PROVOST&PRITCHARD
CONSULTING GROUP

# ADMINISTRATOR FOR SOUTH KERN & OLD RIVER MUTUAL WATER COMPANIES
# COMMUNITY ENGAGEMENT MEETING SUMMARY
# AUGUST 22, 2024 AT 6:00 PM

## OVERVIEW

The community engagement meeting for the South Kern Mutual Water Company (SKMWC) and Old River Mutual Water Company (ORMWC) was held on Thursday, August 22, 2024, at 6:00 PM at the South Kern MWC well site (9820 Par St., Bakersfield, CA 93311). The meeting was also accessible via Zoom and was recorded for future viewing at admin.provostandpritchard.com/south-kern-old-river.

In-person attendees included Hamish Kellam, Kristen Bitsberger, and Renee Tiscareno from Provost & Pritchard (P&P), along with approximately 15 residents—13 SKMWC customers and two ORMWC customers. Via Zoom, Steve Spencer (P&P), Amanda De Anda (P&P), Caitlin Juarez from the Division of Drinking Water (DDW), Kris Budak (City of Bakersfield), and Robert Mullaney from the UC Davis Aoki Water Justice Clinic joined the meeting.

Hamish Kellam opened the meeting by introducing Provost & Pritchard and providing an overview of the Administrator Program. He outlined P&P's responsibilities and the roles of their subconsultants. Notably, Golden State Water Company (GSWC) will manage billing services, McMor Water Services will serve as the certified operator, and legal assistance will be provided by Belden Blaine Raytis (BBR) and the UC Davis Aoki Water Justice Clinic. Hamish clarified that P&P and its subconsultants are funded by the State Water Resources Control Board (SWRCB) under grants and are not compensated through customer payments.

Hamish provided an overview of the Administrator Program, explaining that it is part of the SWRCB's Safe and Affordable Funding for Equity and Resilience (SAFER) program. P&P was appointed by the SWRCB to manage the SKMWC and ORMWC systems after both failed to meet State regulations and operate sustainably. Both systems are no longer legal entities, having been suspended by the Franchise Tax Board (FTB)—SKMWC in January 2020 and ORMWC in February 2015.

## WORK COMPLETED AND ONGOING EFFORTS

P&P reported that the initial assessment of both water systems, which included a review of infrastructure, water quality, operations and maintenance (O&M), managerial practices, and financial status, was completed and submitted to the SWRCB in January 2023. This assessment provided P&P with a clear understanding of the challenges they need to address.

A mandatory consolidation of both systems with the City of Bakersfield was ordered in 2018, but neither system demonstrated the capacity to complete the process. In August 2024, Yvonne Salazar identified herself as the President of SKMWC after being contacted by P&P. It was noted that her husband, Michael Salazar, who was the last system representative listed by DDW, had passed away without informing Mrs. Salazar about the Administrator Program. Given that neither MWC has a legally recognized Board of Directors, the Office of Chief Counsel has confirmed that P&P can act as the Administrator without the need to re-elect a Board.

P&P also provided updates on other ongoing plans under the Administrator Program, including the Emergency Response Plan (ERP), Governance Plan, Financial Management Plan (FMP), and the Community Accountability and Engagement Plan (CAEP). The CAEP was submitted to the SWRCB on April 25, 2024, and will be finalized and uploaded to the dedicated webpage. P&P emphasized the importance of community

surveys, as they will guide communication efforts and ensure successful public engagement. The other plans have also been submitted to the SWRCB and are currently under review.

## WATER QUALITY AND COMPLIANCE

McMor Water Services continues as the certified operator for both systems, with water sampling ongoing for ORMWC and restarted for SKMWC. Despite efforts to return to compliance with monitoring schedules, both systems still have contaminant levels above the maximum contaminant level (MCL) allowed by the SWRCB. Since 2018, SKMWC has been in violation of the MCL for uranium (20 ug/L) and 1,2,3-trichloropropane (TCP) (0.005 ug/L). Recent water quality sampling on July 10, 2024, showed SKMWC uranium levels at 24 ug/L and TCP at 0.0067 ug/L. ORMWC has also been in violation of these MCLs since 2023, with uranium at 26 ug/L and TCP at 0.0067 ug/L in the most recent samples. These results are publicly available on the State Water Resources Control Board's website at: https://sdwis.waterboards.ca.gov/PDWW/.

P&P is prioritizing addressing these deficiencies and implementing a maintenance program. Both water systems are currently under a "Do Not Drink" order due to contaminant levels exceeding the MCL. A Boil Water Notice has not been issued, as boiling would concentrate contaminants. For emergency services, customers were advised to contact GSWC at 800-999-0403 or customerservice@gswater.com. Moving forward, SKMWC customers should contact GSWC directly for any issues instead of contacting Mrs. Salazar.

## CONSOLIDATION AND FUTURE PLANS

The Post Administrator Plan was discussed, which outlines the roadmap for consolidating SKMWC and ORMWC with the City of Bakersfield. This plan includes developing the technical, managerial, and financial (TMF) competencies of both systems before consolidation. Sacramento State University has been assigned as the Technical Assistance Provider (TAP) overseeing capital improvements, with Corollo Engineering as the engineering subcontractor. Self-Help Enterprises (SHE) has canvassed homes served by the MWCs, offering grant-funded bottled water delivery service; approximately half of the customers have signed up, and P&P will request another sign-up opportunity.

Recent developments include a site visit to the ORMWC by the Environmental Protection Agency (EPA), which provided recommendations for improving conditions. Additionally, fencing was installed around the South Kern well site on August 13, 2024, to ensure that only certified operators maintain the infrastructure, following the discovery of a trench from unknown repairs. P&P was not notified of the week long water supply outage and will be able to respond swiftly to future emergencies once notified via the GSWC emergency line.

## BILLING AND FINANCIAL UPDATES

An update on billing and water rates was provided. Customer accounts have been established with GSWC for billing and customer services—ORMWC in February 2024 and SKMWC in April 2024. However, no SKMWC customers have signed up yet due to confusion regarding system management. Bills with account sign-up information will be sent to SKMWC customers starting in September. The current rates, set by the previous Board of Directors, are $50 per month for ORMWC and $75 per month for SKMWC. P&P will consider whether to standardize these rates. It was clarified that billing funds will be used solely for O&M, not for P&P compensation. P&P will also conduct a rate study to assess the true cost of operations and the future rate with the City of Bakersfield, with updates provided at future community meetings. P&P has established individual bank accounts for both systems to manage payments and grant funding.

## FUTURE ENGAGEMENT AND NEXT STEPS

P&P encouraged attendees to remain engaged through future community meetings, surveys, email updates, and the Administrator Program website. The next community meeting is expected in November 2024. For continued public comment, the following contact information was provided: 559-449-2700 and southkernoldriver@ppeng.com.