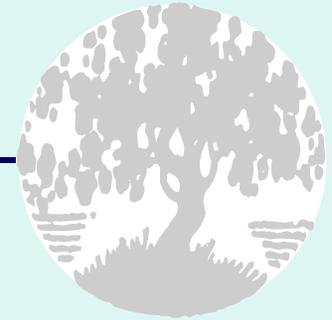
Water Treatment



Water Storage / Distribution



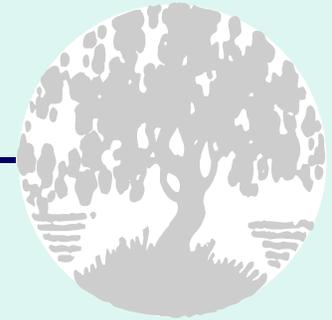
Water Source Overview



Second well to be installed
(not a part of this Assessment District)

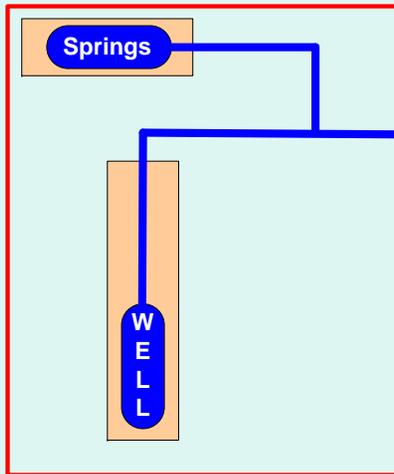
- COCWD currently operates with a single source well and seasonal springs. Although our engineering report recommends adding a second well source, it has not been included as a part of this Assessment District. It was determined that the District had a potential cost savings if this project was managed and funded out of our CSDA Loan Funds.

Water Source *Upgrade Rationale*

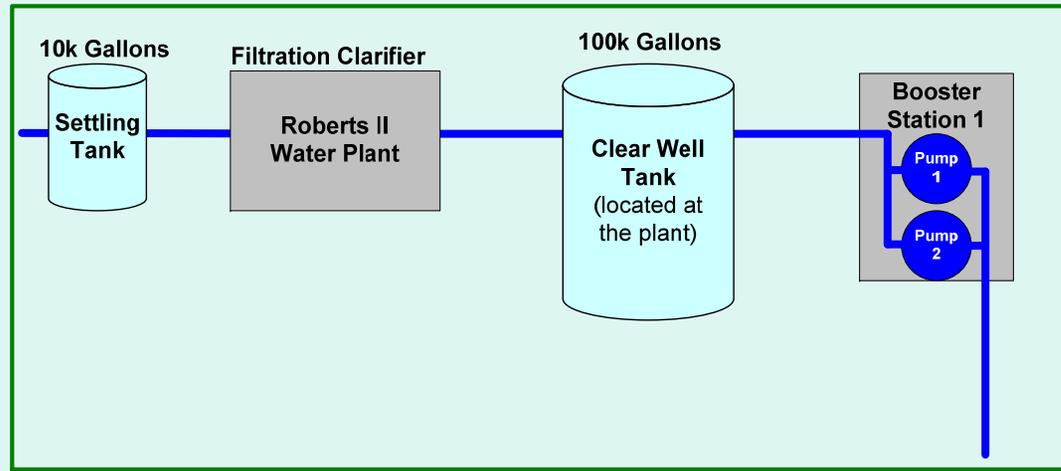


- A second, redundant, and reliable source of water is needed
 - For Example, following a local earthquake in 2000 our springs stopped producing water for a period of 4 months
 - At one time our district utilized several vertical wells. All of these wells, but the 1 currently in production, have dried up.

