

Introduction to
**Quintette Service
Corporation**



Background & Scope of Service

- Non-profit mutual water company 12 miles east of Georgetown
- 51 connections
- 2 member certificates with no connection
- Free water service to Fire Station
- Each member pays the same, currently \$425 annually
- Some additional households in Quintette community with wells are not part of our system

Water Right

- Incorporated in 1961 when GDPUD's ditch (from which the Quintette community drew water) was relocated to a lower elevation
- GDPUD arranged for the community to have a post-1914 water right (1958 dated license)
- The source is a spring on Blodgett Experimental Forest (eventual tributary to Whaler Creek)
- Sole source of drinking water, insufficient volume for outdoor watering or fire suppression
- Doubtful anyone in Quintette in 1961 understood the consequences of trading ditch water for a post 1914 water right

Water Quality and Storage

- Pristine water source
- Only drawback is acidity
- QSC manages the pH with a limestone contactor system
- Roughly 75,000 gallons of storage, an overflow pond, a pH treatment system and several miles of pipe

Nature of Water Source

- “Surface water” based on early assumptions of how QSC would capture the water
- Actual method used by QSC to withdraw water does not involve surface water
- Raises the issue of whether QSC should even be under a surface water license (vs groundwater)
- Could be significant in the context of avoiding curtailment/compliance order

Water Output

- Spring output is currently about 25 gpm (licensed to divert daily max of 10 gpm, and average annual daily max of a little under 6 gpm)
- That volume is adequate as the community can currently get by on 2-3 gpm, but demand is increasing
- About half of the community consists of homes that are only occupied on a periodic basis, but that fluctuates over time
- Household daily and monthly water use limits are based on our license limits

Certified Operators/QSC Board/Operations

- QSC contracts for on call licensed Treatment and Distribution (remote oversight)
- There seems to be no one in the community capable of or interested in paying for, taking and passing the required exams
- No licensed operator on site as required
- Board is 7 directors
- Operations needs are on a volunteer basis except for one community member with limited availability who is paid to perform daily and some periodic tasks



Challenges

Regulatory Environment

- QSC is challenged by an ever expanding regulatory and enforcement environment
- QSC must live by virtually all the same rules applied to major water suppliers (that have larger revenue bases and employees)
- The costs and time investment associated with such requirements exceed our capital and ability to muster volunteers who have time to carry out all the required procedures and activities on a regular basis

Curtailment Challenges

- In 2014 and 2015 the QSC water right was “curtailed” by the Water Board
- QSC continued diversion in 2014 under a health and safety exemption request; in 2015 under a verbal authorization from DDW and the county, with “maximum conservation” of 50 gallons per person per day

Future Drought Impact

- Identifying and developing a second water source makes sense to mitigate risks during a drought and to address fire suppression needs
- QSC owns no land for development of a well
- Quintette is in a fractured rock area and well development and performance can be “hit or miss” and very expensive
- In seeking help we gave a presentation to the GDPUD Board in July of 2015 and we started TMF/TA request process through RCAC; an RFQ for design and engineering services was eventually issued in early 2021

