

CLEAR CREEK COMMUNITY SERVICES DISTRICT

Board of Directors: Johanna Trenerry - Chair; Irwin Fust - Vice;
Virginia Bassham - Director; Murray Miller - Director; Cedric Twight -
Director

5880 Oak Street, Anderson CA 96007

Phone: (530) 357-2121; Fax: (530) 357-3723

REGULAR MEETING

Tuesday, June 16, 2021

District Office Board Room

5880 Oak Street, Anderson CA 96007

9:00 AM via ZOOM

MINUTES

DIRECTORS: Trenerry, Fust, Miller, Bassham, and newly appointed Twight

STAFF: Rachel McVean, Attorney; Bill Palmaymesa, IGM, Kristen Thomas,
Administrative Assistant

AUDIENCE: Present via Zoom: Debra Gromacki, Terry Lincoln, Shawna Welch,
Beverly Fickes, Scott McVay, Tammy Cole, Sandy Winters, Dennis Possehn, and Nora
Willson.

CALL TO ORDER: Chair Trenerry called the meeting to order at 9:00 a.m.

PLEDGE OF ALLEGIANCE: Chair Trenerry led the pledge

OPEN TIME: Scott McVay asked why District office was still closed as all restrictions for COVID have been lifted. And when will it be opened. IGM Palmaymesa said yes, office was still closed and he would get back to Scott as to why and when it will open. It has been under discussion with Shasta County Health. Mr. McVay also asked why the District is still doing Zoom meetings the State has opened back up for meetings. There was no firm answer as to when the District would be holding in person meetings again. Director Murray said this should be the last Zoom meeting. Mr. McVay also asked about the idea of "rolling the dice" to resolve a tie breaker vote on the memorandum. IGM Palmaymesa said that was only this time as there are only four directors and a tie may come up. Mr. McVay asked whether the Finance Committee has met to discuss and review budget and allocations. Chair Trenerry stated the Board was waiting for a new member before the Finance Committee could meet since Director Engel resigned. Mr. McVay asked whether the District applied to the State for drought relief grant. Director Murray stated he had looked into it and there are strings attached.

Vice Chair Fust stated that the Board has had discussions regarding night meetings. I want to have night meetings. I asked that this item be placed on the agenda and it was not put on. I'm in favor of night meetings. Director Murray indicated he was also in favor of night meetings. Director Bassham stated she's not opposed to them but she's

not sure she can make them. Chair Trenerry thought employees should have a participation in decision as they will have to come in at night to take minutes.

CONSENT AGENDA: Vice Chair Fust moved to accept the minutes of April 21, 2021. Director Bassham seconded the motion, which carried unanimously.

TRENERRY - YES

FUST - YES

MILLER - YES

BASSHAM - YES

OLD BUSINESS/NEW BUSINESS:

- A. Appointment of new Director (Discussion/Action) - There were five candidates for the appointment to the vacant Board Position. Candidate Elizabeth Betancourt was not able to attend but prepared a statement of qualifications. Candidates Scott McVay, Cedric Twight, and David Zabaldano shared their qualifications to the Board. Candidate Kaitlyn Patrick withdrew her name as a candidate citing other qualified candidates. After discussion, the Board unanimously voted to appoint Cedric Twight to the vacant Board position. Chair Trenerry swore in Cedric Twight to the Board.
- B. Recognition/Certify Union Representation for staff (Discussion/Action) - IGM Palmaymesa stated that the employees got together and moving forward they wanted to be represented by a union. Steve Allen introduced himself as an elected official with the UPEC (United Public Employees of California) and gave a brief overview. Mr. Allen stated that he was looking for the Board to formally recognize UPEC instead of CCEA and requires a vote so we have a date certain to go forward with. Vice Chair Fust gave a short history on the past union representation for the District employees. He asked what happens to the current MOU. Mr. Allen stated it stays as is until the parties get together and institute a new bargaining agreement. Director Bassham asked whether management would be covered under this new MOU. Mr. Allen said it is not clear at this time. We will have to look at all the positions. Director Murray asked what benefits UPEC will bring to our employees. Mr. Allen stated that they specialize in public service employees and we know how PERS works, we understand the rules and regulations that are unique to city, county, and special district employees. Director Twight asked what increases in costs to the District and/or employees do you anticipate occurring. Mr. Allen noted that dues are \$47.50 per month. The Board further discussed employee conditions and the labor contract. Chair Trenerry made a motion to formally recognize the UPEC as the bargaining counsel for the employees. Director Murray seconded the motion. Director Fust asked whether the chairman could make the motion. Chair Trenerry stated she believed so. But to err on the side of caution, the motion and second were withdrawn. Director Murray then moved to formally recognize the UPEC as the bargaining counsel for the employees. Director Bassham seconded the motion, which carried unanimously.

