

Lake Morena Views Mutual Water Company

3rd Quarterly Administrator
Public Meeting

December 9, 2024



Agenda

1. Welcome
2. Update on LMV/ LMOS Consolidation Process
3. PFAS Treatment at LMV
4. LMV Operational Updates
5. LMV Financial Updates
6. 2025 Look-Ahead
7. Questions, answers, discussion

Welcome

- Stantec Administrator Team

- Ryanna Fossum
- David Pernitsky
- Mike Antos
- Tori Klug
- Connie Adera

- LMV Staff

- Raymond Leon, General Manager/Chief Water Operator
- Patrick Walsh, Part-Time Operator

- LMV Board Members

- Harold O'Neal, Board President
- Trevor Dougherty, Board Secretary
- Rick Bradbury, Board Member

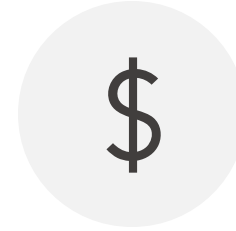
What to expect from today's meeting



Listen, learn, ask questions,
and make comments



Review plans for consolidating the two
water systems



Get a financial update about LMV
and review the draft 2025 budget



Review the plans to address drinking
water quality issues in the short-term



Learn how LMV is responding to
presence of PFAS



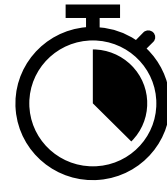
Understand what will be
happening next

Meeting Agreements & Guidelines

1. Listen actively and with an open mind



2. Stay on point and on time

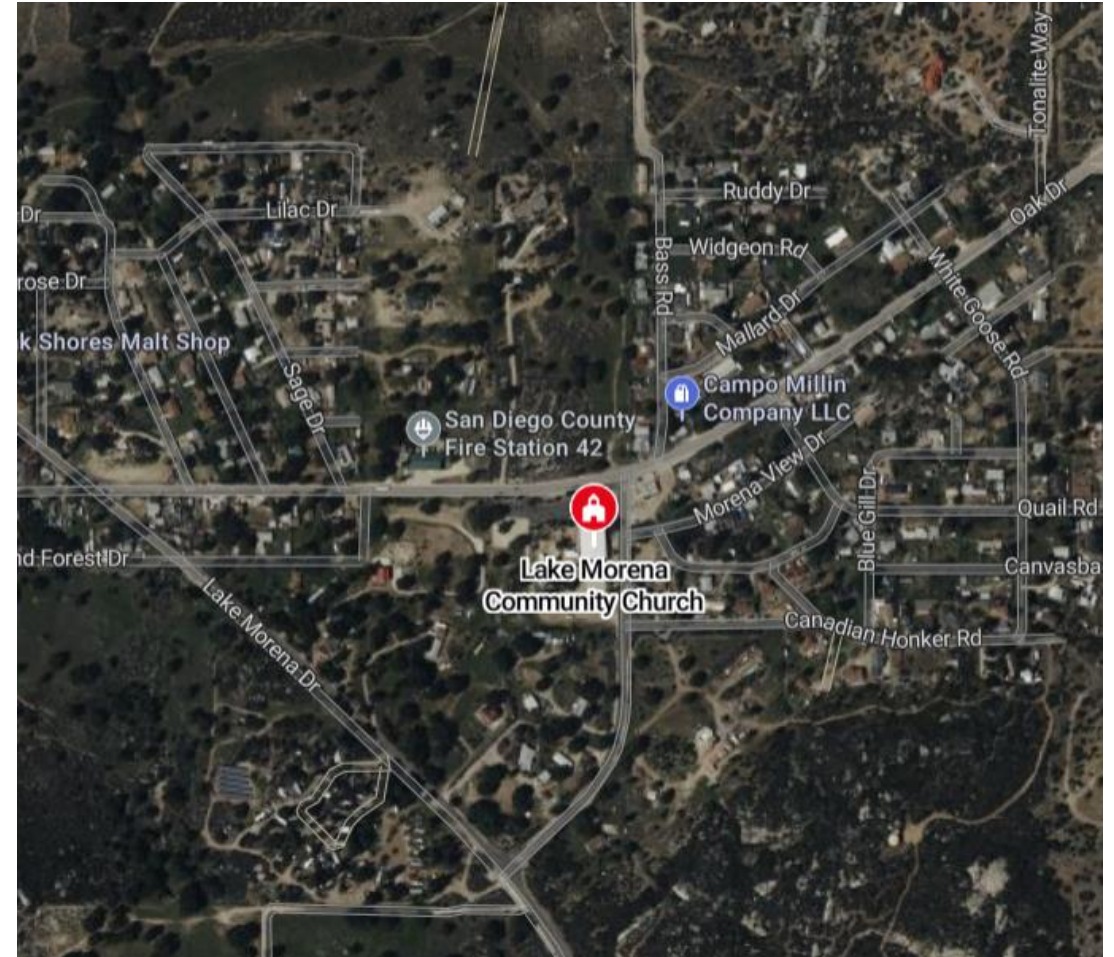


3. This is a public discussion, not a debate



How we will hold meetings:

- We will have **quarterly public meetings**, just like this one
 - Each meeting will share updates about progress
 - Plan to continue to hold at the Lake Morena Community Church: 29765 Oak Dr, Campo, CA 91906
 - The Administrator Team will be available in-person at all public meetings



Materials here today

Sign-up sheet to receive LMV text notifications



FAQ and summary of September public meeting & printed slides



2023 Consumer Confidence Report and Do Not Drink Notices



Customers can access all public records at the LMV Office during business hours.

Monday – Friday from 6:30 – 2:30 PM

29856 Mallard Dr, Campo, CA 91906

Update on consolidation process

About Consolidations

Consolidation: the formal merging of some or all the governance, management, operations, infrastructure, and/or financial functions of drinking water provision. Consolidations can help pool resources, grow the system's customer base, and increase Technical, Managerial, and Financial (TMF) capacity.


