



Sativa Water System

Community Update Meeting

September 14, 2019

Agency Priorities



- Robust Community Engagement
- Identify responsible, permanent service provider
- Provide clean, safe water

Today's Agenda

- System Deep Cleaning
- FY 2017-18 Financial Audit
- Identifying a Permanent Service Provider
- Additional System Repairs
- Community Roundtable



Water System Background

--Starting Conditions--

Infrastructure

- Two aging wells
- Narrow pipes
- No storage tanks
- No backup water supply

Water System in Critical Condition

- Frequent spikes of brown water
- Large amounts of sediment in pipes
- Wells break down frequently. No backup water source.
- Lack of maintenance and repairs leading to poor circulation

System Deep Cleaning

--Phase 1 of Water System Improvements--

New Water Sources

- New pipelines to improve circulation
- Reestablished emergency water connection with City of Compton
- New connection / water supply from Liberty Utilities

Well 5 Taken Offline

- Source of intermittent brown water spikes

Deep Cleaning of Pipes

- Advanced technology
- Work done overnight to minimize impact to customers
- Bottled water made available to customers

System Deep Cleaning

--Phase 1 of Water System Improvements--

Construction Complete!

- Customers report excellent water quality
- Brown water calls have dropped to almost zero
- County will monitor for any brown water hotspots
- Round 2 of flushing to take care of any remaining sediment

Welcome to Compton Springs!

Financial Background

--Starting Conditions--

Background

When the County took over Sativa on 11/01/18, numerous financial issues were discovered:

- ~\$0 in checking account, ~\$10,000 in their LAIF savings account
- ~\$30,000 in overdue invoices
- ~\$30,000 balloon loan payment due in 30 days
- Phones were disconnected on County's 2nd day due to non-payment
- No financial controls, no record of invoices

FY 2017-18 Financial Audit

--Results--

Summary of Audit Report

- Poor financial controls
- Lack of available records
- Auditor unable to complete an traditional audit: “Disclaimer Audit Opinion”

FY 2017-18 Financial Audit

--Results--

Specific Findings

- Approximately \$1 million of loan funds intended to finance the acquisition and construction of a well appeared to have been used for other District purposes;
- Expenditures exceeded revenues by approximately \$700,000;
- As much as \$385,000 in cash disbursement transactions could not be substantiated by supporting documents;
- An additional \$92,000 in debit card charges could not be substantiated by supporting documents; and
- An additional \$84,000 in cash disbursement transactions appear to be “non-legitimate” and “could possibly involve improper and/or unlawful actions.”

Identifying a Permanent Service Provider

--Background--

LA County is Temporary Administrator

- Law passed to bring in LA County (AB1577, Gipson)
 - LA County became temporary operator of Sativa
- LAFCO dissolved Sativa Water District
 - Sativa temporarily consolidated with LA County

Next Steps

- LA County's role is to identify a water service provider to permanently operate / administer Sativa
- Request for Proposals were published asking interested parties to bid for Sativa

Identifying a Permanent Service Provider

--Next Steps--

RFP Schedule

- RFP Published: September 11, 2019
- Proposal Due: October 10, 2019
- Interviews (if conduct): October 2019
- Final Selection: November 2019
- Negotiations: December 2020
- Finalize Recommendation: January 2020
- Board of Supervisors Approval: Jan/Feb 2020

Identifying a Permanent Service Provider

--Community Input--

Evaluating Bidders

- RFP Sections
 - Qualifications
 - Financial
 - Plan to Address Primary Issues of Sativa System
- What are important things to consider for each of these sections?

Additional Repairs

--Phases 2 & 3 of Water System Improvements--

Phase 2 – Repair and Replace Infrastructure

- New pipeline under railroad tracks
 - Improve circulation, improve system resilience
- Rebuild and Repair Wells
 - Clean and repair well shaft
- Replace all electrical and mechanical equipment
 - Eliminate breakdowns, improve system resilience
- Install technology for remote monitoring and remote operation
 - Improved efficiency, improved system resilience
- Convert gas chlorine system
 - Improved safety

Additional Repairs

--Phases 2 & 3 of Water System Improvements--

Phase 3 – Manganese Removal

- Install manganese treatment system
 - Remove manganese before water enters Sativa's pipes

Note: Grant funding for Phase 3 is pending approval. Final approval expected by Spring 2020.

Additional Repairs

--Schedule--

Schedule of Repairs

- New pipeline under railroad tracks: Complete by Spring 2020
- Clean and repair well shaft: Completed by Spring 2020
- Replace equipment at wells: Complete by Winter 2020
- Remote monitoring and operation: Complete by Winter 2020
- Convert gas chlorine system: Complete by Winter 2020
- Install Treatment System: Complete by Winter 2020

Roundtable Discussion

Questions & Answers

Contact Information

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24-Hour Emergency Line

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