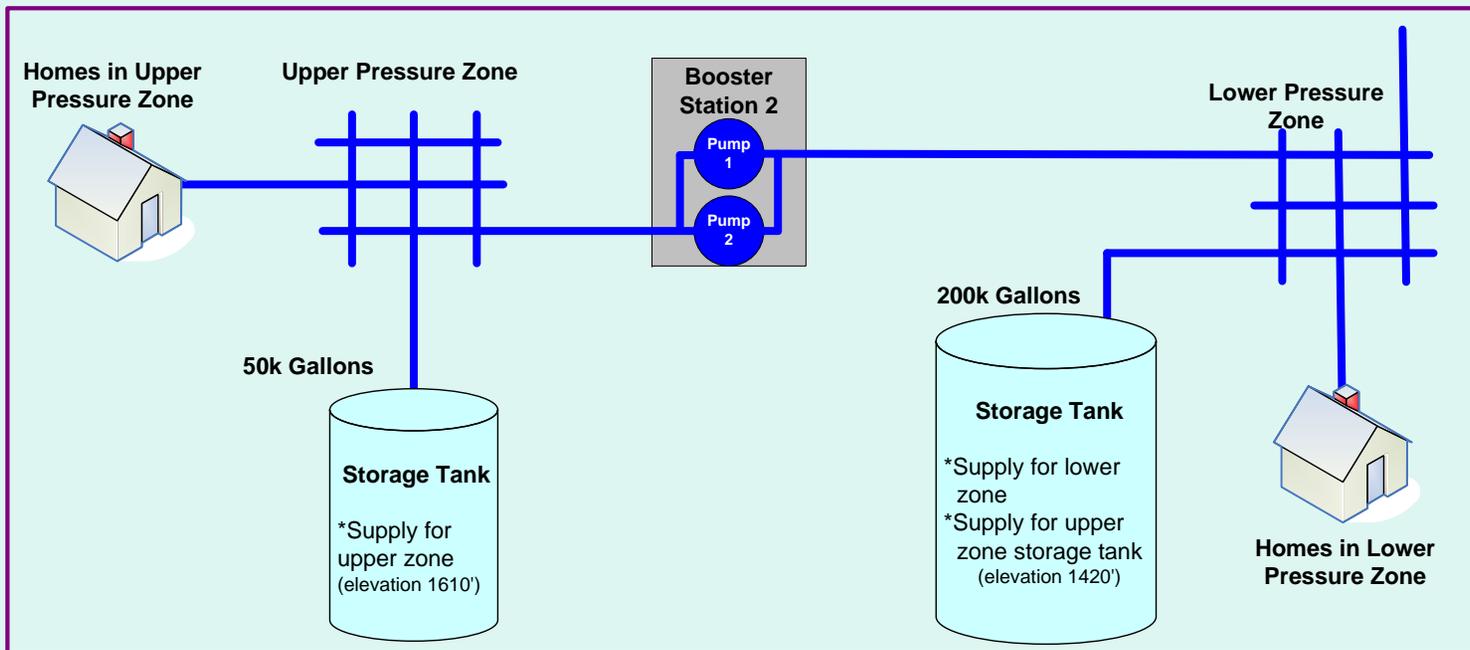
Water Source



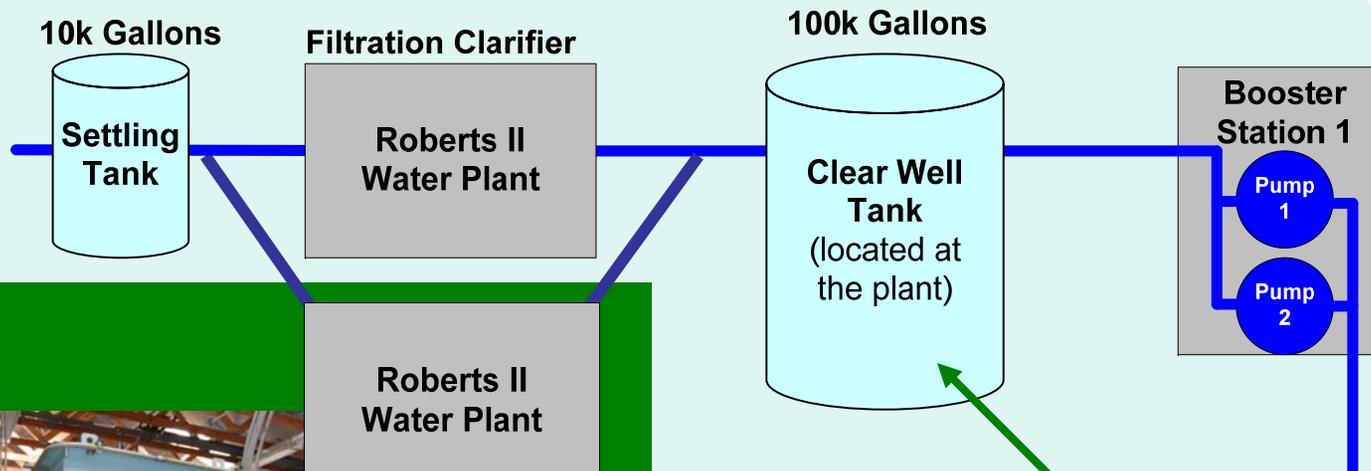
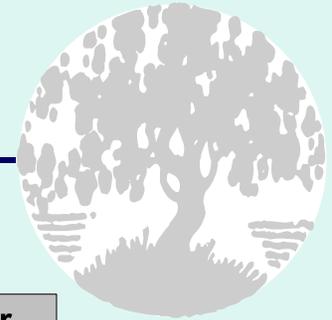
Water Treatment



