

CLEAR CREEK COMMUNITY SERVICES DISTRICT

Board of Directors, Johanna F. Trenerry, Chairwoman
Irwin Fust, Vice-Chairman - Doug Evans, Director
Virginia Bassham, Director - Mark Engel, Director
5880 Oak Street, Happy Valley, CA 96007
Phone: (530) 357-2121 Fax: (530) 357-3723

REGULAR MEETING Wednesday, May 15, 2019 at 9:00AM District Office

MINUTES

DIRECTORS: Johanna Trenerry, Irwin Fust, Doug Evans and Mark Engel

STAFF: Kurt Born, Richard Cascarina and Bill Palmaymesa

AUDIENCE: Tammy Cole and Dennis Possehn

CALL TO ORDER: The meeting was called to order at 9:01AM.

PLEDGE OF ALLEGIANCE: Director Engel led the Pledge of Allegiance.

OPEN TIME: None

CONSENT/AGENDA: A motion was made by Vice Chairman Fust and seconded by Director Evans to approve the minutes from April 17, 2019, paid bills from 4/25/19, 4/29/19 and 5/2/19 totaling \$110,283.76 and the April 2019 Financial Statements. A motion was voted on and unanimously approved.

OLD BUSINESS:

None

NEW BUSINESS:

DRAFT AUDIT AND BUSINESS MANAGEMENT REPORT: Chairwoman Trenerry asked the other board members if they had any comments on the Draft Audit report and Director Engel stated he will have to abstain, as he has not had a chance to read the report. General Manager Born stated that the auditor has made all suggested changes. A motion was made by Vice Chairman Fust and seconded by Director Evans.

Motion was voted on and approved – 3 Ayes and 1 Abstain.

2019-2020 BUDGET: Vice Chairman Fust asked General Manager Born why the general taxes section on page 2 went up to \$350,000? Mr. Born stated the county is recording and tracking things better and this amount is a true number as of today. Mr. Born stated the rest of the budget is pretty much the same as last year, with modifications to labor on the treatment plant and regulatory. Mr. Born stated the merchant reserves are increased because more customers are paying with credit cards today than they have in the past. Mr. Born stated that the Trinity PUD assessments went up because the rates went up and they are charging more. Mr. Born stated the increase in distribution labor is due to the huge issues in line breaks last year and should be one of the first projects done if the PROP 218 passes. Mr. Born stated that he has tried to get grant money for this and has been denied on more than one occasion because we do not charge enough for our rates. Vice Chairman Fust made a motion for approval and seconded by Director Evans.

Motion was voted on and unanimously approved.

REQUEST FOR FORGIVENESS – MR. SAELEE: Mr. Born stated that this is associated with a leak that was discovered and suggested that we apply the green rate to the bill and that would at least pay for the water usage. Director Engel made a motion for approval and Director Evans seconded.

Motion was voted on and unanimously approved.

PROP 218 DISCUSSION: Mr. Born provided the Board members with copies of protest ballots we've received to date that have notes written on them. Mr. Born suggested that if the economy makes a drastic turn around, we could review the increase but as of now the economy has remained the same and the increase needs to remain the same. Mr. Born asked the board for suggestions on what to do? Director Engel stated that historically we used the reserves to accommodate the increases until the economy bounces back, which the economy never bounced back. Then adding the regulatory costs, which will also only continue to increase. Dr. Engel stated that with this slue of things that have happened, we just have to do it. Vice Chairman Fust stated that we are more optimistic than realists and we kept saying each year during the drought that it will get better and it didn't get better, so we kept dipping into the reserves that lead us to where we are today and we should have been increasing the rates a little bit each year. Director Engel stated that he believes that they are all on the same page with the rate increase and Chairwoman Trenerry and Vice Chairman Fust agreed that there is no other way to do it. Vice Chairman Fust stated that if the economy does bounce back we could always re-review and bring the rates back and no hearing is would be needed for that. Vice Chairman Fust stated that the protest ballots will be collected up until the end of the meeting, then tallied up and an announcement will be made at that time. Vice Chairman Fust suggested we have some sort of vote counting system in place before the meeting.

Mr. Born stated that the protest ballots we are currently receiving are being verified and tracked as they come in. Vice Chairman Fust asked how are we going to verify protest ballots at the meeting? Mr. Born stated that he did not have a way to do that yet but he is working on it. Mr. Born suggested we get a third party, someone that is not affiliated or affected by the decision, to come in and count the votes and all board members agreed that was a good idea. Mr. Born stated that we only have the facility for a maximum of 3 hours to host this meeting.

GREEN RATE: Mr. Born stated that we have a lot of customers asking about the Green Rate and since we have full water allocations, he doesn't see any reason we shouldn't implement this. Director Evans made a motion to approve the Green Rate and Director Engel seconded.

Motion was voted on and unanimously approved.