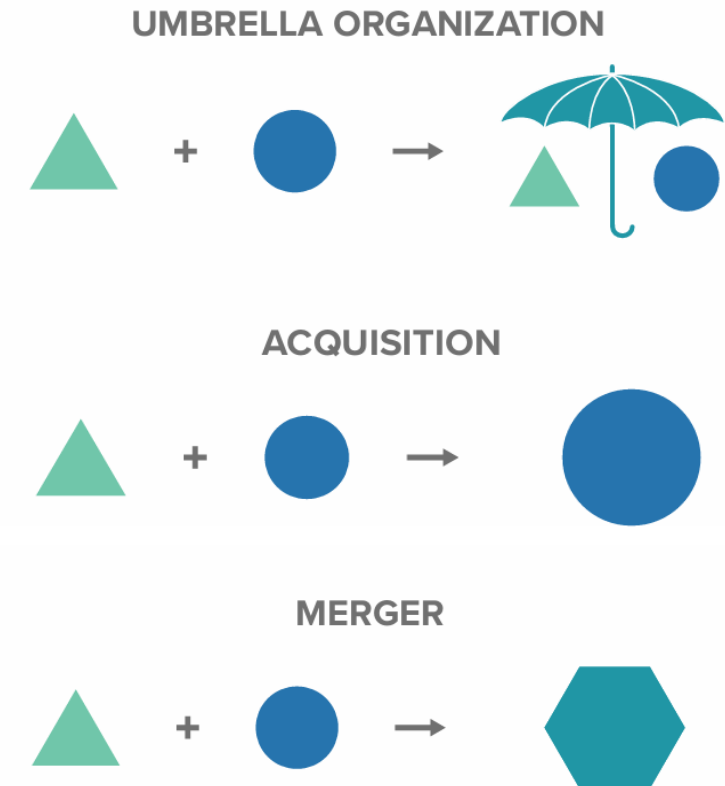
- LMV and LMOS are undergoing a physical, managerial, and financial consolidation 

FIGURE 1

Three options for structuring water system consolidations



Consolidations in CA

Most common benefits:

82% Improved infrastructure

74% Improved water quality

22% Improved water supply

Most important benefit:

34% Improved water quality

20% Improved infrastructure

17% More equitable access to drinking water services

For completed projects:

100% reported that their consolidation was a success.

82% indicated all of their motivations for consolidation were fully addressed.

12% said all of their motivations were at least somewhat addressed.

Key challenges requiring attention include project duration, funding, and affordability

Project Duration:

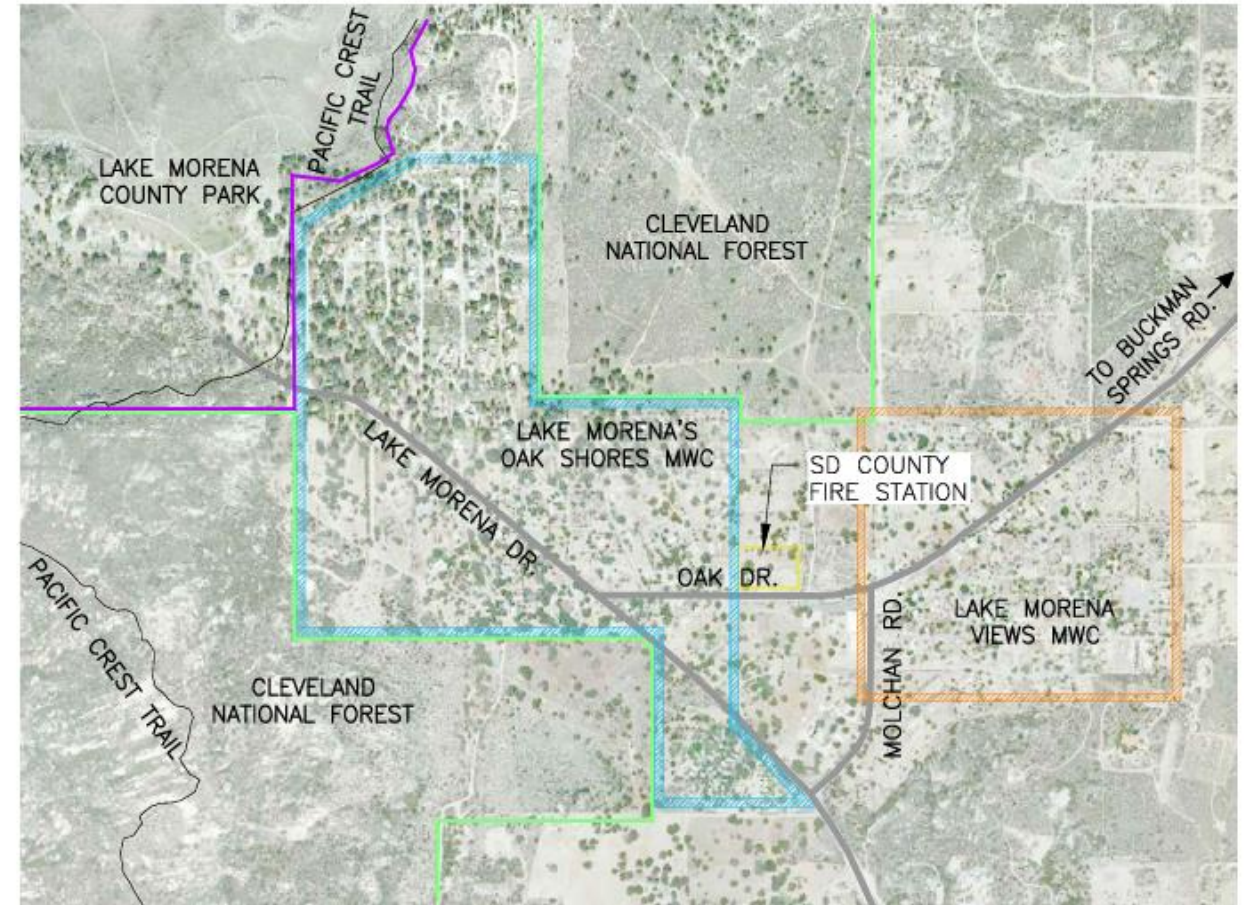


For projects currently in implementation or construction, on average, respondents reported that they had been working on their consolidation for 9 years already. For projects in planning, the average was 7 years.





Water Quality and Supply – Long-Term Solutions

- **Consolidation** between Lake Morena Views, Lake Morena Oak Shores, and Lake Morena County Park
 - **Combined** service area with approx. 326 connections, serving 1,030 people
- **Upgrades** will include:
 - New and consolidated water sources:
 - County Park Well No. 2
 - ~~Ballard Well~~
 - LMOS Wells and LMV Wells
 - Expand LMOS Treatment Facility for treatment of all LMV Wells, County Park Well, and Existing LMOS Wells

Continued on next slide....