Water Storage / Distribution



Water Treatment Overview

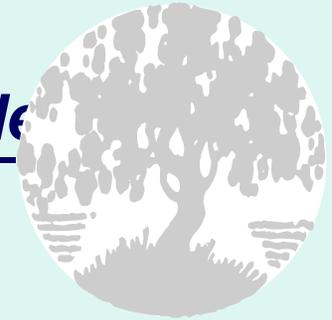


Roberts II Water Plant

Add a second Roberts Filtration Unit, providing much needed redundancy

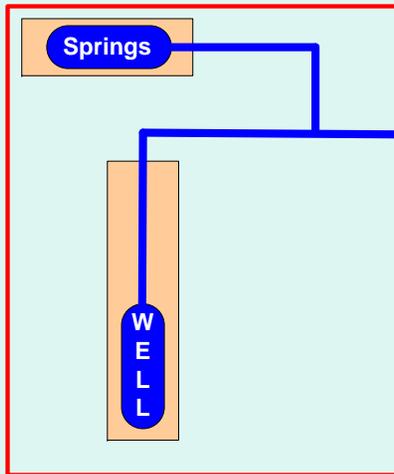
Install a 17k gallon chlorine contact basin, reuse the existing 100k gallon Clear Well for additional storage

Water Treatment Upgrade Rationale

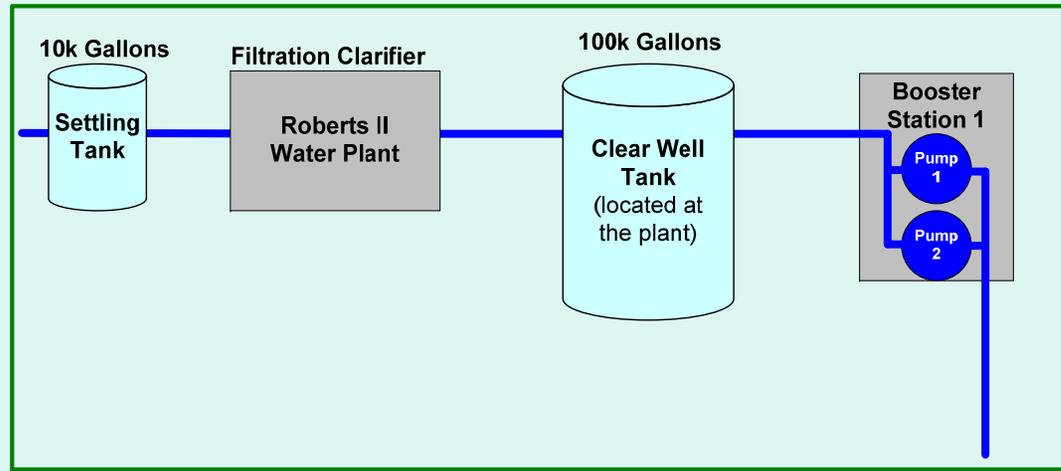


- In 2008 maintenance to the Filtration Plant's media required the plant be out of service for 2 days. Fortunately no unexpected problems were encountered and production of water could resume.
- In 2009 the backwash blower failed leaving the plant out of service for several days while repairs could be made. Again, with this outage, we were lucky that the failure happened during Winter months when customer demand is at its lowest.
- In 2010 a float valve failed reducing our production by 60% for a period of one week

