

CLEAR CREEK COMMUNITY SERVICES DISTRICT

Board of Directors: Irwin Fust - Chair; Chuck Jones - Vice;
Johanna Trenerry - Director; Patricia Delzell - Director; Scott McVay
Director
5880 Oak Street, Anderson CA 96007
Phone: (530) 357-2121; Fax: (530) 357-3723

REGULAR MEETING

Wednesday, July 27, 2022, 6 pm
District Office Board Room
5880 Oak Street, Anderson CA 96007

Minutes were transcribed via video. Full recording may be found on YouTube at Happy Valley CCCSD.

MINUTES

DIRECTORS: Irwin Fust, Chuck Jones, Johanna Trenerry, Patricia Delzell, and Scott McVay

STAFF: IGM Bill Palmaymesa, Accountant Christy Sartori, Sally Lunn

AUDIENCE: Kaitlyn Patrick, Jackie Longcrier, Ken Longcrier, Terry Lincoln, Beverly Fickes, Sandy Winters, Dennis Possehn, Sarah Bennett, Pam Beaver, Joanne Blomquist, Greg Blomquist.

CALL TO ORDER: Chair Fust called the meeting to order at 6 p.m.

PLEDGE OF ALLEGIANCE: Director McVay led the pledge.

OPEN TIME: Sandy Winters reported on the Firewise meeting with another one planned on August 10, 2022, at 6 p.m. Sarah Bennett presented a list of her concerns with the employees' contract. She noted that at the last meeting the board requested this information in writing. She asked that these typed concerns be put into the minutes so it is documented that someone has presented concerns with the current contract. Sarah specifically noted that management should have their own contract and not be a part of the employees' contract.

Beverly Fickes mentioned that several customers have reported that the water smells and tastes bad. Many people are having to put filters on their water. She also asked since the wells are suppose to be for emergency use only and not 12 months a year whether this might be a good argument with the Bureau of Reclamation. IGM Palmaymesa indicated that no complaints have come into the office. He has seen a few comments on Facebook and would like to come visit someone's home to check it out. Pam Beaver invited him to her home. Chair Fust said his understanding was that one well tasted better than the others. IGM Palmaymesa confirmed that last year Well #2

was the better tasting and this year Well #3 is better. They are running mineral testing and will determine which one is currently better. He stated that the water taste is also affected by a customer's pipes and lines as well as the blending of surface and ground water together. Joanne Blomquist noted that in the northern part of the district that they have not noticed a quality issue with the water. She shared the app called "Watch Duty" which gives fire information throughout the state. Joanne indicated that fire information is reported within minutes of a fire starting. Director Jones noted that if a customer has old iron pipes that it would affect the quality of the water. He stated that switching to pvc for many would be a good idea although a miserable project.

CONSENT AGENDA: Beverly Fickes requested that the Account Payable items be withheld for further discussion. She asked why there were so many deposit refunds this month with small amounts. Accountant Christy Sartori reported that this is cleaning up inactive accounts that have a small balance. She indicated that there will many more in the coming months. Beverly also asked about Director's monthly fees and that it appeared that one Director received payment twice in June for the same meeting. It was confirmed that that had occurred by accident but that the District was instituting a sign in sheet for each meeting to insure that Director's were paid correctly.

Director McVay asked about well alarms and payment. He did not see a payment this month. Accountant Christy indicated that it appeared that a credit has been placed on this account. Director McVay stated that through this inquiry and possibly bringing the well alarm back to the District office would save the district approximately \$10,000 a year. Director McVay inquired on several other items on the general ledger.

