

## **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, October 16, 2019 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:** Steve Nelson, Brad Seiser, Scott McVay, James Griffith, Jonathan Bank and Tammy Cole

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

**PLEDGE OF ALLEGIANCE:** Vice Chairman Fust led the Pledge of Allegiance

**OPEN TIME:** Scott McVay asked if employees are compensated for their time for training off-site? General Manager Born stated, yes typically training happens during the day and employees receive their regular pay for the day. James Griffith asked if the agenda is posted online? Mr. Born stated, yes and the reason it wasn't this month is because of the power outage, it did not get posted on the website. It was posted here at the office and at the 3 stores in Happy Valley.

**CONSENT/AGENDA:** A motion was made by Vice Chairman Fust and seconded by Director Bassham to approve the minutes from August 21, 2019, paid bills from 8/26/19, 8/29/19, 9/6/19, 9/10/19, 9/25/19, 9/30/19 & 10/10/19 totaling \$347,480.73 and the August and September 2019 Financial Statements. Motion was voted on and unanimously approved.

#### **OLD BUSINESS:**

None

#### **NEW BUSINESS:**

**Capacity Charges Annual Rate Indexing – Ordinance 2019-06:** General Manager Born stated this is the typical CCI increase which is really low at 1.7%. Capacity charges are something that we increase every year but we haven't seen any growth in Happy Valley. Mr. Born stated he has had several inquiries about new installations but we have not sold even one connection this year. Mr. Born stated that we have to keep up with these rising costs. 75% of new installation costs go into the Expansion and Modernization revenue account for improvements to infrastructure and the other 25% goes into the General Fund of Operations and Maintenance. Mr. Born stated that without these new installation sales, we have not been able to fund the Expansion and Modernization account for many years now. Director Engel asked Mr. Born what the actual costs are for these connections? Mr. Born stated these capacity charge costs are based on the load and draw the new service puts on the distribution system and it helps with District maintenance and wear on the system. The capacity charge is also based on the size of the meter, the larger the meter, the higher the flow, the more wear there is on the system. Vice Chairman Fust stated these distribution systems that were formed years ago were built upon a model that growth would happen and that growth would help to take care of the costs of failing infrastructure over a period of time. That one component of growth has not taken place so consequently we are falling behind. The idea behind the growth and the ability for capacity charges for new customers to come in and help fund the distribution system, so that there would not be a tremendous burden on the existing customers. Now we are not seeing any growth at all, not sure that we ever will and in that regard. We have to look at the model we have because now all these costs are falling on the existing customers because we are not getting that anticipated growth. Mr. Born stated he would like to see some growth out here, even just half of what we used to see. We thrive on it and need it to survive. Vice Chairman Fust stated this District was formed as an Agriculture area and Commercial Agriculture has greatly fallen out here and maybe this District will change. Mr. Born stated it will change; Agriculture is becoming less and less common and we have to change with the times and the times are saying we are moving over to M&I and away from Agriculture. Audience stated that Bella Vista lost more than half of their Ag farmers because of Bureau of Reclamation coming in and saying the properties were not big enough and are not producing enough. Audience stated the Bureau of Reclamation is never at these meetings, they are never on these properties, they never meet with the Ag customers and all these Water Districts have to enforce for the Bureau of Reclamation and they are telling the small farmers, no, you can't do it anymore. Vice Chairman Fust stated that is exactly what is happening out here too. Director Engel stated we are seeing it and the Bureau of Reclamation has an agenda and it is not supportive of a small farmer.

Director Engel made a motion and Vice Chairman Fust seconded. The motion was voted on and unanimously approved.

**Shasta RED – Tierra Robles – BVWD:** General Manager Born stated he talked with Steve Nelson again and he is seeking further Board action. Mr. Nelson stated he is just

looking for Board action stating they are willing to work with and enter into an agreement with Tierra Robles and Shasta RED to negotiate a water deal to augment water to Bella Vista during a drought year. Director Engel stated there are no conflicts here other than we have to give priority to our customers here in Happy Valley but if we have water to sell, then we will sell it. Vice Chairman Fust stated that just for clarification here that what we are being asked for here today, is a Board action to enter into negotiations and come up with a contract between Shasta RED and Clear Creek CSD? Mr. Nelson stated that is correct. Director Bassham asked if we will have water during a drought to sell? Mr. Born stated the restrictions are different every year and one year he was able to sell water to a District down south that created revenue to for the District and it did not affect our customers at all. Mr. Born stated this would be on a case by case basis and of course the biggest criteria would be, that this will have no impact to our customers. Vice Chairman Fust stated the Cottonwood Estates, which will be a part of Clear Creek CSD, will also take priority over the Tierra Robles project. Mr. Born stated that our contract amount with Bureau of Reclamation has never been debated and the outcome of the WIIN Act will play a roll too.

Director Engel made a motion to allow General Manager Born move forward with negotiations with Shasta RED/Tierra Robles and their water needs and Director Bassham seconded. The motion was voted on an unanimously approved.