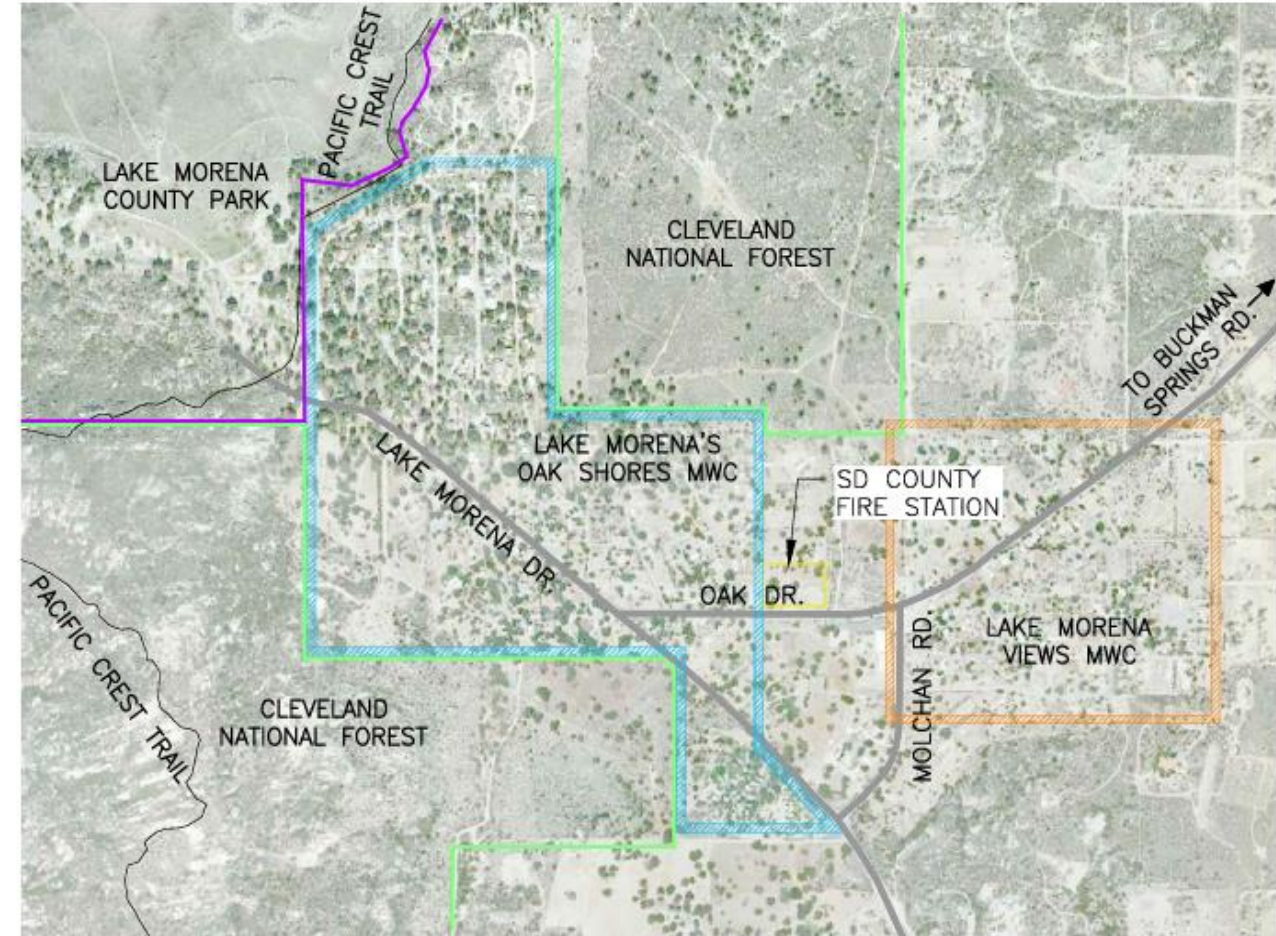
LEGEND

	LAKE MORENA'S OAK SHORES MWC SERVICE AREA BOUNDARY		LAKE MORENA COUNTY PARK BOUNDARY
	LAKE MORENA VIEWS MWC SERVICE AREA BOUNDARY		CLEVELAND NATIONAL FOREST BOUNDARY



Long-Term Solutions

- **Upgrades** will include:
 - LMV distribution system improvements
 - Dead End Pipeline Removal, Hydraulic Loops
 - Increased Pipe Sizes, New Valves to Limit Scope of Shutdowns, Hydrants for Fire Suppression
 - Operational improvements
 - Remotely read water meters
 - Communication between LMV, LMOS, County Park components (wells, tanks, treatment facility)
 - Pumping and Pressure Reducing Systems to convey water between current LMV, LMOS, and County Park systems
 - New office and meeting space (LMV Well Site)



LEGEND

	LAKE MORENA'S OAK SHORES MWC SERVICE AREA BOUNDARY		LAKE MORENA COUNTY PARK BOUNDARY
	LAKE MORENA VIEWS MWC SERVICE AREA BOUNDARY		CLEVELAND NATIONAL FOREST BOUNDARY



Construction Application - Overview

- LMV is applying to the **California Drinking Water State Revolving Fund (DWSRF)** to finance the consolidation construction.
 - The 2024-25 DWSRF Intended Use Plan includes LMV/ LMOS consolidation under the Fundable List as eligible for grant/ principal loan forgiveness funding, provided the project meets all eligibility requirements and there is appropriate funding source



Construction Application - Components



Required component	Status
General Package	Complete
Technical Package	70% designs complete, 90% by March
Environmental Package	Public circulation complete by March
Financial Package	Undergoing completeness review
Consolidation Agreement	Undergoing review

Most optimal consolidation timeline

Planning and Design

Nov 12, 2019

LMV Assigned Technical Assistance Provider for Planning

September 2022

DRAFT Feasibility Study/ Preliminary Engineering Report

Fall 2024

Plans and Specs/ Restructuring Agreement

Spring 2025

Circulate Project's Environmental Documentation for Public Review

Fall 2025

Issue/Execute Construction Phase Funding Agreement(s)

Construction Begins

Spring 2026

Preconstruction activities complete

Summer 2026

Award construction contracts/ Notice to Proceed

Fall 2027

Completion of consolidation improvements construction projects

Winter 2027

LMV relinquishes water supply permit

Winter 2027

Final compliance achieved

Questions, Answers, and Discussion

Next topics:

- LMOS Board Vacancy
- Nitrate, Uranium and PFAS Treatment at LMV
- LMV Operational Updates
- LMV Financial Updates
- 2025 Look-Ahead

LMOS – new Board Members are needed

The LMOS Board plays a critical role in representing the community's drinking water priorities and needs. Serving as a Board Member provides an opportunity to be a voice for your community and provide input on LMOS' long-term drinking water solutions.

Board membership expectations and requirements

- LMOS has **two** Board Member vacancies
- This is a **volunteer** position
- You need to be a **registered voter** who **owns property in the LMOS service area**
- Board members attend a **monthly 1-hour meeting**
- The consolidated system will have a **merged Board** with LMOS and LMV Board members
- Board members will receive **training** and **support** as part of the on-boarding process

Interested in making a difference in your community? To apply -

1. Respond to notice sent in bill, or
2. Contact **Karen Russell**, Manager, LMOS: 619-478-5151, hatcreekr@aol.com
3. Eligible names will be presented to community during LMOS Board Meeting for shareholder approval



Nitrate, Uranium, & PFAS Treatment at LMV

Reminder: Do Not Drink Notices – providing more detail

Nitrate

IMPORTANT INFORMATION ABOUT YOUR DRINKING WATER

Este informe contiene información muy importante sobre su agua potable.
Tradúzcalo o hable con alguien que lo entienda bien.