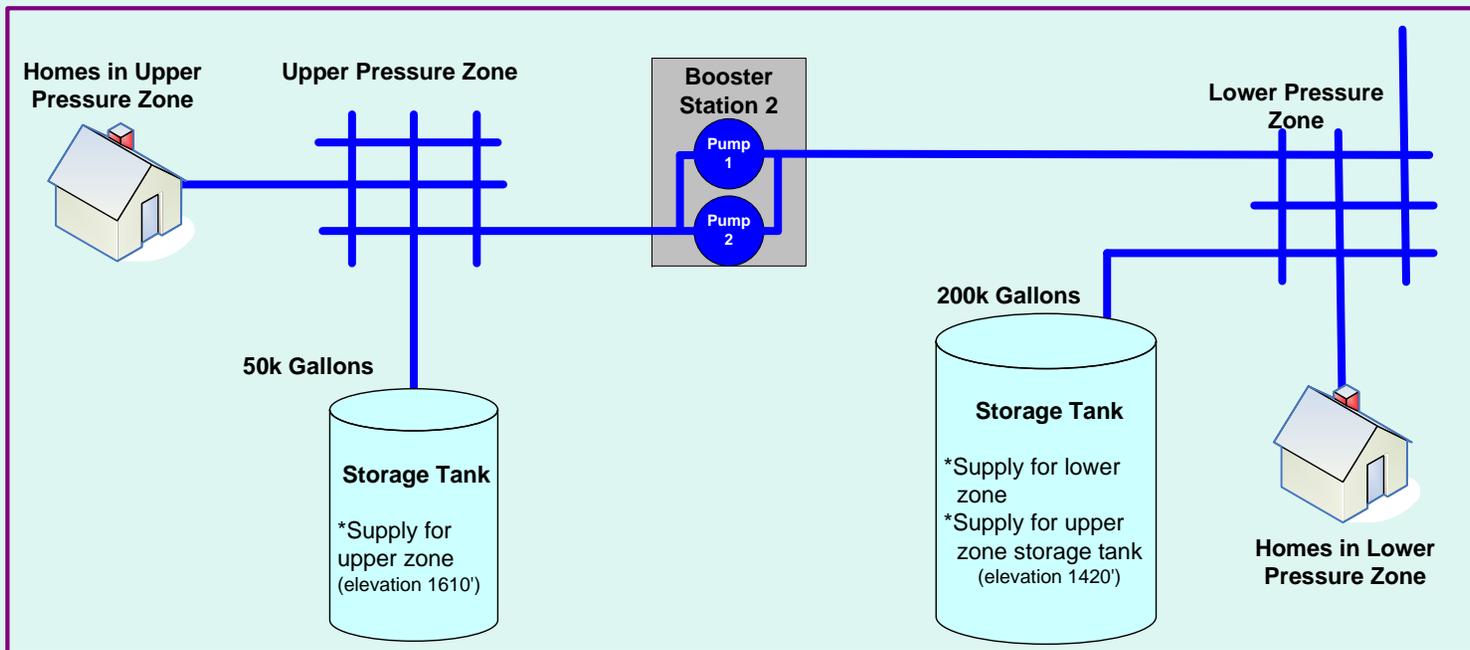
Water Source



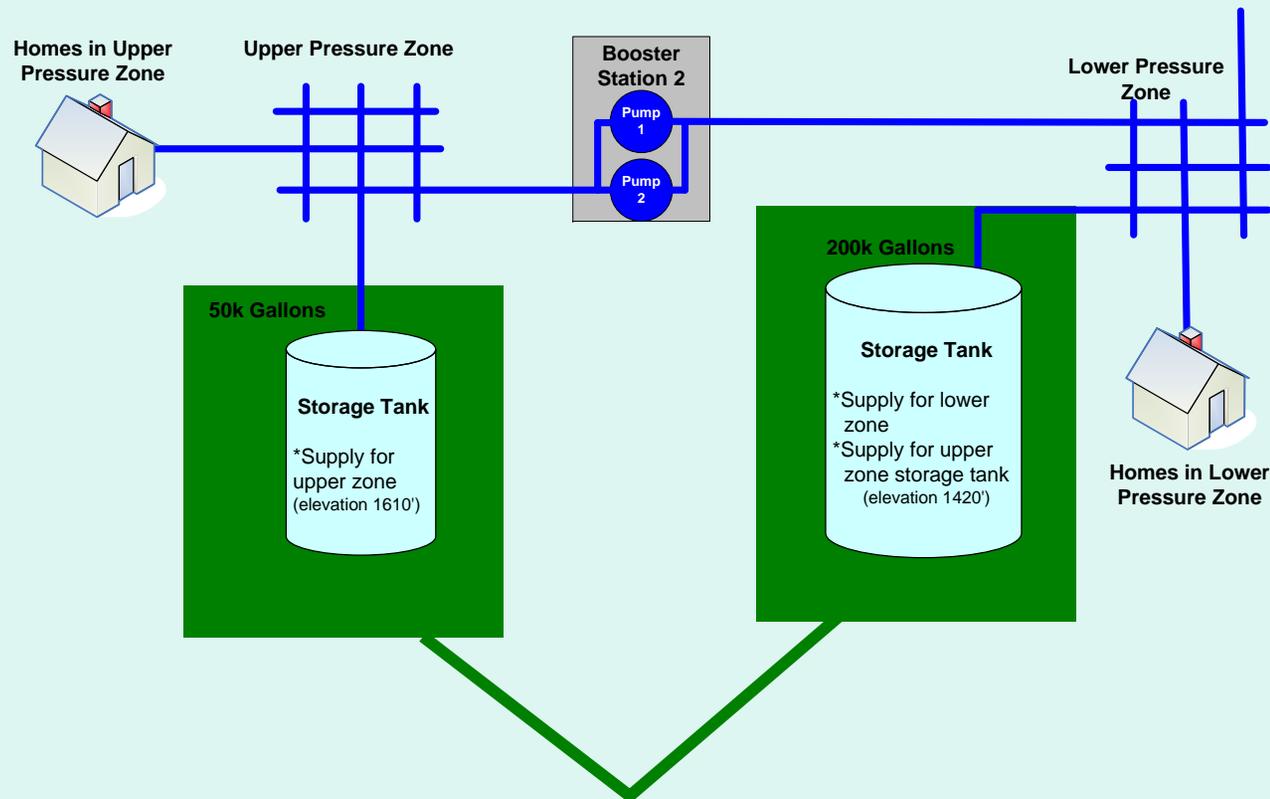
Water Treatment



Water Storage / Distribution



Water Storage and Distribution Overview



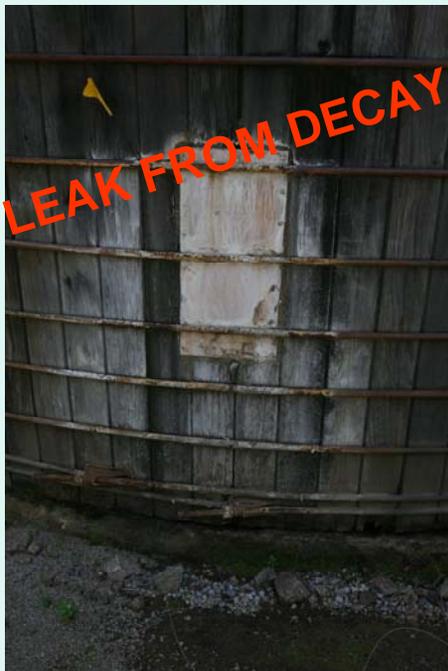
- Replace aged wooden storage tanks with new steel tanks
- Increase capacity of current water storage by 40% to 60%

**this figure also takes into consideration the retention of the clear well tank as storage*

Water Storage and Distribution *Upgrade Rationale*



- The current storage tanks are nearly fifty years old. These redwood water tanks are past their expected life span, leak from decay and must be replaced.



