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**Board of Directors: Beverly Fickes - Chair,**  
**Chuck Jones, Vice Chair**  
**Directors – Irwin Fust, Terry Lincoln, Scott McVay**

**General Manager: Paul Kelley**

**SPECIAL MEETING: March 8<sup>th</sup> 2023 at 6:00PM: District Office Board Room**

**MINUTES**

- 1. CALL TO ORDER-** by Chair Fickes @ 6pm
- 2. PLEDGE OF ALLEGIANCE-** Led by Director Fust
- 3. ROLL CALL-** Director Lincoln, Director McVay, Director Fust, Chair Fickes, General Manager Paul Kelley, Administrative Assistant Kayla Faulks
- 4. OPEN TIME/PUBLIC COMMENT:** Dennis Possehn- with the Shasta County Fire Safe Council and they are now applying for grants. 2 fire prevention grants to clean up Happy Valley Road and chipping of clean up from community members clean up on their property. Another grant to help with education and outreach that will help volunteers and Fire Wise. Dennis requested a letter of Support from the Board. Dennis expressed the urgency of the receipt of the letter. Paul Kelley suggest the Board say by motion and vote that this item is urgent and needs to be added to the agenda and can't wait until regular scheduled meeting.

**Director Fust made motion to add this item to the agenda. Director McVay 2<sup>nd</sup> the motion.**

**Vote was 4-0.**

**Director Lincoln then motioned to approve the General Manager Paul Kelley to draft 3 letters of support and get them to Dennis by Friday. Director McVay 2<sup>nd</sup> the motion. Vote was 4-0.**

**5. CONSENT – NONE**

**6. OLD BUSINESS/NEW BUSINESS (Discussion/Action)**

- a. 2023-24 Water Year Update (Discussion)

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- i. General Manager Paul Kelley- 23-24 Water Year update from the Bureau is to familiarize everyone with what the new water year will look like. In the first paragraph it talked about getting good wet weather. But they also mentioned that for the month of February, precipitation has been well below average. Paul Kelley then reads 2<sup>nd</sup> paragraph that states that Pursuant to Article 4(a) of the Contract, the initial amount of Water made available for 2023 is 35% of Irrigation Water and 75% of Historical Use for Municipal and Industrial Water. Paul Kelley then addresses the caveats stated in the letter and they were, due to the remaining uncertainties in hydrology, pending courts decision relating to Reclamation's request for an extension of an Interim Operations Plan for operation of the Central Valley Project, and pending development of the Shasta Reservoir Temperature Management Plan, the Water Made Available for 2023 could be reduced significantly. Therefore, please take all necessary preparatory actions should a significant reduction occur. Paul Kelley continued to explain that in the letter the Bureau asks to submit a written schedule to their office on or before March 1, 2023, showing monthly quantities of Project Water to be delivered based on the declaration of water made available. It then asked to provide a schedule for Irrigation Water that does not rely on storage withdrawals from Shasta Reservoir for the months of march and April. Paul Kelley noted that "we" are not Shasta Reservoir and that he confirmed with Jake Berens at the Bureau that we do not have to provide the schedules. Paul Kelley then addressed the 35% and 75% of historical use and clarified that the 75% of M&I per their policies is in our case is 2,265-acre feet and that is based on the M&I deliveries from 2017, 2018, 2019 average. He then explained the calculation in how he got to the 75% M&I. Policy confirms the calculation Paul Kelley did is correct. Paul Kelley then mentioned that he had a meeting with the Bureau and one of the members encouraged to not rely on the 75%. Another mentioned during the meeting that there is an atmospheric river coming and to not hold on to that. He also mentioned that he confirmed during that meeting this if there is a reduction in allocation both Irrigation Water and M&I Water will both go down. Paul Kelley then mentioned that McConnell is letting us get in to a week of March since the Bureau lagged on getting us the information on our allocation. Paul Kelley then referenced the chart in Exhibit B and explained the reasoning for TBD in Irrigation Cost Rate and M&I Cost Rate is because of the repayment of the WIIN Act and once that has run out it will be zero.

Director Fust commented if the Bureau stays with 35% & 75% with his estimation he would think that is a pretty good guess. However, he mentioned that that in 2017 we were just coming out of another drought, so usage was really low and consequently historical consumption was not enough. He noted 35% for Ag water is pretty good. He then asked his question of, according to the contract for McConnell Water that water is convertible, and is it do able? Paul Kelley answered yes. Chair Fickes then

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asked how much we used last year. Director McVay stated it was around 1800 acre feet and the year before that it was 2476 acre feet. Paul Kelley mentioned that the McConnell water is more of an insurance. He continued that if we purchase water from McConnell and in April the allocation goes down then the McConnell water is going to save the District.