DRINKING WATER WARNING

Lake Morena Views MWC water has high levels of nitrate

**DO NOT GIVE THE WATER TO
INFANTS UNDER 6 MONTHS OLD OR PREGNANT WOMEN
OR USE IT TO MAKE INFANT FORMULA**

Recent water sampling results for Nitrate are shown in the table below:

Sample Date	Nitrate Concentration at Well Blend	Nitrate Maximum Contaminant Level
6/4/2024	24.0 mg/L	10 mg/L
7/9/2024	24.0 mg/L	10 mg/L

These results are above the nitrate standard, or maximum contaminant level (MCL), of 10 milligrams per liter. Nitrate in drinking water is a serious health concern for infants less than six months old.

What should I do? What does this mean?

- DO NOT GIVE THE WATER TO INFANTS.** **Infants below the age of six months who drink water containing nitrate in excess of the MCL could become seriously ill and, if untreated, may die because high nitrate levels can interfere with the capacity of the infant's blood to carry oxygen. * Symptoms include shortness of breath and blue baby syndrome. Blue baby syndrome is indicated by blueness of skin. Symptoms in infants can develop rapidly, with health deteriorating over a period of days. If symptoms occur, seek medical attention immediately.*
- PREGNANT WOMEN SHOULD NOT CONSUME THE WATER.** *High nitrate levels may also affect the oxygen-carrying ability of the blood of pregnant women.*
- Water, juice, and formula for children under six months of age should not be prepared with tap water. Bottled water or other water low in nitrates should be used for infants until further notice.
- DO NOT BOIL THE WATER.** Boiling, freezing, filtering, or letting water stand does not reduce the nitrate level. Excessive boiling can make the nitrates more concentrated, because nitrates remain behind when the water evaporates.
- If you have other health issues concerning the consumption of this water, you may wish to consult your doctor.

PFAS

IMPORTANT INFORMATION ABOUT YOUR DRINKING WATER

Este informe contiene información muy importante sobre su agua potable.
Tradúzcalo o hable con alguien que lo entienda bien.

Lake Morena Views Mutual Water Company Has Levels of Perfluorohexane Sulfonic Acid (PFHxS) Above the Response Level

**DO NOT DRINK THE WATER
OR USE IT TO MAKE INFANT FORMULA**

Our water system recently confirmed a detection of PFHxS above the public health-based response level. PFHxS may affect thyroid hormone levels in the body. As our customers, you have a right to know what you should do, what happened, and what we are doing to correct this situation.

We routinely monitor for the presence of drinking water contaminants. Water sample results received on June 10, 2024 showed PFHxS levels of 230 nanograms per liter (ng/L) for Well 1 and 34 ng/L for Well 3. These values are above the State Water Board established response level of 20 ng/L.

What should I do?

- DO NOT DRINK THE WATER OR USE IT TO MAKE INFANT FORMULA.** *PFHxS has been shown to interfere with thyroid hormones levels. Thyroid hormones are needed for normal prenatal growth and development of the fetus, as well as for normal growth and development in the infant and child. In adults, thyroid hormones are needed for normal metabolism and mental function.*
- Water, juice, and formula should not be prepared with tap water. Bottled water or other water low in PFHxS should be used until further notice.
- DO NOT BOIL THE WATER.** Boiling, freezing, filtering, or letting water stand does not reduce the PFHxS level.
- If you have other health issues concerning the consumption of this water, you may wish to consult your doctor.

What happened? What is being done?

Lake Morena Views Mutual Water Company (LMVMWC) recently tested its Well 1 and Well 3 for PFHxS for the first time, and PFHxS was detected above the response level in both wells. LMVMWC will now take quarterly samples for PFHxS and other per- and polyfluoroalkyl substances (PFAS) from all LMVMWC active water sources in order to better define the extent of the contamination and have more data to inform appropriate corrective actions. LMVMWC is assessing potential corrective actions, including

More on PFAS
on next slides...

FAQ about Per- and polyfluoroalkyl substances (PFAS)

- In 2010s research suggested there were health effects associated with PFAS compounds
- In 2020s more research was performed, confirming negative health consequences, and resulting in regulations on PFAS compounds
- Regulations have passed and water utilities have begun monitoring for PFAS
- Many water utilities across US have detected PFAS at levels higher than regulations
- <https://www.waterboards.ca.gov/pfas/>.

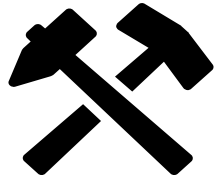


PFAS Treatment

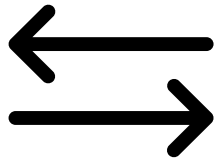
- Well-established, reliable treatment techniques for PFAS are used across the State:
 - **Granular activated carbon (GAC)**
 - **Ion exchange (IX)** (similar to IX used for nitrate treatment system, but specific to PFAS molecules)
- PFAS treatment would be added to existing treatment plant
- Administrator Team is evaluating these two options for best choice for LMV and to select correlating option to LMOS



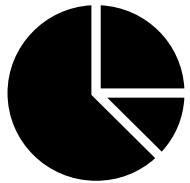
PFAS updates since September Public Meeting



✓ We reviewed the treatment approaches



✓ We coordinated PFAS treatment with LMOS



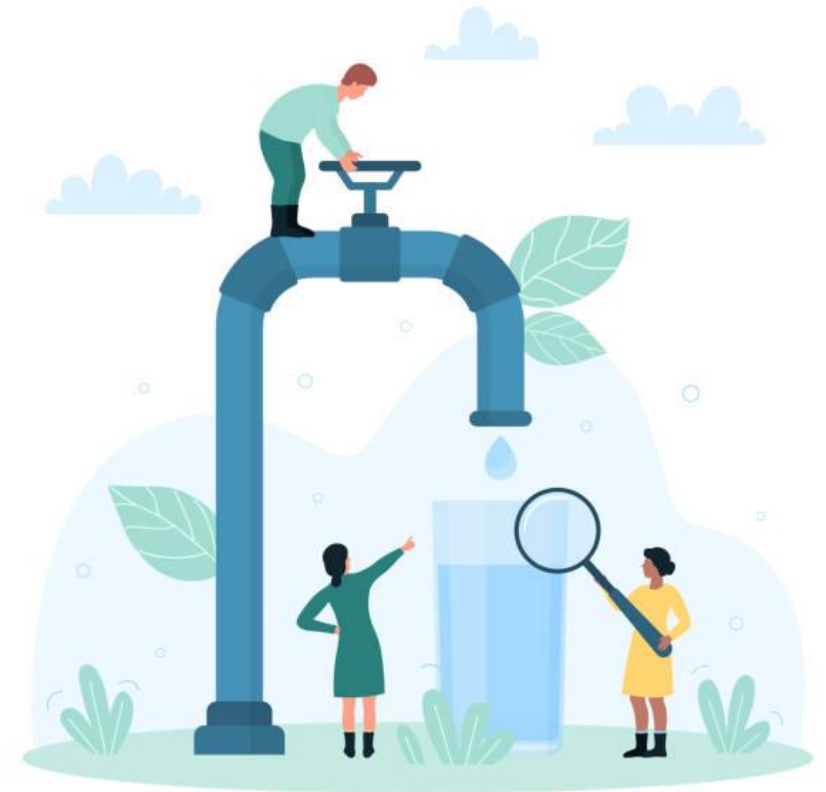
✓ We determined PFAS treatment project budget