Fire Hydrants Overview



- Replace 30 four inch Stand Pipes that were installed throughout the Water District with standard six inch hydrants

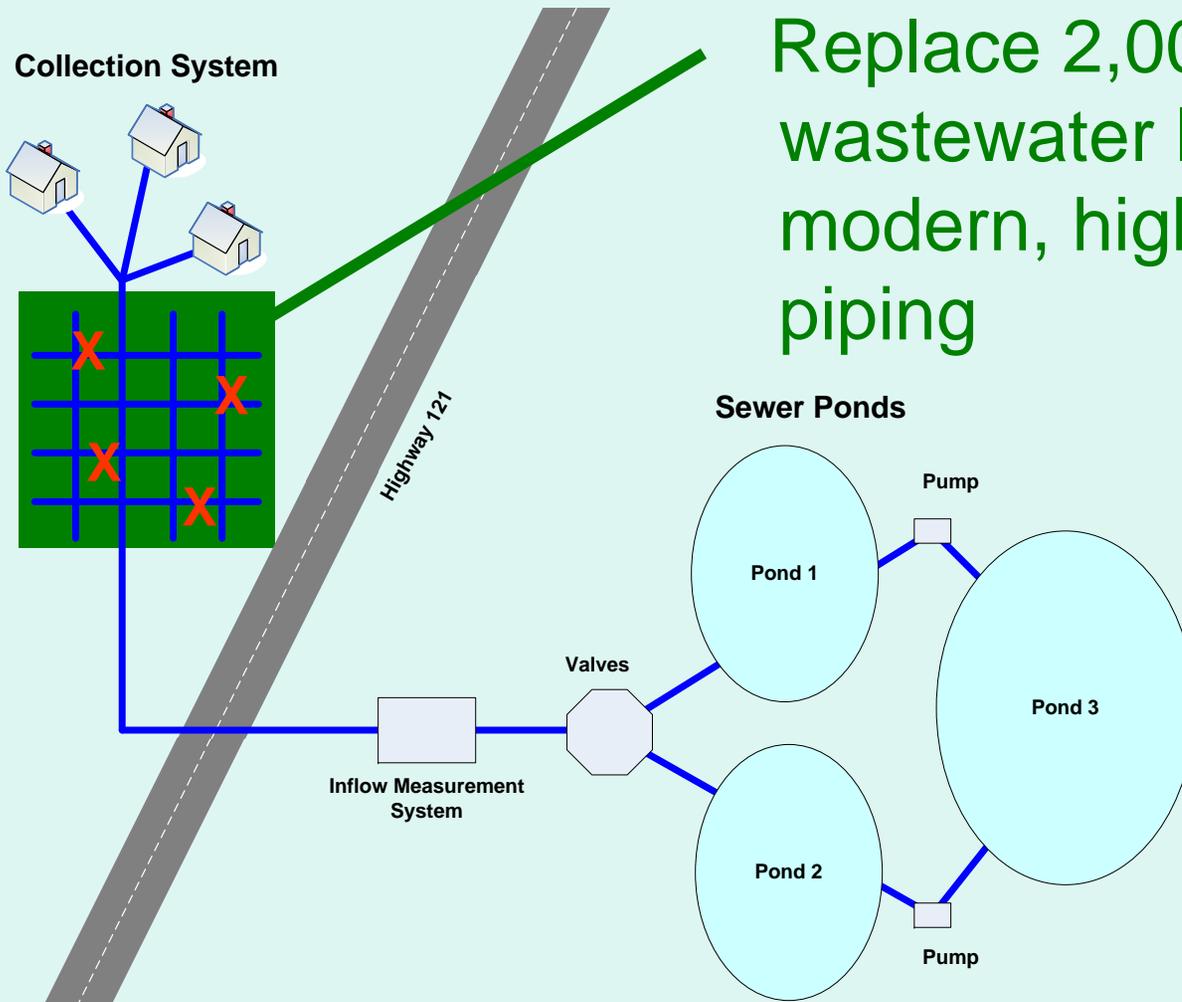


Fire Hydrants *Upgrade Rationale*



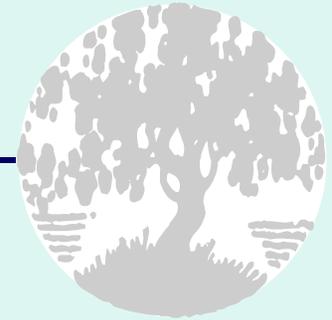
- The four inch diameter stand pipes do not meet current CDF standards
- The stand pipes do not have an underground shut off valve
 - In May of 2010 a delivery truck backed into a stand pipe knocking it loose from the water main. 30k gallons of water was lost before the water could be shut off and approximately 75 homes were without water for up to 3 hours

Sewer System Overview



Replace 2,000 feet of wastewater lines with modern, high quality piping

Sewer System *Upgrade Rationale*



- Infiltration of rain and spring water through an increasing number of breaks in our aging clay and transite wastewater lines risks sewage holding ponds overflowing their boundaries – resulting in State agency fines.

New District Office *Overview*



- Install a new, larger trailer to replace the existing inadequate, dilapidated trailer.



New District Office *Upgrade Rationale*



- The current trailer leaks, the wood siding is rotten and falling apart.
- A cost justification can be made to add a new, larger trailer. This trailer would handle its current functionality as well as house our water testing and telemetry equipment. By freeing up this space in our current Plant, there would not be a need to expand the current Plant structure for the new Roberts Filtration Unit.

Upgrade Cost



\$3,573,000

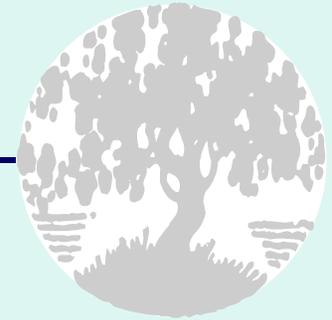
- The total cost for these upgrades is based on estimates provided by Brelje & Race. The district will make every attempt to take cost saving measures during the implementation of this project. Some examples of these savings tactics in the past are:
