

## **CLEAR CREEK COMMUNITY SERVICES DISTRICT**

Board of Directors, Johanna Trenerry – Chairwoman, Irwin Fust – Vice-Chairman,  
Virginia Bassham – Director, Mark Engel – Director

5880 Oak Street, Happy Valley, CA 96007

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### **REGULAR MEETING**

**Wednesday, January 15, 2020 at 9:00 AM**

**District Office - 5880 Oak Street Anderson, CA 96007**

### **MINUTES**

**DIRECTORS:** Johanna Trenerry, Irwin Fust, Virginia Bassham and Mark Engel

**STAFF:** Kurt Born and Christy Roberts

**AUDIENCE:** Sandy Winters, Scott McVay, Jonathan Bank, Tammy Cole and Dennis Possehn

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

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

#### **OPEN TIME:**

**CONSENT/AGENDA:** A motion was made by Director Bassham and seconded by Vice Chairman Fust to approve the minutes from November 20, 2019, paid bills from 11/25/19, 11/30/19 12/10/19, 12/25/19 and 12/31/19 totaling \$309,729.15 and the November 2019 Financial Statement.

Motion was voted on and unanimously approved.

#### **OLD BUSINESS:**

None

#### **NEW BUSINESS:**

**Doug Evans Resignation from the BOD – Ordinance 2020-01:** Chairwoman Trenerry read Ordinance 2020-01 commending Director Doug Evans for his distinguished years of dedicated service to the District. A motion was made by Vice Chairman Fust and seconded by Director Engel.

Motion was voted on and unanimously approved.

**WIIN Act – Exhibit C Language, Construction Costs Repayment:** General Manager Born asked the Board members if they've had a chance to review Exhibit C? All Board member agreed they have read it. Mr. Born stated that he had several conversations with lawyer John Kenny, Jake with the Bureau of Reclamation and Don Bader up at the Dam about Exhibit C and at this stage we are not eliminating doing the ATP Study. We are looking at the word Commercial in the Exhibit and the definition of Commercial. The people out here that have property, that have Ag and sell the product are Commercial. There is no definition of parcel size in the Exhibit, which leaves that wide-open and that is good. Mr. Born stated that one thing the Bureau of Reclamation is wanting to know from us, is if we are going with the ATP Study? Mr. Born stated that he told them that he had to consult with the Board Members first. Mr. Born stated that his recommendation is; not do the ATP Study because the construction component is going away. Director Engel stated that what he takes away from all this and is pretty typical and what the Bureau of Reclamation is doing is "tip toeing" around anything that may create any litigation as a result of these decisions made by them and they are narrowing the "funnel" and it's heading towards exactly where we all know. Just as Vice Chairman Fust stated in the last meeting; that there might be a loophole somewhere and there is just no evidence of that. General Manager Born stated that Bella Vista is not participating in the Study so we are looking at roughly a \$40,000.00 expense that will not benefit our customers whether it's successful or not. Vice Chairman Fust asked Mr. Born if there is a final date we must make a decision by? Mr. Born stated, yes because our current Study expires in February, so we need to make that decision by February 28, 2020. Mr. Born stated that it will be on the agenda next month as an action item. Vice Chairman Fust stated that in an earlier conversation with Mr. Born, you said that the price of Ag water will go up March 1, 2020 and that the subsidy will also be eliminated at that time? Mr. Born stated that was correct. Vice Chairman Fust stated so to get this straight, on March 1, 2020 Ag customer will be charged an amount that does not include the subsidized rate? Mr. Born stated that is correct. Mr. Born stated that all these things have to fit together and if the Prop 218 happens roughly around the same time, those rates will be adjusted accordingly anyways. Vice Chairman Fust asked if everyone understood that as of March 1, 2020 the Bureau of Reclamation is taking away the subsidized rate that we have had all these years? Director Engel stated that is a very important point to make and his position on the ATP Study is that there is no chance at all that this will benefit us. We should lay it to rest, move on and then plan accordingly. Mr. Born stated that with the WIIN Act the construction component which is a part of everyone's bill, will go away, which drops the price of the water but then it comes back up because we are not getting the subsidized rate; so the cost of the finished water is \$2.00 and some cents more an acre foot for Agricultural then it is for M&I/Domestic. Vice Chairman Fust stated that all this is confusing and we are being led down this path by these Government agencies and it seems we have no choice. Director Engel stated that this is predictable and it was evident in the beginning and now even more evident that this is the way its going to be, it's just a matter of time and what we can get out of it. Vice Chairman Fust stated he had a question in regards to the WIIN Act and in the contract towards the end where it states that "no changes



may be made in the service area or organization" another words you can't annex property without the contracting officers written consent? Mr. Born stated that he has already talked to them about that because for us not to be able to do that, is unacceptable. Mr. Born stated that he had in writing, that this verbiage within the contract will not prevent or slow down any future annexations. We already have to submit these annexations for their approval but now it's just being put into writing. Director Engel stated that for as long as he has been on this Board and what the State is working towards is identifying water locations, quantities, who's got it, who's buying it, how much are they paying for it and how it's being transported. It's all about control and providing water to high density locations. So the point here is that the State is going to know where all the water is, where it is going and they will decide who gets it.

**CARB – Update on Dump Truck Status:** General Manager Born stated that we were the first person on their list when they started doing the retro's because I kept in touch with them to get this done. They came out but didn't accomplish the work because of one thing or another. They are coming back later this month. It's just postponed, we are still at the top of their list.