TRENERRY - YES

FUST - YES

MILLER - YES

BASSHAM - YES

TWIGHT - YES

AT 10:48 AM THE BOARD RECESSED FOR A 5 MINUTE BREAK. THE BOARD RECONVENED AT 10:53 AM.

C. Drought Water Rate Penalties (Discussion/Action) - Three different opinions for drought penalties were presented. Counsel McVean reported that while you can incorporate fixed costs like electricity from the wells into the drought rate there were other ways to impose administrative costs and penalties for excessive use. IGM Palmaymesa confirmed that an overuse charge could be imposed. Vice Chair Fust stated the District was in a Stage IV drought restriction. He thought there was a more severe Stage V drought ordinance that the District had utilized in the past. He asked Counsel McVean whether the District had to establish a usage amount before the penalty phase. Counsel McVean indicated yes for example a 25% reduction and if the customer does not reduce by that amount then the fines would be imposed. This will need to be outlined in a future ordinance. IGM Palmaymesa indicated the District had 425 AF allocated from June 1, 2021, until end of February 2022. However, the District has already used 280 AF of that 425. We have a short time to institute penalties to curb usage. Discussion followed regarding ordinance verbiage, and determining usage caps for each meter. The Board discussed how much well water will be available monthly. Customer Scott McVay reported that he had a discussion with GM Born and that the wells should produce 180 AF a month. Director Miller confirmed with Counsel McVean that the Board needed to hold an emergency special meeting within the next two weeks to get the drought ordinance passed with corrections. Director Murray moved to hold a special board meeting within two weeks to approve/finalize the drought ordinance. Director Fust asked to amend motion to hold the meeting at night at either the school or community center. Director Murray accepted the amendment. Director Fust seconded the motion. The Board discussed a very limited amount being allocated to each meter. Terry Lincoln asked that the Board keep in mind that many people have animals and larger families. Also currently people are using the bare minimum so that needs to be taken into consideration too. Chair Trenerry asked everyone to think positive and pray for rain. Above motion carried unanimously.

TRENERRY - YES

FUST - YES

MILLER - YES

BASSHAM - YES

TWIGHT - YES

Vice Chair Fust proposed that the meeting be held on June 24 in the evening and made a motion to hold the meeting at 6:30 p.m. on June 24, 2021. Director Murray seconded the motion. Director Bassham asked to hold meeting at 6:00 p.m. Vice Chair Fust amended his motion to hold the meeting at 6:00 p.m. on June 24, 2021, with location to

be determined. Director Murray seconded the amended motion. Motion carried unanimously.

TRENERRY - YES

FUST - YES

MILLER - YES

BASSHAM - YES

TWIGHT - YES

D. New Water Allocations (Discussion/Action) - Item was combined with Item #C and discussed. Director Miller asked whether directors could contact organization to check on water availability since staff has a lot on their plate. Counsel McVean said there was no issue in any director assisting in finding water.

E. Potential Brown Act Violation (Discussion) - The HVCC submitted a letter to the Board about the community not being able to make comments during the last meeting. Chair Trenerry indicated that she always gives the public an opportunity to speak. Director Murray stated what was being referred to was the closing comments from the last meeting where several people were wanting to speak including himself and were cut off. Chair Trenerry indicated the Zoom screen went black and she lost everybody. It was not her intent to prevent people from speaking. Beverly Fickes spoke noting that this was not the first time the public had not been allowed to speak and asked that the board prepare a cease and desist letter acknowledging these practices. At the very least each board director should have been given the opportunity to comment. Everyone on Zoom could hear the Chair very clearly. IGM Palmaymesa felt that once the COVID restrictions go away and we're able to meet, these technical difficulties and confusion will go away. Counsel McVean said it was unintentional and not a violation of the Brown Act. Scott McVay said the community was looking for some assurances that they would do their best not to let this happen again. Vice Chair Fust this item was only a discussion item and no action could be taken. Beverly Fickes noted that Item #E and Item #F were both submitted as discussion/action items yet the agenda only lists them as discussion. Chair Trenerry said mistakes happen but they are not intentional. Shawna Welch said she was also wanting to speak at the last meeting and to be cut off was disheartening. She felt that the Board displayed a lack of professionalism with laughing. Director Twight also felt the meeting ended inappropriately. He asked who makes the agenda and who makes the determination why some items are only listed as discussion and not discussion/action. He believed full disclosure is important. It's worthwhile for the board to commit to operate efficiently as possible with professionalism and respect. Directors Fust, Miller, Twight, Bassham, and Trenerry committed to be professional.