Director McVay references and explains his document he brought to the meeting that he created and ran figures to see what HCF costs are going to be. He mentioned he had a workshop with Chair Fickes and Water Treatment Plant Chief Operator Bill Palmaymesa. Director McVay mentioned that during the workshop Bill Palmaymesa did express some concerns about the impact of high flow rates going through the filtration plant this year after not having as much go through these past couple of years. Chair Fickes then stated her concerns which were that if we purchase any McConnell water and turn around and try and sell it to one of our neighboring districts, they are going to want to buy it at the cheaper rate and that puts the additional cost on the customers like the District did a few years back. Director Fust stated that was incorrect. Director McVay then asked Director Fust what the profit was on the water that was sold to Orland/Artois a number of years ago. Director Fust stated the profit was minimal, but the costs were taken care of. He said that it was sold at the cost the Bureau told the District they could sell it for. Paul Kelley noted that it is not good policy that we transfer the \$250/acre foot water to other Districts, but the neighboring districts would be interested in purchasing irrigation water at the Bureau approved fee rate. We do have an amount in this fiscal year of penalties and fees that, if the Board wants to, can be set aside to absorb a bit of the cost difference between the \$250/acre-feet water and the irrigation water.

Chair Fickes mentioned that she reached out to 17 customers and asked if the District should buy the McConnell Water. 13 said no and 4 said yes. Paul Kelley addressed if the atmospheric river doesn't happen those 20 customers are not going to be happy that we didn't purchase the McConnell water. Paul Kelley said we have to change the ordinance because the current one states we are in an emergency water shortage. Director Lincoln agrees with Paul's "insurance policy" so we don't run out of water. Paul Kelley mentioned Bella Vista did purchase 1000 acre feet of water and considers it as an insurance policy as well.

Public Comment: Colleen Wogoman agreed the McConnell water is an insurance policy and it would make everyone happy. Joanne Blomquist agreed with the insurance policy. The Bureaus statement that the environment is their top priority made her worry. Her vote is to purchase the McConnell Water. Dennis Posssehn stated he thinks the water year is different. He didn't think we need to buy the McConnell

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water and stated he has concern about putting penalties on customers and sell the extra water.

- b. Water Transfer Agreement Between McConnell Foundation and Clear Creek Community Services District (Discussion/Action)
  - i. Paul Kelley mentioned in defense of Director McVay's statement about the penalties meaning that the penalties for last year to purchase water, not keep penalties active in this water year and sell water as well. Paul expressed his opinion on purchasing McConnell water would maintain a good relationship with them. Director Fust comments selling the water is a good idea if District doesn't end up needing it. Director McVay said he is leaning towards worst case scenario and that is 500 acre feet from McConnell.

Public Comment: Joanne Blomquist stated if take away the penalties to customers then you would be able to provide enough water to the customers and buy 1000 acre feet and have it there for the customers if they need it. Colleen Wogoman said she believed 500 acre feet is a good number and get rid of the penalties. Director Fust noted that Dennis made a great point that there is no need for penalties. Dennis Possehn mentioned a long time ago when the water company went broke the McConnell Foundation bought our water rights so essentially, we are buying our own water back.

**Director Lincoln made the motion to approve the 500 acre feet contract from McConnell Foundation. Director McVay 2<sup>nd</sup> the motion.**

**Ayes: Director Lincoln      No: Chair Fickes**

**Director McVay**

**Director Fust**

**Motion passed with a 3-1 vote.**

- c. Water Shortage / Drought Ordinance 2023-XX (to Replace Ordinance 2022-01) (Discussion)
  - i. Paul Kelley- noted it is an opportunity to make comments and input on the changes to replace Ordinance 2022-01. Drought shortage policy needs to be updated from 2010. Paul Kelley recommended with our Bureau allocation the District go to a stage 2 and rescind Ordinance 2022-01 with the improved conditions. Paul also added suggestions of changes to the policy that included no filling of pools section, fines and penalties, protest procedures, and variances. Director Lincoln suggested that those that habitually continue to get penalties have it increase somehow each occurrence. Director McVay suggested that after the second penalty the customer will get disconnected. Chair Fickes stated she does not think we need to have any penalties at this time and revisit this in May. Paul Kelley suggested if we move to stage 2 then add to the policy that penalties are not in effect because we are not in a stage 3 or higher. Director Fust said he was not in favor of drought ordinance in March and thinks we

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should push it out later. He also pointed out that this ordinance doesn't distinguish between ag water and domestic water. Chair Fickes suggested some changes to the health and safety for large family section. Director Fust then asked if we have protest forms and variances. Paul Kelley said yes, we do, and it has been updated recently by the administrative assistant since it was lacking important details needed.

Colleen Wogoman mentioned she called around to other districts to see what they do for restrictions and a lot of them is voluntary reduced consumptions. She also stated that getting rid of the penalties will gain the trust of the customers back. Chair Fickes mentioned that this was just a discussion item and it will come back to the board for a decision at the regular meeting.

- d. Drought Rate Ordinance 2023-XX (to update Ordinance 2022-02) (Discussion)
  - i. Paul Kelley said this draft ordinance would replace the current ordinance 2022-02. The Rate Ordinance will go into effect April 15<sup>th</sup>, 2023. Director McVay asked when the meter readings take place because the rate should be changed at the same time as the meter readings take place. Paul Kelley confirmed that the meter readings happen the week of the 17<sup>th</sup>. Chair Fickes asked about the letter from George Williamson from LAFCO. Paul Kelley stated that a draft MSR should be in his hands on Friday and if it is, it will be on the agenda for the next meeting for approved.

## **7. ADJOURN THE MEETING- @ 7:55pm**

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