

From: [Christine Heinrichs](#)
To: [BoardComment](#)
Subject: Written Comment
Date: Friday, September 2, 2022 12:28:36 PM

Leah -- Please include i n the record. Thank you.

PUBLIC COMMENT

To the Board:

This gigantic loan – which Mr. Handlers now says is not debt – will address deferred maintenance that previous boards have not funded adequately. The district chose instead to buy the EWS/SWF/WRF, still without even a complete Coastal Development Permit application. In a similarly rushed meeting on August 4, 2014, the board obligated Cambria to millions of dollars in funding for that project. Had that not been done, Cambria would have had financial flexibility to do these long-needed wastewater treatment plant repairs.

There's no question the plant needs them, to continue processing waste for Cambria, a vital function. I ask the board to defer action on this debt to give the public time to consider alternatives. Describing today as the deadline, and holding an Emergency Special Meeting is something of a Straw Man. As Mr. Handlers just told you, approving this financing today is not urgent – these contracts have escalator price clauses that will require cost increases regardless. The vendors are not bound by these estimates.

At just the last meeting on August 18, the possibility of a regional wastewater treatment plant came up. Item 7A, pages 73-82._

<https://www.cambriacsd.org/files/faf45728a/2022+08+18+Regular+Meeting+Agenda+Packet+Amended+Reduced+-+Posted.pdf> The board indicated its willingness to discuss this idea. Does this funding preclude any consideration of a regional project? Is Cambria putting a lot of money into an outdated plant that could otherwise be replaced by a regional project? Can the district evaluate the possibility of an entirely new system while keeping the plant in good operational condition?

The public has not heard alternatives. When wastewater rates were increased, many understood that that money would be used for the improvements. Instead, that money is being used to secure this \$12 million loan. With the interest, it will cost Cambrians over \$22 million to pay off. The public hasn't had adequate time to understand this. The report of the Joint Finance and Resources & Infrastructure Committees does not mention any figures of actual cost -- a significant oversight. This agenda, published last Friday, for a meeting during the busiest week of Cambria's tourist year, is not adequate for Cambrians to understand what is happening.

PICK UP HERE Cambria needs to consider alternatives. The rate increase and smaller loans could finance improvements along the way, giving the district more control over its future, at lower cost. Cambria appears to be an ideal location for lagoons and treatment wetlands, which might also help restore the aquifers and benefit wildlife. Treatment wetlands are in operation in cities larger than Cambria. They also cost less than traditional methods.

Mr. Handlers mentioned the hundreds of thousands of dollars that will be paid, interest only, in the first payments. Why would the district not simply pay this money for the improvements and avoid paying these large amounts of interest?

If this funding is approved, I ask for assurance that this money will be adequately tracked and spent on the designated projects. I do not wish to return in five or eight years and get the same response the public got on tracking costs of the EWS/SWF/WRF, that the district is unable to provide a full accounting, which was then done

individually by President Howell and Director Farmer. They did an excellent job, but that's no substitute for keeping track of the money along the way.

I remain concerned about the amount of this loan, the 30-year term, restrictive terms that prevent Cambria from seeking other solutions, and the eventual outcome. It is not the most thoughtful and responsible solution for Cambria. Please defer action on this until the public, and the board, have a clearer picture of this proposal and alternatives.

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Christine Heinrichs

From: [Christine Heinrichs](#)
To: [BoardComment](#)
Subject: written comment
Date: Wednesday, August 31, 2022 4:42:33 PM

Donn didn't recognize me, If he asks for written, please read the following:

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Christine Heinrichs

From: [Crosby Swartz](#)
To: [BoardComment](#)
Cc: [Donn Howell](#); [Karen Dean](#); [Cindy Steidel](#); [Harry Farmer](#); [Tom Gray](#); [John F. Weigold IV](#)
Subject: Public Comment 8-31-22 Agenda Item 3.A. Installment Purchase Contract
Date: Wednesday, August 31, 2022 12:01:57 PM

My first comment is about the cost of this proposed financing agreement. The Total Payment Amount of \$21,985,907 stated in Exhibit A is a large financial burden for our small community. The proposed wastewater projects are all worthwhile and necessary projects. The only feasible way to reduce the cost to the community is to shorten the term of the installment agreement from 30 years to 20 years. This change will eliminate 10 years of interest payments and other costs including bond insurance and the debt service reserve fund.

Shortening the payoff period of the agreement will have other benefits in addition to reducing the cost of the project. It is difficult to predict what economic conditions will be like 30 years from now, or the condition of the wastewater treatment plant project. Paying off the agreement in 20 years will provide the financial flexibility to address future infrastructure problems. Paying off the agreement in 20 years will also eliminate potential subsequent rate increases needed to satisfy the 120 percent revenue requirement.