F. Trinity PUD Fee Update on Findings (Discussion) - IGM Palmaymesa indicated that the PUD fee was billed differently based on HCF and that there is a problem with the software. Director Fust asked whether the software is charging the extra \$.12 per HCF. IGM Palmaymesa said looking at examples some people are being charged \$.08 per HCF and some \$.09 per HCF. The District is charged by the Bureau at \$.12 per AF so charging the customer by HCF is not right and he recommends eliminating the fee until we can get it figured out. Director Twight discussed canceling this charge since it was wrong and whether it could be voted on because it should have been listed as an action

item. Counsel McVean said it cannot be voted on as it was not listed as an action item. She didn't think it needed to be a Board level decision. She recommended that the Board not rescind the fee but have staff place a pause until it's all figured out. Director Fust encouraged staff to do that. Debra Gromacki stated that bottom line the District has been overcharging the community for many, many, years. The Board discussed and asked that a draft agenda be prepared so the Board can ensure that agenda items are added correctly. Director Bassham indicated that she was having to leave the Zoom meeting but agreed that this fee should be taken off and not charged to the customer. Director Miller stated that when you look at the budget it shows that \$800 is budgeted and then when you look at how much money is being collected and asked where is all that money going to, what line item? Where would I find all the revenue generated for the Trinity PUD? There were several assumptions made on what line item the revenue generated goes. IGM Palmaymesa said he has written down the question and will report back to the Board.

G. CAC Rate Proposal (Discussion/Action) - Director Twight indicated that the rate proposal presented today has been worked on for several months along with public input along the way. He reviewed the process that the CAC utilized and how they made the rate allocations. Counsel McVean indicated that so long as one component of the new rate schedule passed by Proposition 218 includes wording that rates could go up based on BoR rate increases then it would only take a 30 day notice to increase those rates when they do. Vice Chair Fust stated that based on the rate proposal before the Board that there is a full executive summary and rational with correspondence from counsel. Discussion ensued regarding purchasing agriculture water over domestic rate and language in the rate proposal. The Board also discussed drought rates and the cost justification. Counsel McVean stated that unless an item was an actual cost to the District that it could not be included on the rate proposal. Until the District knows for sure when they have to start paying on them, can't charge the customer. If it's not a current cost to the district even if you know that it will be in regards to the WIIN Act, should not be charging customers. It is a gray area. Director Twight spoke about the District's intention in regards to the State Loan amount of \$1.00 and that it would not be billed to the customer until the loan was secured. He asked whether that made sense. Counsel McVean said yes that makes sense but that doesn't mean it passes constitutional muster. Vice Chair Fust asked whether an amount needed to be listed but that with a 30 days notice an amount could be added. Counsel McVean stated no. The rate proposal can show that \$1.00 will be collected after the grant loan is secured. Sandy Winters said money was collected ahead of time for the backwash pond. IGM Palmaymesa said he thought that the State revolving fund required two years of reserves for the backwash pond. Another item IGM Palmaymesa mentioned was the potential loan for the backwash pond repair and one of the items the State might be waiting on is us adopting a rate structure showing how we are going to pay it back. Counsel McVean said that reserves are a valid component of a rate structure. Director Murray stated that it then needs to be listed as reserves. Director Twight stated that we need to seize the opportunity to put the WIIN Act Loan and the State Grant Loan on the rate proposal and asked that Counsel McVean look at the ordinance to ensure that is clearly stated. Counsel McVean indicated that it could be stated that there are two line

