
CFD2 | Monthly Meeting

Monday, 02.07.2022 via Zoom 5:30-6:54pm

Attendees

Farley Brown

Gina Campoli (President)

Nicole Civita (Board Member)

June Cook

Paula Davidson (Treasurer)

Dornburg

Christina Finkelstein (Secretary)

George Hall (Board Member)

Norm Hanson (Board Member)

John Kiernan (RCAP Solutions, Inc.)

Sherilyn Peterson

Jeremy Rathbun (Dubois & King)

Renee Rossi (Board Member)

Clyde Simmons

Joan Simmons

Steve Smith (Systems Operator)

ABSENT:

Ian Baldwin (Board Member)

Agenda

1. Changes/Additions to the Agenda
 2. Update re new source well
 3. Update re existing wells / Do Not Drink timeline
 4. Update from subcommittees
 - a. Special Projects (Letter from ANR - Request for Initial Site Investigation; bottled water)
 - b. Financial Planning (CD use guidelines; open line of credit)
 - c. Other
-

Update re New Source Well (Jeremy)

- **Current Status:** Jeremy Rathbun of Dubois & King (D&K) reported that we are waiting on the final review from the lawyers.
 - Landowners' lawyer reviewed the easement and it should now be with CFD2's lawyers.
 - Before we drill a new well, the state would like D&K and CFD2 to revisit the Sterling site.
 - To recap, D&K looked at four potential sites in 2021. One site is on a private homeowner's property [for which we are trying to finalize easement] and the other is on Sterling College property. In 2021, D&K was unable to come to an agreement with Sterling because Sterling would have been limited in the number of livestock allowed on the 200' protected area.
 - State urges another conversation with Sterling because it is preferable to have the new source well at a location that is not in such close proximity to the back-up well (WL-04) so that they do not interfere with each other.
 - Speaking as a representative of Sterling College, Nicole Civita (Board Member), reiterated that Sterling is open to discussion and is mindful of the changed circumstances (as well as new leadership) since conversations in 2021.
- **Discussion:**
 - Q re the renewed interest in the Sterling site. Jeremy stressed that the state has had previous concerns about the new well being in close proximity to WL-04 and that the higher than expected yield of WL-04 means it makes sense to take a fresh look at other options.
- **Next Steps/Milestones:**
 - Nicole will work with Jeremy and CFD2 Board Members to set up a meeting with Sterling College.
 - Complete easement review. Waiting for lawyers to finish review.
 - *Update, 02.08.2022: The review is complete and the easement is set to be signed on February 11th.*

- *Other necessary steps (copied from 1.26.2022 minutes):*
 - Submit easement to the State—approximately 30 days to complete the state review
 - After state reviews, there is a 30 public-notice period for any abutting property owner who are given the opportunity to comment regarding how the project might affect their well. D&K will prepare responses
 - Obtain permit
 - Drill the well, contingent on weather [contractor already procured]
 - Confirm yield – stress system and pump water for three straight days
 - Personnel onsite for three days to monitor the wells within 2000 feet to ensure no undue influence on their yield
 - Collect battery of water samples for PFAS and other water quality testing
 - Purchase equipment (pumps and connectors)
 - Install equipment [will require a 3-week bidding window to be eligible for federal reimbursement]
- **Likely timeline for WL-05 to be online: September**

Update re Existing Wells and Do Not Drink Timeline (Jeremy)

- **Current Status:**

WL-01 continues to provide customers with non-potable water for daily use

WL-04 remains offline

- January 25 - hydrofracked WL-04 [at 160' and at 320'].
- February 1 - D&K performed a Step Test (i.e., pump water at 3g/minute for an hour, then 7g/minutes, and higher) to calculate potential yield.
 - The pump (oversized for the well) allowed a minimal flow of 8 gallons/minute. The next step was 10g/m and then 13 g/m, though the last test was incomplete due to a complication with the depth measure device.
 - Results from Step Tests suggest that WL-04 is able to pump at a steady state of 8.2 g/m. This is better than what we expected based on Step Test data from 1990 (6g/m).
 - Additional long-term testing is needed.