✓ We prepared and submitted the funding application for PFAS treatment

PFAS at Lake Morena Views

- **Next Steps:**
 - The Administrator team is preparing a Preliminary Technical Memo with design criteria
 - The Administrator team will continue coordinating PFAS treatment solutions with LMOS

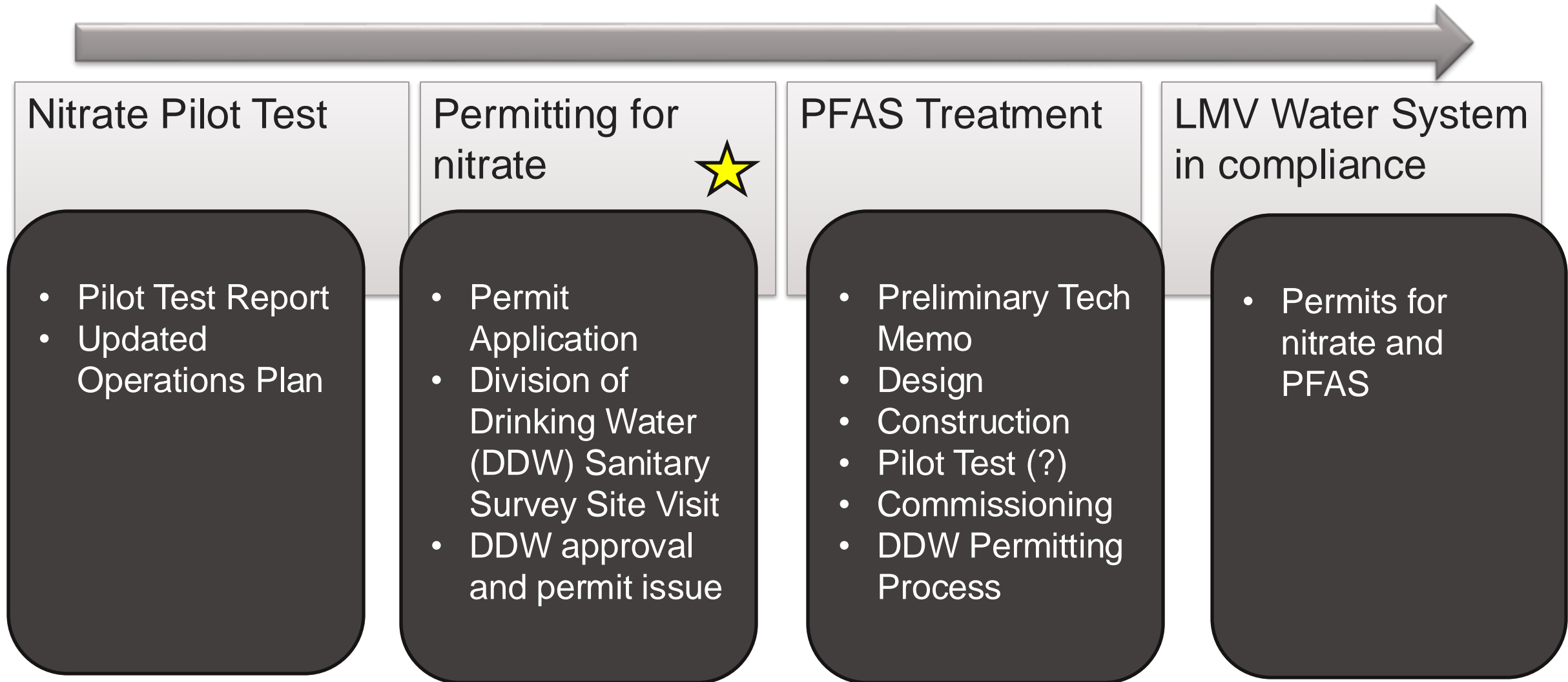


Nitrate Treatment at LMV

- Results from Ion Exchange Pilot for Nitrate and Uranium Removal **demonstrated removal of nitrate and uranium**
- Awaiting summary report from Technical Assistance Provider with conclusions and recommendations
- Division of Drinking Water will visit LMV for sanitary survey before issuing permit – date is not set



Status of Overall Process for DDW Approvals



LMV Updates: Operational Updates

Water Quality and Supply

- Bottled water available through Culligan Water
 - Delivered to 101 households
- Contact LMV staff for delivery sign-up or questions
- Bottled water deliveries are expected to continue until all regulations are met