**WIIN Act Update:** General Manager Born stated the next local level negotiation is this Friday at the Keswick Dam Office Building and one thing the Bureau of Reclamation has made clear is that they want this done and so far this is the 10<sup>th</sup> revision of the contract. Mr. Born stated the ATP study will be difficult to approve and we will be covering all costs if Bella Vista does not participate. Mr. Born stated that if we go with the WIIN Act, the Bureau of Reclamation will see that you've paid your construction costs they will assume you can pay full price for Agricultural water which is actually more expensive than M&I water, so the cost of Ag water will actually be the opposite of what it is now and Agricultural water will be more expensive than M&I water and how do you tell that to Ag customers of 20-30 years? Director Engel stated if the ATP study is unsuccessful, we lose the subsidized Ag rate anyway and the likelihood of the ATP study being successful is less than 50%. Mr. Born stated we have to keep in mind the RCAC study we have going on too and they are saying all of our rates have to be the same. Mr. Born stated he needs to talk to RCAC about our rates and the reasons for the differences in Ag and M&I rates but if they say, no and that all rates have to be the same, then there will be some definite changes; which is where we are kind of headed anyway with the WIIN Act and all of these changes will have to tie in smoothly together. Mr. Born stated that he will get together with David Coxey at Bella Vista to get a firm answer about the ATP study. Director Engel stated, as we said earlier that the agenda of the Bureau of Reclamation is clear and they are doing away with Agricultural. Vice Chairman Fust stated that it ends at the end of the year according to the WIIN Act and we have to make a decision by then. Vice Chairman Fust stated that there is a bill in Congress to extend the WIIN Act and he asked Mr. Born to look and

see what the status of that bill is. Mr. Born stated that he would. Vice Chairman Fust agreed that the ATP study doesn't look that great but it is the last stand we have for Agriculture in this District. Mr. Fust stated that he is willing to spend the \$40,000 for the ATP study and try it, then to raise the Agriculture rates from what they are now.

**Request for Assistance from State Water Resources Board:** General Manager Born stated that our data we presented within our software wasn't in the correct format that RCAC wanted. Cary is now having to manually correct the format and it's taking time and a lot of hand labor. Mr. Born stated he is going to call them next week regarding the Ag and M&I rates so they are more clear and how it works. Mr. Born stated that he is still working with RCAC on this.

**California Air Resources Board:** General Manager Born stated he attended a meeting in Red Bluff yesterday. He discovered a couple loop holes we might fall under, one is the number of miles the truck has operated in a year and the other is a company in San Diego being paid by CARB to do retrofits on trucks that used the Clear Air filtration system. That filtration system is what we were using and CARB took them off their list of acceptable products was because they were causing fires. Mr. Born stated that he called this new company that CARB is funding and asked about them coming here to fix our truck and they are supposed to get back to him and hopefully something positive will happen.

**FEMA Backwash Pond Repair:** General Manager Born stated he just talked with our FEMA representative again and they are taking a different approach to getting the funding we need. We are going to re-file the claim and it must be turned in by October 24, 2019. Mr. Born stated he is going to get together with our engineer, get the report together and get it resubmitted. Mr. Born stated this has been a very long project, that he is going to keep fighting for until we get the funding that we need.

## **OPERATIONS & ADMINISTRATION**

**STAFF REPORTS:** General Manager Born stated the field staff had the opportunity to utilize a vac truck, which is pretty much a vacuum cleaner on wheels and it's used to suck up ground water and mud. The use of a vac truck minimizes the hole size, backfill materials, employee time and equipment use. Depending on the type of leak, we are considering using this service from now on to save time and money.

Mr. Born stated the 144+50 project; everything is in place and ready to go, we just need the creek-bed to dry up and the cost savings to the District are huge because of how we are going to do this.

Mr. Born stated the Filter Plant is running smooth and the flows are slowing down because of the weather. Pond #3 is empty now and ready for ash and sludge removal,

which our insurance company is paying for, just like they paid for pond #2. Then the ponds will be ready for repair once the remainder of the sludge and debris is removed.

**STANDING COMMITTEE REPORTS:** Vice Chairman Fust stated that LAFCO canceled the October meeting and the next meeting is in December. Vice Chairman Fust stated he attended the Filter Plant tour with Centerville Board of Directors and the plant operators, Bill and Toby, did an excellent job explaining the complexity of how to make nice clean water. Vice Chairman Fust stated the Filter Plant is very complex, the Backwash system is complex and the introduction of chlorine into the system is complex. Mr. Fust stated he felt that the Centerville Board of Directors got a good education into what it takes to run the Filter Plant and why it costs them 25% to run that facility. Vice Chairman Fust stated he is glad that he went and thanked Bill and Toby for the tour. Director Engel and Director Bassham also thanked Bill and Toby. General Manager Born stated that the fencing around the Filter Plant is currently being replaced and the doors for the chlorine room are being built and will be installed soon. Vice Chairman Fust stated that we came really close to losing that facility during the fire.

Chairwoman Trenerry asked how many free dump vouchers have been distributed so far? Christy Roberts stated the last she looked it was about 270 of them. Chairwoman Trenerry stated last day to get a free dump voucher is October 31, 2019.

Chairwoman Trenerry stated she is going to try and reschedule the Farm Trail dinner for November 1, 2019. Chairwoman Trenerry stated the trail maps are getting too expensive and they are thinking of just doing it online.

**QUESTIONS and/or PUBLIC COMMENTS:** James Griffith asked for a copy of the Shasta RED documents? Vice Chairman Fust provided him his copies. Scott McVay asked if Ag customers are being made aware of the potential rate changes? General Manager Born stated that it is too soon and there are too many things happening right now. Mr. Born stated that putting it out in public right now would be a mistake because we don't know what we are doing yet and it typically gets blown out of proportion. Mr. Born stated he doesn't want to withhold any information but until we know exactly what we are dealing with, then we will let the public know. Scott McVay suggested involving a local Real Estate agent to promote growth in Happy Valley. All Board members agreed that was a good idea. Tammy Cole stated that the Filter Plant tour was very impressive when she attended and suggested that a school tour for students of the Filter Plant would be a way to educate and involve the public.

**ADJOURNMENT:** 10:33 AM

Submitted by,

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Christy Roberts

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Johanna Trenerry, Chairwoman

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Irwin Fust, Vice Chairman

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Virginia Bassham, Director

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Mark Engel, Director

ATTEST: \_\_\_\_\_  
Kurt Born, General Manager