In regards to the minutes Chair Fust indicated a few corrections. On June 24, 2021, under the drought ordinance it needs to be corrected to read "The original allocation in February was 1898 AF but now the Bureau of Reclamation has revised the amount to 425 AF in June." At this time we have used the 425 AF and now have zero water to use." The other corrections are with the minutes of July 6, 2021. Chair Fust stated it indicated that Johanna Trenerry was present at that meeting and she was not. And with the minutes of July 28, 2021, in the heading it indicates that Virginia Bassham was not in attendance. Chair Fust stated that Director Bassham had resigned prior to this meeting so she should just be removed from the minutes. Chair Fust indicated that he was not present at the July 11, 2022, meeting and wished to abstain from voting on those particular minutes. Director McVay moved to approve the minutes for July 11, 2022. Director Trenerry seconded the motion, which carried by a vote of four ayes and one abstention.

FUST - ABSTAIN

JONES - YES

DELZELL - YES

TRENERRY - YES

MCVAY - YES

Chair Fust asked for a separate approval of the July 6, 2021, minutes since Director Trenerry was not present. Director Jones moved to approve the minutes of July 6,

2021. Director McVay seconded the motion, which carried by a vote of four ayes and one abstention.

FUST - YES

JONES - YES

DELZELL - YES

TRENERRY - ABSTAIN

MCVAY - YES

Chair Fust asked that the rest of the consent agenda and minutes be approved. Director McVay noted that these minutes were all prepared by volunteers in the community and thanked them for their assistance. The Board thanked all the volunteers. Director McVay moved to approve the consent calendar with corrections as stated. Director Jones seconded the motion, which carried unanimously.

FUST - YES

JONES - YES

DELZELL - YES

TRENERRY - YES

MCVAY - YES

OLD BUSINESS/NEW BUSINESS:

A. FINAL BUDGET ADOPTION/PUBLIC HEARING (DISCUSSION/ACTION) -

Director McVay indicated that there were some last minute corrections. When the revenue was reduced to 85% because of collections, the fee revenues collected (\$10.81) were not. The updated budget does that. However, it is not available to the public yet. With those corrections it reduces the budget by \$59,710. Director McVay asked for activity reports so he could verify figures more in-depth. He asked about the valve replacements at several locations and asked about the accuracy of actual costs. IGM Palmaymesa indicated they were fairly accurate but with inflation cost estimates could rise. Chair Fust asked about agricultural sales of \$200,000 listed on the budget. IGM Palmaymesa stated proposed is zero; however, we anticipate some agricultural water sales for the later half of the budget period. Chair Fust asked that the budget adoption be postponed until next month. Director McVay indicated he would try to put together a finance committee meeting to get further public review on the budget proposal. Beverly Fickes asked how a budget can be approved with a \$184,000 deficit. She asked if the money would come from reserves and how much was in reserves. Chair Fust indicated the Board needed to decide to approve the budget this evening or send it back to Finance Committee and then approve at next regular meeting. Director Trenerry moved to have the Finance Committee review and have the final budget brought back to the August Board meeting. Director McVay seconded the motion, which carried unanimously.

FUST - YES

JONES - YES

DELZELL - YES

TRENERRY - YES

MCVAY - YES

B. CAL-OES CORRECTIVE ACTION PLAN (DISCUSSION/ACTION) - Director McVay related the issues with the FEMA Grant from the Carr Fire. There were four corrective

actions that were identified and necessary for the District to correct. He stated that he has been in contact with CAL-OES staff on the timeline for correcting these deficiencies. Staff accountant Christy Sartori has been working on a mitigation plan. Director McVay indicated that most of the deficiencies deal with procurement issues. He stated that it is necessary for the Board to approve the mitigation plan and have these minutes along with the Finance Committee minutes sent to CAL-OES. Director McVay reported that there is little documentation in the Carr Fire Grant file so we must include the minutes along with the mitigation plan and processes for procurements. Accountant Christy pointed out that two of these deficiencies were identified in March/April and practices have been implemented already. She did notice some deficiencies in contract wording and requirements. What was used for securing PACE Engineering was a short contract provided by PACE and wouldn't have the required wording necessary for the Federal funding. She stated that our District needs to update our standard contracts. The Board discussed procurement policies and the need to update list of contractors not just a vendors list. Accountant Christy stated that when updating the procurement policy, the Board would need to set a cap amount whereby three bids would be necessary. She stated that the current policy is not clear on the approval threshold for the General Manager and the District can do better.