LMV Staff

Office phone

619-975-7323

Email

lmvwater@gmail.com

Culligan Delivery Dates for 2025

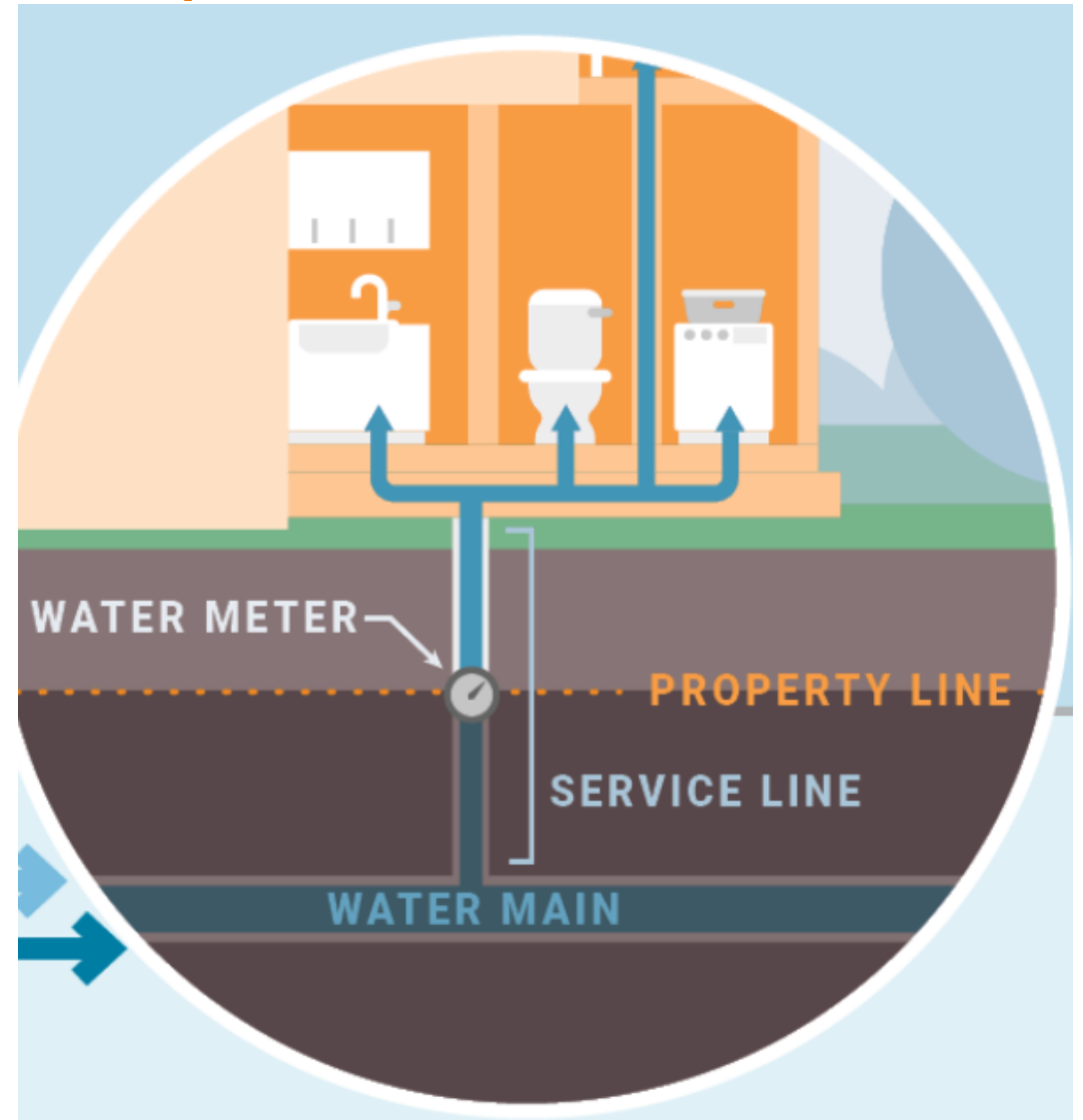
12/04/2024	Wednesday/Thursday
12/18/2024	Wednesday/Thursday
01/03/2025	Friday/Monday
01/17/2025	Friday/Monday
01/31/2025	Friday/Monday
02/14/2025	Friday/Monday
02/28/2025	Friday/Monday
03/14/2025	Friday/Monday
03/28/2025	Friday/Monday
04/11/2025	Friday/Monday
04/25/2025	Friday/Monday
05/09/2025	Friday/Monday
05/23/2025	Friday/Tuesday
06/09/2025	Monday/Tuesday
06/23/2025	Monday/Tuesday
07/08/2025	Tuesday/Wednesday



*For the full schedule, visit
lmvwater.com/bulletin-board*

Lead Service Line Inventory

- Water systems must inventory all **service lines** connecting the water main to the interior plumbing of a building for lead pipes or connectors
- An initial lead service line inventory was due to the California Division of Drinking Water (DDW) by **October 16, 2024**



Lead Service Line Inventory

Customers were notified that their service line is made of “unknown” material

Required notification →

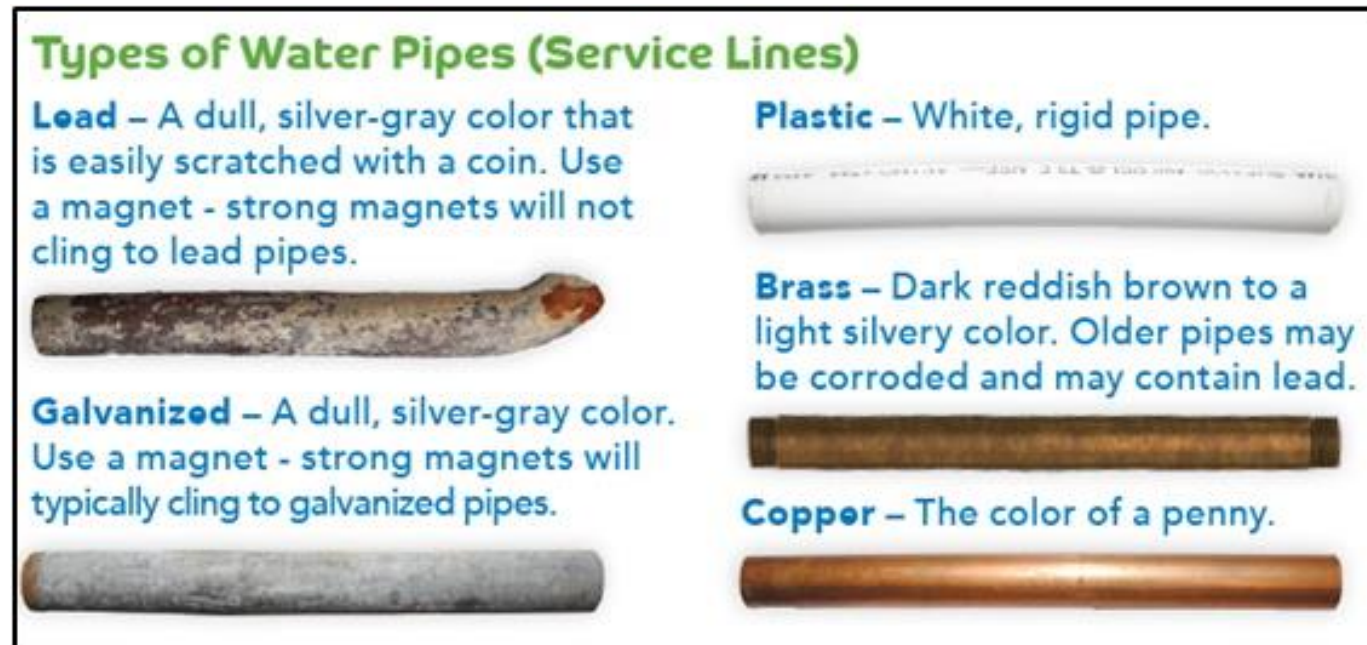
May require 2nd point of verification in future →