 - The booster station upgrade was originally quoted as a \$250k project but when completed, only cost the District \$56k
 - The installation of 2 Aeration pumps for our sewer ponds was quoted at \$120k. Again our General Manager has negotiated pricing closer to \$40k.

Funding Options



- Grants
 - We have submitted applications for 4 Grants and to date, have received no funding
- Measure A
 - Watershed management studies have not fully supported COCWD's Measure A application premise
- Standard Loan
 - High interest, short amortization schedule, paid for by general funds
- Revenue Bond
 - Paid for by general funds, resulting in increased rates
- Assessment District Funded by USDA
 - Low interest rate, long amortization schedule, ability to assess all lots equally, billed on property tax bill

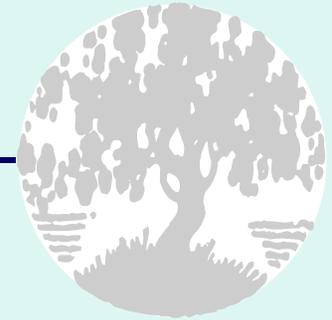
Assessment District – A Vehicle For Loan Repayment



- Loan repayment based on assessment of parcels that benefit from the Project
- Water District includes 355 parcels:
 - 338 parcels - developable or developed
 - 17 parcels - open space or utility sites
- 338 developable parcels benefit equally from improvements. Assessment per parcel would be:

$$\text{\$3,573,000} \div 338 = \text{\$10,571.01}$$

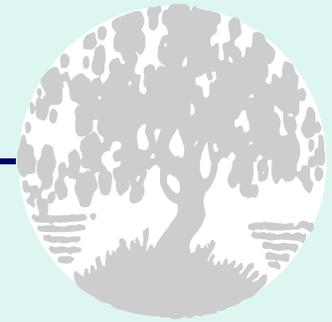
Assessment District – Annual Administration Costs



Annual costs that are in addition to the assessment for improvements:

- Cost associated with the administration of the Assessment District, initially equal to 2% and adjusted annually for inflation
- Cost for annual contribution to create a Debt Service Reserve Fund, required to issue bonds

Frequently Asked Questions



What is the annual cost per parcel?