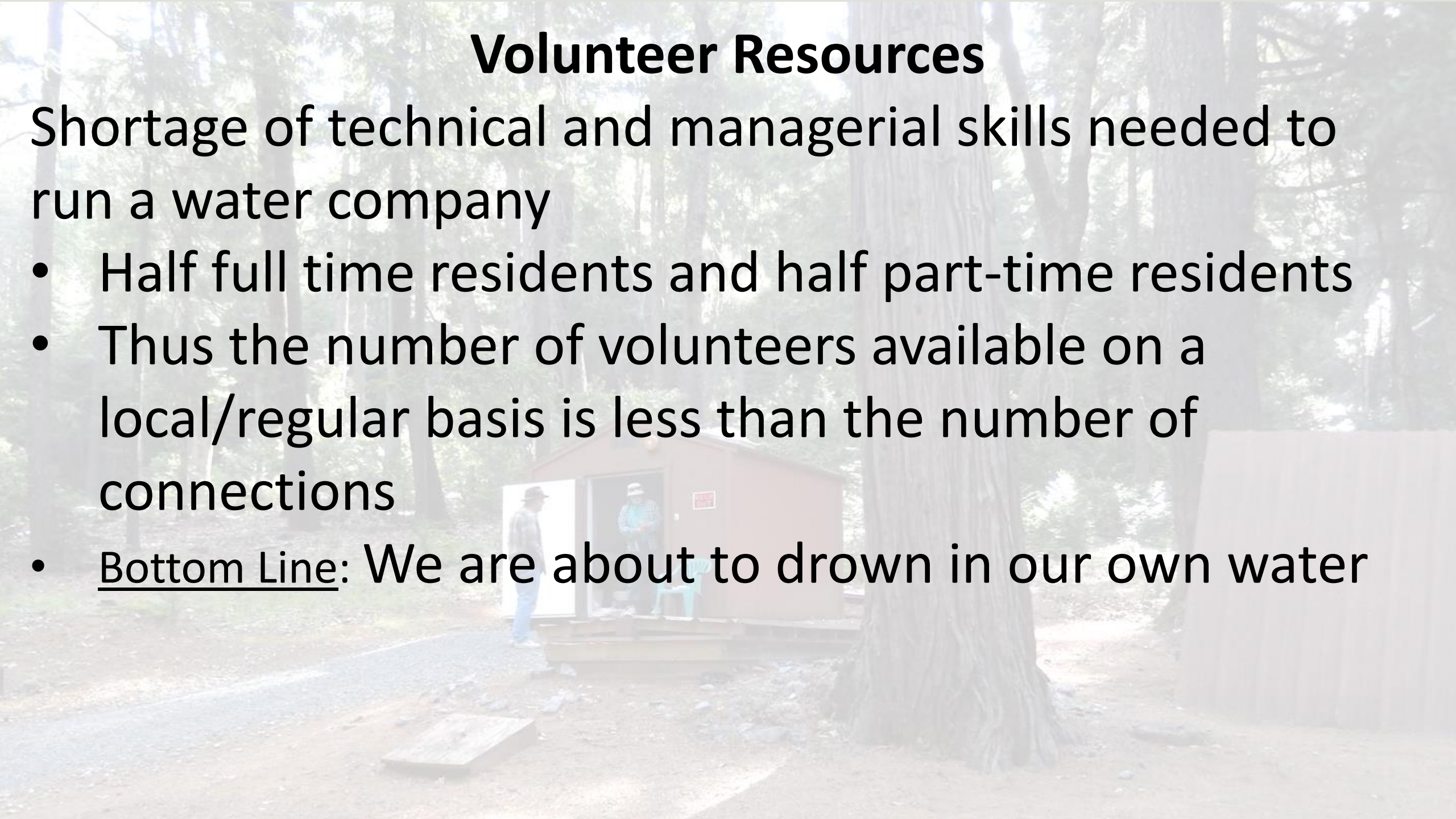
Infrastructure Cost Challenges

- Only 53 shareholders (small revenue base)
- Savings account at about \$1500 per shareholder
- An aging system that will require replacement of original components soon
- Cost and complexity of complying with today's regulatory requirements (can't just fire up the backhoe and start digging anymore)
- We struggle with the reserve requirements of AB54
- All of the above will eventually choke QSC

Volunteer Resources

Shortage of technical and managerial skills needed to run a water company

- Half full time residents and half part-time residents
- Thus the number of volunteers available on a local/regular basis is less than the number of connections
- Bottom Line: We are about to drown in our own water



We Know We Need Help

- Historically, a sole source of water and mustering volunteer labor was not risky or overwhelming
- The new environment of potential drought, and awareness of the consequence of a post 1914 water right, combined with ever increasing regulatory requirements has changed the equation
- The QSC board is looking at how to remedy the sole source situation and cope with a small, untrained, volunteer member base
- Reality: It may no longer be possible to operate a compliant water system through volunteer members

Getting Professional Help

- QSC has obtained a “forgivable” drinking water planning loan in the amount of \$811,096 from the State Water Board to hire professional engineering services to conduct a planning study to evaluate the feasibility of consolidation, drilling a secondary backup well, and to evaluate water system components that have reached the end of their useful life and are susceptible to failure
- At the Water Board’s direction, QSC now has subcontracted with Coleman Engineering for these services
- One of the components of the scope is preparation of a consolidation feasibility study to assess the potential for consolidation with GDPUD
- The QSC Board of directors and community favor an in depth look at consolidation as we are currently unable to operate what we have in a compliant manner, much less a system with the added complexity of a second water source

Coming Back Together with GDPUD

- QSC would like to have GDPUD actively participate in Coleman Engineering's effort to explore consolidation, and to provide guidance as to what might be needed to make consolidation work for GDPUD
- QSC has a historic relationship with GDPUD based on the license obtained for QSC by GDPUD in 1958-1961
- QSC has a current relationship as a community within the GDPUD *sphere of influence*
- We believe that sooner or later, given all the factors we've described, QSC will become a part of GDPUD and the outcome would be better if we jointly orchestrate it.

Proactive Approach

- QSC feels some urgency in carrying out such a consolidation
- A timely arrangement with GDPUD, with mutually agreed upon terms and steps forward may avoid:
 - i. A forced consolidation on terms and a timeline not acceptable to either party
 - ii. Stress and potential mis-steps by QSC in the face of continued operation in the current mode despite best efforts by volunteers

Annual QSC Members Meeting

- QSC has an annual members meeting in August
- Many members live far from Quintette
- It is the only time each year that the community comes together in person and can have live discussion
- The QSC Board will provide an update to members at the upcoming August 24th meeting about engineering planning work and potential consolidation with GDPUD

What We Need from GDPUD

- Today's presentation is informational only
- No action by the GDPUD Board is expected or requested for today
- QSC requests continuing cooperation from the GDPUD management team with respect to coming up to speed on the QSC system, and availability to communicate with Coleman Engineering regarding data collection and the consolidation planning study
- QSC asks that GDPUD provide Coleman with advice and preferences with respect to what could potentially make consolidation feasible, as well as identifying potential barriers and obstacles

Valued Input

- We value the expertise and experience (far above and beyond that which QSC can bring to the table) that GDPUD can bring to bear on this complex problem
- mariavasquez@waterboards.ca.gov (916)327-7469 is the contact at the Division of Financial Assistance for questions about the consolidation process or any prospective funding available to GDPUD to facilitate consolidation



Thank You