Required notification →

Service Line Material Classification	Total
Lead	0
Galvanized Requiring Replacement (GRR)	0
Non-Lead	0
Lead Status Unknown	130
Total Number of Service Lines	130

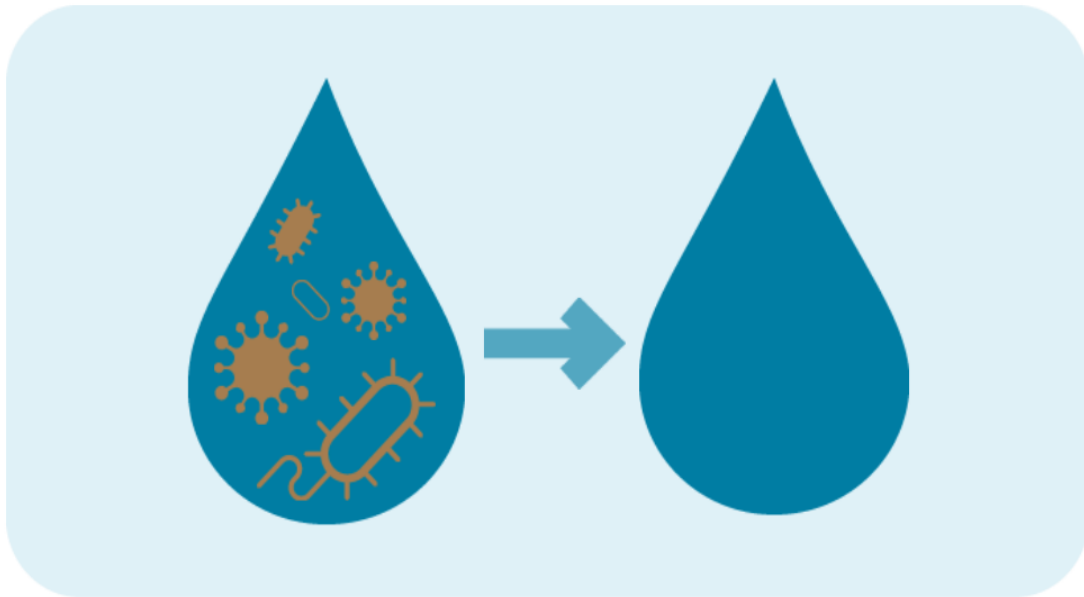
Lead Service Line Inventory

- All service lines (both utility-side and user-side) will be **physically field verified** in the coming months
 - If lead service lines are identified, LMV will **notify** the affected customers and develop a lead service line replacement plan
 - If you have information about your service line material, please reach out to LMV staff
 - **Optional household surveys** are available at the front of the Church



FAQ – Chlorine taste and disinfection

The disinfection process is used to remove or inactivate any remaining parasites, viruses, or bacteria. The disinfectant may be a chemical, such as chlorine, chloramine, chlorine dioxide, and/or ozone, which through direct contact, inactivates microbiological contaminants. Another common disinfection process uses ultraviolet (UV) light, where the inactivation occurs through direct exposure to the UV light.



- **Poor water circulation** in the distribution system can increase the amount of time water spends in the pipes prior to use, and may result in **loss of chlorine residual**, taste and odor concerns, or other water quality problems
- Currently, LMV must maintain the distribution system so that chlorine residual can **remain present** throughout the system
- **Removal of dead ends** will improve disinfectant process, once consolidation is complete

LMV Financial Updates

Draft Budget for Calendar Year 2025

Key considerations

- Cash flow projections vs. actuals
- Cash reserve
- Clear debt prior to consolidation

Overview of Budget Process	
September 2024	Budget preparation and planning
October 2024	Draft budget is prepared
November 2024	Review budget with LMV Staff, Board
December 2024	Community meeting and Administrator approves budget
Ongoing from Jan – December 2025	Budget monitoring and evaluation




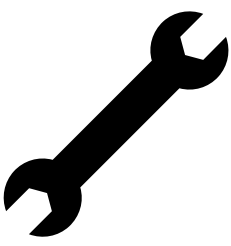
Note: Prior to adoption, Administrator must preview the draft budget at a Public Meeting

Draft Budget for Calendar Year 2025

LMV historically experiences financial challenges due to limited income. Currently the system's expenses are greater than the revenue with an absence of grant funding.

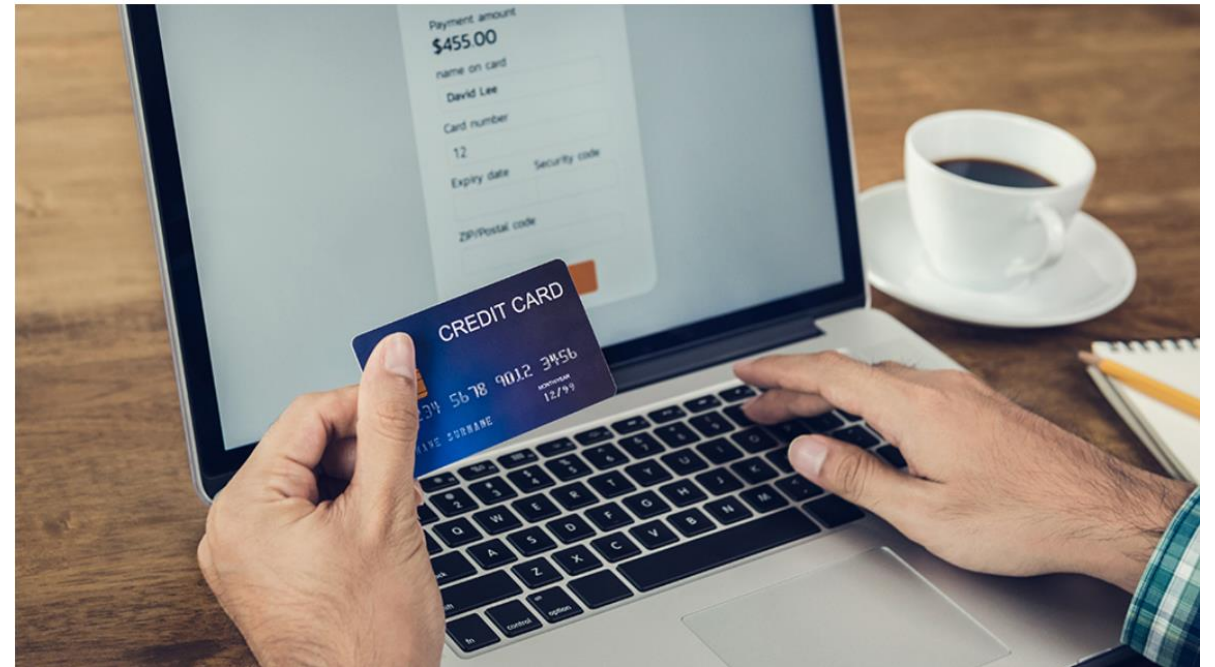
Revenue	
Customer payments	\$133,524.00
<i>Net Revenue</i>	<u>\$133,524.00</u>
Expenditures	
Operating fees	\$54,104.38
Lab fees	\$30,800.00
Payroll, Legal, and Professional Fees	\$150,420.00
Loan repayment	\$17,545.00
<i>Net Expenditures</i>	<u>\$252,869.38</u>
<i>Net Operating Revenue (shortfall without grant funds)</i>	<u>\$(119,345.38)</u>
Additional Grant Revenue	
UDWN O&M Grant (maximum amount)	\$186,753.20
Anticipated ending balance	\$67,407.82