Director Jones moved to approve the corrective action plan for CAL-OES and send the plan along with the approved minutes of July 11, 2022, and minutes of July 27, 2022. Director Trenerry seconded the motion, which carried unanimously.

FUST - YES

JONES - YES

DELZELL - YES

TRENERRY - YES

MCVAY - YES

C. TIME CHANGE OF REGULAR BOARD MEETING: ORDINANCE 2022-04 (DISCUSSION/ACTION) - Chair Fust noted that when the Board approved a time change from 6:30 p.m. to 6:00 p.m., an ordinance needed to be prepared. Director McVay moved to approve Ordinance 2022-04 as presented. Director Trenerry seconded the motion, which carried unanimously.

FUST - YES

JONES - YES

DELZELL - YES

TRENERRY - YES

MCVAY - YES

D. EAGSA - EQUITABLE WATER CHARGES (DISCUSSION/ACTION) - Chair Fust stated that there was discussion at the last EAGSA meeting regarding equitable charges from each District/Government entity. Directors Jones and McVay were also present at this meeting and provided comments. The EAGSA Board was receptive but asked that each entity discuss and provide ideas and information to the Managers to review at the next EAGSA management meeting. Final agreement would be at the EAGSA Board level. Director McVay gave a review of the costs per each six entities and the possibility of a more equitable sharing of those costs. There is a possibility that

these costs may be covered by a grant. Discussion followed on the EAGSA MOU and whether the District could or should back out. Director Fust indicated that legal should review because the District needs to keep costs down. The Board discussed whether to provide a recommendation and bring an idea forward to negotiate with the EAGSA Board. Chair Fust stated the District had a little bit of time before having to finalize a plan. Director Jones indicated we had good discussion this evening and that if each Board member jots down their ideas, we should be able to develop a plan.

Dennis Possehn thought that a better way to allocate costs would be on the amount of water pumped from the wells. He indicated that in some years Clear Creek will pump very little well water. The Board noted that each of the six entities had different water needs so that may not work effectively. The Board discussed pursuing grant projects through the Department of Water Resources and agreed that it be added to the District's proposal. Chair Fust indicated that he was willing to work with IGM Palmaymesa to develop a plan proposal and bring it back to the Board for review and approval.

E. INCREASE OF THE CURRENT WATER ALLOCATION (DISCUSSION/ACTION) -

Director McVay indicated that after reviewing June's water usage, he recommended that the water allocations be raised. He stated that the community has really reduced their usage and we must use the water purchased from McConnell. He recommended that the maximum be raised from 29 HCF to 40 HCF for the small users and recommended that the 60% maximum for other users be raised to 75% of 2019 allocations. IGM Palmaymesa noted that according to the usage numbers, this proposal was doable. Director Jones asked about a 60 day review. IGM Palmaymesa stated that the water usage is tracked constantly and reviews can be made and shared at any time. IGM Palmaymesa voiced concern regarding the need to modify the drought ordinance with proper notification and posting, even though it was improving the allocations.

Pam Beaver stated that the Board should move forward to approve the increased allocations as some people are starting to lose their landscaping and trees. Sally Lunn noted that this increase will relieve staff from handling protest letters and having to adjust accounts. After further discussion, Director McVay moved to increase the allocations for all customers immediately to 40 HCF per month who currently are at 29 HCF per month and the percentage customer to 75% from the current 60% of 2019 historic allocations. Director Trenerry seconded the motion. Accountant Christy had questions on how this was to be implemented and how staff was going to handle. IGM Palmaymesa indicated that code changes on the software can be made fairly easily. Accountant Christy confirmed that it would be the following billing cycle for customers that would reflect the increased water usage. The Board discussed notification via the website, the newsletter, and Facebook. The above motion was voted on and passed unanimously.