-
- February 1 - D&K sent water samples for testing. We hope testing will be expedited and results will be back sooner than the typical 4-week turnaround.
 - WL-04 yield is not high enough to fulfill customer needs without bringing in trucked water. Better interim solution is to blend WL-04 with enough water from WL-01 and keep PFAS levels <20ppt without overtaxing either well.
 - To blend with precision, we need to purchase automated blending equipment. The cost is \$8087.70.
 - **Discussion:**
 - Practical investment. The automated blending equipment is not a temporary use purchase. Earlier yield from WL-04 (<1g/m) shows how important it is to engage the back-up well regularly. When the new source well is in place, the water will be blended with WL-04 using the automated blending equipment.
 - Paying for equipment. We need to open a line of credit asap [more below]. The state will reimburse 50% of the hydrofracking costs and 50% of the blending equipment. However, since the blending equipment will be used with the new well, we expect that the full amount will be reimbursed under the source well grant.
 - **MOTION: Nicole moved that CFD2 authorize the expenditure for automated blending equipment in the amount Jeremy shared via email [\$8087.70]. Norm seconded the motion. The motion passed unanimously.**
 - **Next Steps/Milestones:**
 - Order blending equipment; delivery and installation will take approximately two weeks
 - Will get water quality test results back in the next two weeks
 - Assuming WL-04 continues to be free of PFAS, we can start blending with WL-01
 - The blending will need to continue for one-week before the blended water can be sampled
 - Sampled water will be sent for rushed PFAS testing (one week)
 - Assuming the blended water comes back <20ppt for PFAS, the Do Not Drink order can be lifted
 - **Likely timeline for Do Not Drink order to be lifted: Early March**

Special Projects

1/ ANR's Site Management Section - PFAS Contamination of WL-01, Request for Initial Site Investigation

- Letter, dated January 18, 2022, first mentioned by Jeremy at Special Meeting on January 24th, notifies CFD2 that as owners we are a “potentially responsible party” for the PFAS contamination at WL-01
- Representing CFD2, Gina Campoli met with Sterling College and Jeremy re ANR's PFAS Source Investigation on February 3rd. As a follow-up, there is a “walk and talk” scheduled with Sterling College's President and Jeremy for February 14th. This walk is open to all CFD2 Board Members and the interested public. The purpose is gain a better understanding of the area involved with the PFA contamination.
- ANR letter was shared with the full Board on February 4th. Jeremy offered background and summarized the main points of the letter:
 - Site Management Section of ANR manages site investigations and clean-ups
 - Site Management did a preliminary investigation and looked at where the PFAS contamination could possibly have come from
 - As the owner of the water system, Site Management identified CFD2 as a “potentially responsible party”
 - The other named “potentially responsible party” is Sterling College
 - CFD2 has the option to retain a qualified engineer and environmental consultant to conduct its own investigation or defer to the state. The investigation involves continued resampling of the CFD2 wells, sampling of wells in the area, and a site investigation work plan submitted by February 17th to identify the source, degree, and extent of PFAS contamination and propose immediate steps to reduce or eliminate any additional PFAS contamination.
 - If the state conducts the investigation, it will need to authorize the use of funds from the Environmental Contingency Fund to initiate an investigation (there are no funds specifically earmarked for such investigations). The relevant statute will require ANR to seek cost recovery from the responsible party once identified.

- Discussion:
 - No written or formal guideline to suggest that if CFD2 conducts the investigation and is found not to be the responsible party, that we will recoup the cost related to investigation without involving litigation.
 - CFD2 does not have the financial and other resources to pay for and coordinate an investigation.
 - Given the three significant projects already underway (new source well, back-up power, asset management plan) in addition to regular business, CFD2, as an all-volunteer Board, does not have the capacity nor bandwidth to retain and manage such a significant undertaking.
 - CFD2 fully supports the investigation, but having the state as a neutral third party is the preferred option by the full Board. (Nicole Civita abstained from comment since there may be a conflict of interest.)
 - Q re cost to CFD2 if the state does the investigation. ANR will seek to recover their costs from the responsible party once identified.
 - Q re public access and timeline. The final report and relevant data will be publicly available. The investigation will likely take 6-12 months to complete.
- Next Steps:
 - **CFD2 will write a formal response to ANR declining to retain services of a qualified engineer and environmental consultant for the reasons discussed**
 - Jeremy will provide relevant tests and other data to include in response