Urgent Drinking Water Needs Grants

Grant	Details	Managed by	Status
 State Water Resources Control Board - Urgent Drinking Water Needs (UDWN) – O&M	Support operations and maintenance costs for SAFER systems	Stantec	Approved, awaiting execution
 State Water Resources Control Board - Urgent Drinking Water Needs (UDWN)	Funds bottled water deliveries, pilot testing, and completion of the tank construction project PFAS treatment (new)	Rural Communities Assistance Corporation (RCAC)	Agreement amended October 4, 2023 Amendment 2 under review

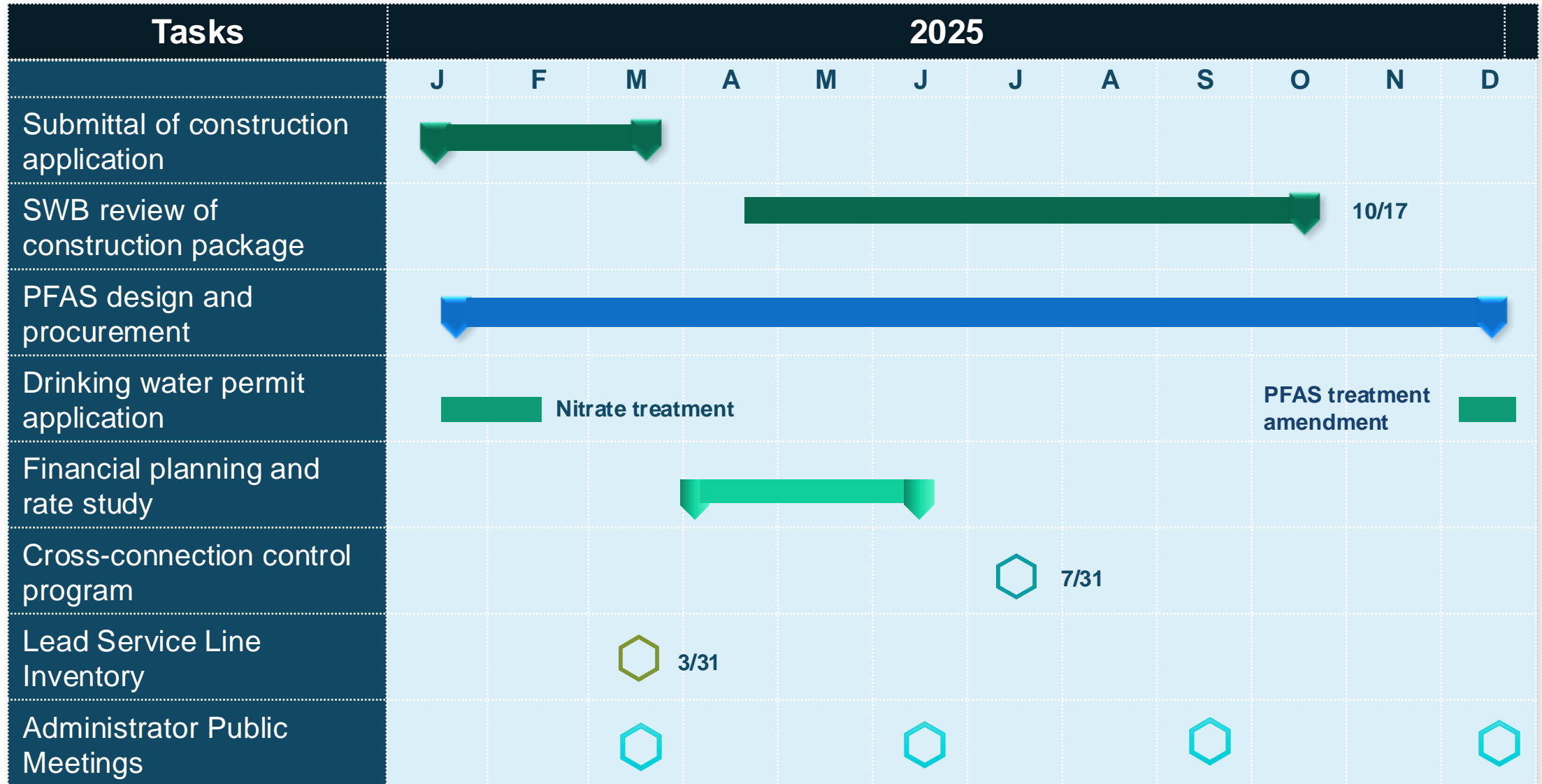
Online customer payments with Forte

- LMV now accepts online payment for bimonthly bills
- Credit card and ACH/ e-check available
 - \$2.00/ transaction for e-check
 - 3.2% + \$0.17 cents/ transaction for Visa, Mastercard, Discover, Amex
- Using the same payment processing provider as LMOS (CSG Forte)
 - Increased consistency prior to consolidation
 - **Tip: double-check you're using the correct website prior to submitting payment**



Expectations for the future:
2025 Look-Ahead

2025 look-ahead for priority tasks



*Pending grant execution

Between now and our next meeting:

The Administrator Team will:

- Continue to oversee operations and manage Lake Morena Views Mutual Water Company
- Continue to address deficiencies and support the next steps for permitting the nitrate treatment facility and addressing PFAS contamination
- Oversee the Lead Service Line Inventory field verifications
- Adopt the 2025 Annual Budget
- Coordinate on Drinking Water State Revolving Fund construction funding application for consolidation
- Be available to hear from you in-person, by phone, or by email

The next Administrator Public Meetings will be held in March, June, September, and December 2025

Thank you!

LMVAdmin@stantec.com

Ryanna Fossum
Administrator Lead
Stantec
(626) 568-6107

lmvwater@gmail.com

Raymond Leon
General Manager/ Chief
Water Operator
(619) 975-7323



LAKE MORENA
VIEWS MUTUAL
WATER CO