FUST - YES

JONES - YES

DELZELL - YES

TRENERRY - YES

MCVAY - YES

F. HISTORIC PAST DUE ACCOUNTS (DISCUSSION/ACTION) - Accountant Christy reported on the historic past due accounts and asked for Board approval to write off Book 200 accounts totaling \$61,680.85. These are aged accounts. Additionally 60% of Books 90-199 will need to be written off. Accountant Christy stated all the office staffed worked on investigating manually all 848 accounts that were past due and not a current account. She stated that the District is working with a collection agency but that the District will have to attempt to collect the Book 200 accounts (471 accounts) since they are over seven years old. Accountant Christy spoke about the collection process, the write off percentages, and amounts the District could possibly collect themselves. Staffer Sally Lunn also reported on many current accounts that are not paying the fees associated with having water service regardless if water is being used. Director Jones confirmed that this would help clean up the accounts and get the District ready to convert to Quick Books. Accountant Christy stated this was the last piece of correction that the auditors needed. Director McVay moved to write off the 471 accounts listed in Book 200. Director Trenerry seconded the motion, which carried unanimously.

FUST - YES

JONES - YES

DELZELL - YES

TRENERRY - YES

MCVAY - YES

Accountant Christy indicated that there was a second part that needed Board approval which is the amount from Books 90-199. That write off would be for the entire amount but that the District would collect an estimated 20% of that amount which is \$7,620.29. Staffer Sally stated that they were reviewing the shut off policy and the District's hands were tied when it came to some of the state's program like Cal Works and MediCal. Director Jones moved to write off the entire amount of Books 90-199 totaling \$38,101.45 and that the District would collect an estimated 20% of that amount which is \$7,620.29. Director McVay seconded the motion which carried unanimously.

FUST - YES

JONES - YES

DELZELL - YES

TRENERRY - YES

MCVAY - YES

OPERATIONS & ADMINISTRATION:

- A. Operations Report - IGM Palmaymesa reported that the Board of Supervisors voted down the Tierra Robles Subdivision. There are 242 current delinquent accounts. There was a leak on Lassen Avenue that was repaired quickly. He reported that in June there was 68 AF of surface water used and 105 AF of well water. Additionally, two of the ponds have been cleaned and the sludge taken to the landfill.
- B. Questions/Public Comments - Beverly Fickes asked that the budget be balanced when it comes back in front of the Board. There should not be a \$184,000 deficit.

She also reported that the next LAFCO meeting was August 4, 2022, at the Shasta County Board of Supervisors chambers. Accountant Christy said they had prepared some financials with account balances that can be shared with the Board and public.

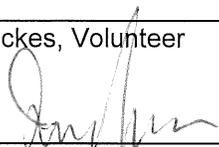
- C. Standing Committee Reports - Director McVay reported that the Finance Committee met regarding the Cal-OES requirements and that they would meet again to clean up the budget. Chair Fust stated the Planning/Steering Committee is proposing to meet soon. Director Trenerry reported that the Agriculture Committee met prior to the Board meeting and Dennis Possehn came up with some good suggestions. Director McVay indicated that the Agriculture Committee agreed on a Chair for the committee and that the other standing committees should do the same.

Director Trenerry reported on the free Dump Day and that vouchers will be handed out at the District office. The dates will be from September to October 31, 2022.

ADJOURNMENT: Chair Fust adjourned the meeting at 8:23 p.m.

Submitted by

Beverly Fickes, Volunteer



Irwin Fust, Chair

Chuck Jones, Vice Chair

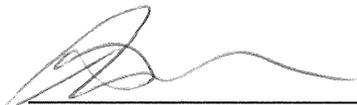


Johanna Trenerry, Director

Patricia Delzell, Director



Scott McVay, Director



William Palmaymesa, Interim
Manager/Chief Plant Operator