2/ Bottled Water Distribution

- Additional water sourced on January 26th and February 2nd; 4th pick-up scheduled for Wednesday, February 9th.
- There is plenty of water for household and institutional customers. Supply will be monitored and replenished as needed.
- Customers sent reminders to pick-up water at Sterling College and return empty jugs.
- **It is important to collect all the used jugs as there is a \$6 deposit for each.**

Financial Planning Subcommittee

At the last Special Meeting, Paula Davidson raised concerns about timing and timely payment of bills due to Dubois & King and other vendors

- Jeremy confirmed that we will not be able to draw funds from the grant for 90-120 days
- Paula investigated line of credit options with Union Bank. One option is a Current Expense Note, for a 12-month term
- Paula reported that according to the bank, expenditures related to the Bond Vote and new source well need to be on a separate line of credit (a Capital Improvement Note)
- Jeremy will provide current, anticipated, and contingency cost estimates for more precise planning
- Relatedly, the subcommittee met to discuss policies and procedures for CD principal and interest withdrawals. Recommendation made not to draw on these funds as withdrawals incur significant penalties and fees. Formal written proposal forthcoming.
- Discussion:
 - For Current Expense Note, we can always increase the line of credit, but we should start with a generous amount (\$60k)
 - For Capital Improvement Note, 100k should suffice if multiple invoices came in at once. The subcommittee, with Jeremy's assistance, will lay out full project costs for Board review. Hold on approving a Capital Improvement Note until then.
 - John Kiernan (RCAP Solutions) explained that since we had a positive bond vote, it is possible for us to borrow up to the entire amount of the loan. If we expect to only use 100K at any one time, we can put the rest of the money into an interest bearing account and have the potential to earn a small sum that could cover other expenses.
- **MOTION: Paula moved that CFD2 authorize her to request a line of credit from Union Bank in the form of a Current Expense Note for a 12-month term for \$60,000. Nicole seconded the motion. The motion passed unanimously.**
- Next Steps:
 - Paula to proceed with line of credit application

Other

- **Gina suggested a Special Meeting in two weeks - February 21st at 5:30.** [See last page for agenda and Zoom details. Reminder and calendar invite to follow.]
- Meeting with John Kiernan of RCAP Solutions scheduled for February 24th to conduct a technical, managerial, and financial capacity assessment with select members of the Board. This assessment will help RCAP identify any gaps or needs, prioritize recommendations, and inform any future RCAP assistance. [RCAP is funded by grants and conducted the Rates Study last year.]
 - John sent relevant background CFD2 documents
- CFD2 previously considered a motion to increase the base rate from \$30/quarter to \$45/quarter, effective January 1, 2022. This motion was passed unanimously at the Special Meeting on January 24th. The Board allowed two additional weeks to receive and consider any public comments. None received. Notice of this increase will be posted in three locations within the CFD2 service area and the Front Porch Forum, per the CFD2 Ordinance.

Action Items

1. Paula to complete line of credit application
2. Jeremy to provide tests dates and other data for ANR response letter
3. Christina to draft ANR response letter
4. Financial Planning subcommittee to consider credit line options that will allow interest accrual
5. Jeremy will provide current, anticipated, and contingency cost estimates for more precise planning
6. Norm will post notice of the base rate increase to \$45/quarter, effective January 1, 2022 in three locations within the CFD2 service area; Christina will post on FPF
7. George will hand-deliver any announcements to customers without email

(Announcement) Special Meeting on February 21 at 5:30

A Special Meeting is scheduled for Monday, February 21, 2022, via Zoom at 5:30pm.

Agenda:

- Changes/Additions to the Agenda
- Update re new source well
- Update re WL-01 and WL-4 / Do Not Drink Timeline
- Other updates from subcommittees

Zoom Meeting Login:

<https://us02web.zoom.us/j/82837038403>

Meeting ID: 828 3703 8403

One tap mobile

+16468769923,,82837038403# US (New York)

+13017158592,,82837038403# US (Washington DC)

Dial by your location

+1 646 876 9923 US (New York)

+1 301 715 8592 US (Washington DC)

+1 312 626 6799 US (Chicago)

+1 346 248 7799 US (Houston)

+1 408 638 0968 US (San Jose)

+1 669 900 6833 US (San Jose)

+1 253 215 8782 US (Tacoma)

Meeting ID: 828 3703 8403

Find your local number: <https://us02web.zoom.us/j/82837038403>