**Rate Study - RCAC:** General Manager Born stated that he still has a lot of questions and he would like the Boards participation and if they have any questions to let him know. Mr. Born stated he has another meeting with RCAC this Friday and he is going to let them know that the way it is right now, is not acceptable as far as the Rate Study and what they are wanting to do. Mr. Born stated that he understands what they are trying to do but it just "doesn't fit" yet. RCAC wants to do away with Agricultural water all together and everyone on the same "playing field". Director Bassham stated that is probably going to happen anyway, if the Agricultural rate ends up being more than the M&I rate. Chairwoman Trenerry said she wanted to express herself and "as an Agricultural user, I am willing to pay the extra money because in 2023 the State is going to come in and limit me to 55-gallons of water per day, per person and if I'm on Ag then I can say to them; "I'm an Ag user, not a domestic user and that does not apply to me", unless they come up with another idea. Director Engel stated that he respects the Chairwoman's point of view but from what he is seeing the State is basically eliminating home farms. Mr. Born stated that RCAC is talking about charging each account based by meter size and customers with the smaller meters will be paying approximately what they are paying today, however customers with the larger meters, the 3" - 6" will be paying a lot more for water. Director Engel stated that would require some explanation because use of water, is use of water and it shouldn't matter what size their meter is. Mr. Born stated that it needs more discussion because we currently charge by the home; if you have 2 homes on the property, you are paying the District twice. Mr. Born stated that there are a lot of "holes" in RCAC's proposal and it still needs to be filled and he just wants input. Vice Chairman Fust stated that he met with Mr. Born yesterday and he walked away just as confused as when he got here. All of these things are coming together at a rapid pace and things are going to change in this

District and it doesn't look like they are changing for the better. Starting the end of February, the rates will go up for the Agricultural water, the subsidized rate is going away, the opportunity in going with the WIIN Act and our contract changing, then we have the Prop 218 hearing thrown in there too because there is no question that the rates have to change. We have a lot on our plates to think about here. Mr. Born stated that all this has to come together and these are significant changes coming to this District. Mr. Born stated that after his meeting this Friday, RCAC wants to have a meeting with all the Board Members so they can present what they are proposing and the Board can ask questions and get more clarity. Vice Chairman Fust stated that he attended RCAC's latest presentation and their method is reasonable but the figures they used to arrive at their method are not available yet and we need to know that.

**FEMA Backwash Pond Repair:** General Manager Born stated that we are back on track again as far as getting some funding from FEMA. Mr. Born stated that he got a phone call on Monday from his now 5<sup>th</sup> Program Manager and our project is back in their research center in Texas. We had our engineers re-write the report to take other things into consideration and initially the people in Sacramento seemed satisfied and JPIA has been kept abreast, just in case things fall through again. Director Engel asked Mr. Born if JPIA sent out an employee to look at the ponds? Mr. Born stated yes, the representative works for McLarens, which is the underwriter for JPIA. Mr. Born stated that JPIA has been nothing but stellar throughout this whole process and he has zero complaints about the JPIA or their underwriters. Director Engel stated that the JPIA/ACWA Spring conference is nearing in May and as the JPIA Director, if authorized, he will attend the conference. Director Bassham stated it would be nice to have a representative there to keep our name out there and were not just another water district. Director Engel stated that another benefit you have with a Director in attendance, is that you get to vote and you have a voice in anything that is going on. Mr. Born stated that he has also requested assistance from LaMalfa's office with the FEMA funding.

## **OPERATIONS & ADMINISTRATION**

**STAFF REPORTS:** General Manager Born stated he received a phone call someone in Igo/Ono requesting a fire hydrant be placed in the middle of town with Clear Creek services.

General Manager Born stated that the Tierra Robles project is still moving forward. Mr. Born has been in contact with someone who barter and sells water for agencies across the State of California. He is currently working with the Tierra Robles project. Mr. Born stated that he plans to solicit him to help Clear Creek sell our excess water.



Mr. Born stated that another thing being talked about out here again is a Dollar General store being put in by Bonney's Burgers and needing water service. Mr. Born stated he is still working with RCAC on getting grant money for main line replacements, valve replacements and meter replacements.

**STANDING COMMITTEE REPORTS:** Vice Chairman Fust stated that LAFCO will have a meeting on the first Thursday in February and they will be looking at the ongoing job of updating the Municipal Service Reviews. Chairwoman Trenerry stated that they will be cleaning up the roadsides on February 8, 2020 and if it rains it will commence the follow week. We will meet at the Community Center.

**QUESTIONS and/or PUBLIC COMMENTS:** Audience Sandy Winters stated she is looking forward to our continued water service and has noticed that a lot of properties are turning brown because they are not irrigating anymore. Mrs. Winters asked if that can be brought up in negotiations with the State. General Manager Born stated that we don't need extra water out here right now, the water is there. It's the cost of the water and the cost of pushing it through the Distribution system and the cost of fixing line ruptures. Everything to do with water is more expensive and the people responsible for these rising costs is the Federal Government and the State of California. Audience Dennis Possehn asked if we have talked to the larger olive orchard growers out here to see what their plans are? Mr. Born stated, no. Audience Scott McVay stated that Bell Carter is not buying olives anymore. Mr. McVay stated that Nor-Cal Trees is going to various properties and buying the trees and he has sold over 80 to them.


**ADJOURNMENT TO CLOSED SESSION – Personnel - Govt Code 54957: 9:59AM**

**ADJOURNMENT TO OPEN SESSION: 10:34AM - Vice Chairman Fust stated there was no reportable action taken during closed session.**

**ADJOURNMENT: 10:35AM**

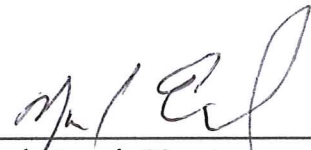
Submitted by,

  
Christy Roberts

  
Johanna Treneroy, Chairwoman

  
Irwin Fust, Vice Chairman

  
Virginia Bassham, Director

  
Mark Engel, Director

ATTEST:   
Kurt Born, General Manager