JPIA INSPECTION - SAFETY PROGRAMS, CARR FIRE REVIEW: Mr. Born stated that he is still working closely with JPIA, Cal-OES and FEMA regarding the Carr Fire damage. They are still fabricating the new doors for the chlorine station. We are seeing a lot of new growth around the filter plant, which is good considering everything that was burned. The FEMA process is going smooth.

FILTER PLANT OPERATIONS: Mr. Born invited Mr. Palmaymesa to the podium to talk more about the filter plant. Mr. Palmaymesa stated the water at Whiskeytown Lake is looking good and the water is looking more blue than brown now. Mr. Palmaymesa stated the filter run times have increased and the algae problem is decreasing every day. The USBR just finished their first round of pulse flows that's bringing in water from the other side of the lake which is a better quality of water. Mr. Palmaymesa said that for about week or so, our flows tripled and we were making about 6-1/2 million gallons a day. Mr. Palmaymesa stated that yesterday they discovered a small crack on some plant piping, right next to a well that is spraying a little bit of water out. The piping is approx. 23 years old. It's a slight leak now, but it will only continue get worse and will need to be repaired. If he had to guess, it would be about \$3000.00 or \$4000.00 piece of epoxy pipe. Mr. Palmaymesa stated that they cannot repair it now because all the filters use this line, especially now, going into the summer season. Director Engel asked Mr. Palmaymesa if it would be catastrophic if the pipe broke? Mr. Palmaymesa stated "no" and for now they are going to weld it just to get us into the winter months.

ACWA/JPIA CONFERENCE: Mr. Engel stated that he went to the ACWA conference. The JPIA is growing and that is working our favor for bargaining power. Property and Comp premiums will be renewed at the current levels. Mr. Engel stated the JPIA is member owned. It is very healthy and has grown tremendously since the last conference

he attended 3 years ago. Audience Tammy Cole asked if JPIA is state or regional? Mr. Engel stated it is "state". Mr. Engel stated to apply for membership you have to go through a stringent process as the Clear Creek CSD has done. Mr. Engel stated that new language is being written for them to accept newly acquired property. There will also be new language written on cyber security/liability. Mr. Engel stated that under the additional information and is something new, ACWA has a full sweep of employee benefits plan. It was purposed that the JPIA create this captive insurance fund and what it is, is to increase the investment opportunity for retained funds. Director Engel gave the paperwork to Mr. Born to further review. Director Engel stated that he contacted the JPIA CEO, Andy Cells, who was familiar with our situation/losses and thanked him and the JPIA for what they have done for us. Director Engel also stated that one of the seminars he attended suggested that an open house type approach for the PROP 2018 meeting instead of a regular board meeting. It allows everyone more one on one conversations and able to talk to staff and board members. Vice Chairman Fust thanked Mark for his attendance to the ACWA conference and coming back with all this detailed information.

OPERATIONS & ADMINISTRATION

STAFF REPORTS: Mr. Cascarina stated he didn't have much to report and it has been quiet. Field staff have been doing routine maintenance and work orders. There have been a few small leaks that were quickly repaired. One leak on Coyote Ln. that needs some attention and Jim is scheduled to put in a new section valve in that line. The line is 12' deep and will require taking out Coyote Ln. Mr. Cascarina stated that the filter plant attempted to clean out backwash pond #2 using Big Valley Septic and it was unsuccessful. We are currently letting the pond dry up and try to get it cleaned up this summer. Mr. Cascarina stated that himself and Chairwoman Trenerry met with John Kenny last week regarding the WIIN Act and will be going down there at the end of May for negotiations. Vice Chairman Fust stated that the WIIN Act fee in the PROP 2018 proposal is not explained and needs to be explained at the meeting.

STANDING COMMITTEE REPORTS:

QUESTIONS and/or PUBLIC COMMENTS: Mr. Possehn asked what the backwash program/project is? Mr. Cascarina explained that it was mandated by the State of California for us to recycle all our backwash water.

Vice Chairman Fust stated that LAFCO moved again and they are downsizing to smaller headquarters to cut down on expenses. They will be adopting a budget in June.

Chairwoman Trenerry stated the Strawberry Festival is on the 25th & 26th.

Mr. Possehn asked if we can provide him with a summary of the agricultural use in Happy Valley? Mr. Born stated that he could provide him with that, but we do not keep track of customer livestock. Mr. Possehn asked Mr. Born if we could provide him with a copy of the budget? Mr. Born stated he would provide him with that and he is also going to prepare a presentation on the improvements needed for the meeting.

Mr. Born stated that according to our auditor, we are not supposed to be paying the Board Members through payroll, we should be paying them through accounts payable. Payables are done on the 10th and 25th of every month; therefore, the Board Members checks will now be done on the 25th of every month.

ADJOURNMENT: 10:44 AM

Submitted by,

Christy Roberts

Johanna Trenerry, Chairwoman

Irwin Fust, Vice Chairman

Doug Evans, Director

Virginia Bassham, Director

Mark Engel, Director

ATTEST: _____
Kurt Born, General Manager