The estimated cost, including the USDA loan, administration costs, and Reserve Fund costs is \$598 per year.

What is the annual payment schedule?

You will make assessment payments with your property tax bills, typically twice a year.

Can I pay the assessment up front?

Yes, you will have 30 days after confirmation of the Assessment District to pay in full.

Frequently Asked Questions – cont.



At any point can I pay the balance of what I still owe?

Yes, at any point during the 40 year term you can request a payoff

What will happen to any of the \$3,573,000 that is not spent?

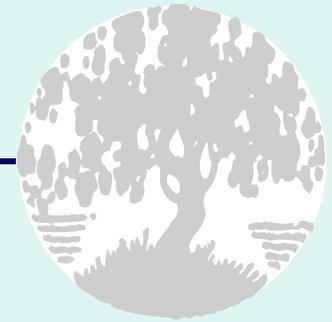
If there are any funds not spent during the project, the Board can either pay down the bond or request the funds be used on other improvement projects

Project Schedule



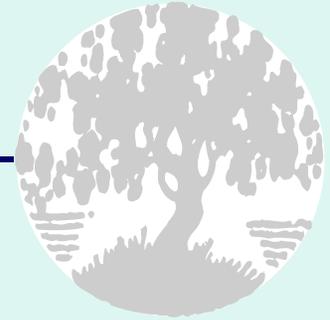
- May 11, 2010
 - District holds informational meeting for property owners in assessment district
- May 17, 2010
 - Board of Directors considers approval of Preliminary Engineering Report and sets public hearing date
- May 20, 2010
 - District mails notice and ballots to property owners
- June 25, 2010
 - District holds informational meeting for property owners in assessment district

Project Schedule – cont.



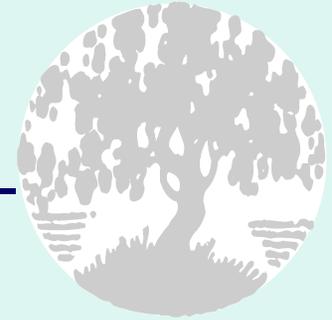
- July 12, 2010
 - District Board holds public hearing, opens ballots, and, if majority of ballots are positive, considers adopting resolution confirming formation of Assessment District
- July 16, 2010
 - District mails, records and publishes assessment notices
- Aug 16, 2010
 - End 30-day cash payment period in which property owners may prepay their assessments

Project Schedule – cont.



- Aug 20, 2010
 - Finalize loan amount based on unpaid assessment amount. District Board approves Resolution Authorizing Issuance of Bonds
- May 2011
 - Construction Begins
- Dec 2011
 - Construction Completion

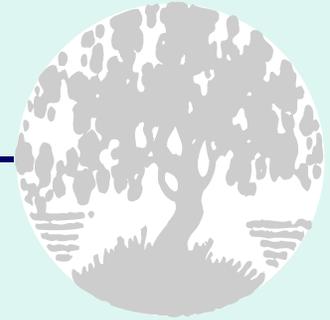
What a **NO** Vote Means



- Loss of a \$150,000 Investment
 - Engineering Reports
 - Environmental Impact Studies
 - Assessment District Formation/Legal Costs
- 4 years and hundreds of COCWD Board and Committee member's volunteer hours lost
- The COCWD Board will be forced to use other, more expensive financing options
 - A standard loan, with its higher interest rate, shorter term, and requirement to be paid out of General Funds, could cost:
 - \$20 per month to replace the upper 50,000 gallon Redwood Tank
 - \$30 per month to add an additional Roberts Filtration Plant

**COCWD CUSTOMERS WOULD END UP PAYING MORE
OUT OF THEIR POCKET AND RECEIVE LESS
BENEFIT BY USING OTHER FUNDING METHODS**

Questions ?



- **Call: 707-254-7796**
- **Email: Waterboard@circle-oaks.com**
- **On the Internet: WWW.COCWD.ORG**