Article V Section 5.04 Against Competitive Facilities (agenda p.25) prohibits the District or anyone else from acquiring, maintaining or operating any other "competitive" wastewater treatment facilities. This requirement may be in conflict with the District's potential participation in a new facility such as a regional wastewater treatment plant. This matter should be clarified before the agreement is approved.

From: [Crosby Swartz](#)
To: [BoardComment](#)
Cc: [Donn Howell](#); [Karen Dean](#); [Cindy Steidel](#); [Harry Farmer](#); [Tom Gray](#); [John F. Weigold IV](#)
Subject: Public Comment 8-31-22 Agenda Item 3.C. PG&E Work Order
Date: Wednesday, August 31, 2022 12:44:26 PM

The draft PG&E work order provides no clear information about who the major subcontractors are and their responsibilities toward implementation of the wastewater treatment plant project(s). Southland Energy and MKN were involved in preparation of the Investment Grade Audit and 30 percent design as "engineering subcontractors". Will these same subcontractors be doing the final mechanical, electrical and civil design tasks? Who will prepare the construction permit applications? Is Southland Energy the principal construction subcontractor? Please clarify the major subcontractor responsibilities before approving this resolution.

From: [Eugene Blanck](#)
To: [BoardComment](#)
Cc: [Eugene Blanck](#); [doreenedi](#); [Harry Farmer](#)
Subject: Desal loan restructure
Date: Wednesday, August 31, 2022 12:05:05 PM

This project is based on fraud (at least in 3 ways) for the emergency build permit. It is in violation of RWQCB orders and still requires the cease and desist of the illegal evaporation pond. The scam plant is NOT permitted and will never satisfy a CEQA EIR. The costs improperly escalated when the equipment was replaced for “brackish water” desal to seawater desal even though there was no ocean water intake or outfall. Participation in this project will be as an accessory to a crime.

Sincerely,
Eugene Blanck
CA Pro Geophysicist
CA Pro Geologist
CA Cert Engineering Geologist
CA Cert Hydrogeologist

Sent from my iPhone

From: [JAMES TOWNSEND](#)
To: [BoardComment](#)
Subject: August 31, 2022 Public Comment
Date: Wednesday, August 31, 2022 11:38:59 AM

Please provide the following public comment to the Board of Directors at today's meeting, and include it in the written record:

Thank you for the opportunity to provide these comments on Agenda Item A for the August 31, 2022 Cambria Community Services District Special meeting. I have several points for the Board to consider before committing Cambria's ratepayers to this significant long-term obligation.

Recently, the Coastal Commission suggested that the major North Coast wastewater entities, including the Cambria and San Simeon Community Services Districts, California State Parks, and the Hearst Corporation examine the possibility of addressing the North Coast's need for improved wastewater treatment via a "regional" solution. It does not appear that any substantive discussions between the entities have taken place. CCSD's consistent, and apparently willful disregard of input from the Coastal Commission not only precludes consideration of a regional solution, but it will also likely complicate CCSD's efforts to receive Coastal Commission approval of a regular coastal development permit for the WRF. There is nothing to be gained, and possibly much to lose, from ignoring input from a regulatory authority such as the Commission.

With the Windeler lawsuit still unresolved, and the costs to permit and operate the WRF still unknown, the CCSD Board should exercise extreme caution in taking on significant additional debt at this time. An unfavorable ruling in the Windeler case and/or high operating costs for the WRF could have significant impacts on the District's finances. In any event, as part of this process the District should establish a "sinking fund" to provide for the replacement of worn out or obsolete wastewater treatment equipment to avoid the need to take on even more debt in the future.

Exhibit A to the proposed Installment Purchase Contract makes no sense to this observer. The "Good Faith Estimate" shows the finance charge of the certificates to be \$409,690. Based on the total payment amount of \$21,985,507, that's closer to the annual interest that will be due, not the total finance charge. Exactly what the \$409K figure represents should be clarified prior to adoption. In fact, Exhibit B, and every other location within the document where a number is required, is left blank. Faith, indeed, is required to view this document in a positive light.

And finally, a decision of this magnitude should be made at a regularly scheduled Board meeting, not at a special meeting hastily scheduled during the busiest tourist week of the year. While there may be some timing issues related to approving these resolutions prior to the end of August, the fact that consideration has been delayed to very last moment is at best, evidence of poor management of the matter by staff.

Thank you,
Jim Townsend
Cambria