items on the rate proposal that we are going to potential charge in the future or indicate that they are reserves if the District needs to plan for future opportunities. Director Fust stated that if the Board is comfortable with the rate proposal and concept of it, then the Board needs to set a meeting so the public can comment. Director Murray suggested that the Board approve the rationale of the sample rate schedule. Vice Chair Fust inquired whether a public meeting could be held June 29, 2022, to just discuss the rate structure and proposal. Director Twight thought the Board could then hold a special meeting in July for final approval and then start the 45 days. Counsel McVean though that the State Loan amount as a reserve should be added to the base rate; otherwise a line item increasing debt reserve. Director Twight preferred the line item be listed separately on their bills so customers could track the WIIN Act Reserve and State Loan Reserve. Director Murray moved that the Board approve the scheduled rate proposal rationale with final edits, approve the documents, and implementation as soon as possible. Director Twight seconded the motion. Motion carried unanimously. The June 29th meeting will be scheduled at 6:30 p.m.

TRENERRY - YES

FUST - YES

MILLER - YES

BASSHAM - ABSENT

TWIGHT - YES

H. Audit Report (Discussion/Action) - Vice Chair Fust moved to table this item until the July meeting. Director Murray seconded the motion, which carried unanimously.

TRENERRY - YES

FUST - YES

MILLER - YES

BASSHAM - ABSENT

TWIGHT - YES

“I” Adopt Budget - 2021/22 (Discussion/Action) - Vice Chair Fust indicated that this was just a placeholder budget and is slightly modified from last year. We can do a true budget once the rate increase is passed. Vice Chair Fust moved to approve the proposed budget. Director Twight asked why the budget still shows a Chestnut assessment as that bond has been paid for in 2020. IGM Palmaymesa said it was just an oversight. Vice Chair Fust moved to amend his motion that the Chestnut assessment be removed from the budget. Director Murray seconded the motion, which carried unanimously.

TRENERRY - YES

FUST - YES

MILLER - YES

BASSHAM - ABSENT

TWIGHT - YES

J. WIIN Act - File Extension approval (Discussion/Action) - Director Twight asked how this extension request will work. Are we just asking for forgiveness? IGM Palmaymesa indicated that Downey Brand attorneys stated that is what some of the Districts should do. Director Twight doesn't know if this extension will be of benefit to us or provide

protection for us. Counsel McVean stated that this is just an ask to the Bureau to not have to pay back the money right now. The Bureau may say yes or no to give us extra time. Director Murray noted his understanding was this was our opportunity to respond to the complaint and the attorney group is asking us for an extension to file that response. Director Murray made a motion to request a file extension. Director Twight seconded the motion. Vice Chair Fust lost connection to the Zoom meeting. Motion carried.

TRENERRY - YES

FUST - ABSENT

MILLER - YES

BASSHAM - ABSENT

TWIGHT - YES

K. 2021 Water Rate Increase Potential (Marketing and Storage) (Discussion) - Tabled

L. General Manager Position - Advertise Opening (Discussion/Action) - Director Murray moved to table this item as two directors are missing. IGM Palmaymesa indicated that we want to post the position online and all we are looking for from the Board is direction on what items you would like to see on the application. Director Murray's motion died for lack of a second. Director Murray says we need to see a draft before we can make a recommendation. IGM Palmaymesa says the staff is just looking for direction. Director Twight agrees that something needs to be prepared first. Director Murray moved to table this item until the July meeting so a sample job description can be reviewed. Director Twight seconded the motion. Chair Trenerry tabled the matter, no vote was taken. Sandy Winters asked Board to have a selection committee to review GM position advertisement. Director Murray said we have a Personnel Committee that should be able to do that.

OPERATIONS & ADMINISTRATION: None to report

QUESTIONS/PUBLIC COMMENTS: Nora Willson indicated she has questions for a later date.

STANDING COMMITTEE REPORTS: None to report

ADJOURNMENT: There being no further action, Chair Trenerry closed the meeting at 2:03 PM.

Submitted by

Beverly Fickes, Volunteer


Johanna Trenergy, Chair


Irwin Fust, Vice Chair

Virginia Bassham, Director

Murray Miller, Director

Cedric Twight, Director


William Palmaymesa, Interim
Manager/Chief Plant Operator