

CLEAR CREEK COMMUNITY SERVICES DISTRICT

Board of Directors, Johanna Trenerry – Chairwoman, Irwin Fust – Vice-Chairman,
Virginia Bassham – Director, Mark Engel – Director, Murray Miller – Director
5880 Oak Street, Happy Valley, CA 96007
Phone: (530) 357-2121 Fax: (530) 357-3723

REGULAR MEETING

Wednesday, August 19, 2020 at 9:00 AM
District Office - 5880 Oak Street Anderson, CA 96007

Due to COVID-19, the need to ‘shelter in place’ and in compliance with CA Executive Order N-29-20 the July Board of Directors meeting will be held via Zoom (video) or telephone conference and will be available for the public to attend. We have established an entry point for log in and attendance. In your web browser type in <https://zoom.us/> and in the upper right of the screen click on “join a meeting”. When the next page opens enter the meeting ID number 309 792 2136, in the field meeting ID click the blue box below the meeting ID after entering the ID number. The next screen will allow the user to enter the password. That password is 5zY2c1. It is case sensitive. The next prompt will have you wait for the host to bring you into the meeting. For those who would rather place a telephone call the dial in number is 415-762-9988, enter meeting ID listed above and listen to and follow the prompts to join the meeting.

MINUTES

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

STAFF: Kurt Born, Cary Brown, Roberto Chacon and Christy Roberts

AUDIENCE: Dave Bartle, Rodney Page, Kimberley Strong, Sandy Winters and Tammy Cole

CALL TO ORDER: The meeting was called to order at 9:02 AM

PLEDGE OF ALLEGIANCE: Was not announced

OPEN TIME: None

CONSENT/AGENDA: A motion was made by Vice Chairman Fust and seconded by Director Engel to approve the minutes from July 22, 2020 with corrections, paid bills dated 7/24/20, 7/29/20, 8/10/20 and 8/12/20 totaling \$203,864.97 and the July 2020 Financial Statement.

Motion was voted on and unanimously approved.

OLD BUSINESS:

None

NEW BUSINESS:

Proposition 218 – Adopt Ordinance 2020-08: General Manager Born stated the Ordinance basically says you have read and agreed to the findings of RCAC and to go ahead and send notices to the customers. We need to start the 45-day period and this will get us to that point. If the Board is in agreement with what you've heard, then this is the next step in this process in getting this rate increase done. Chairwoman Trenerry asked Mr. Fust if he had any questions? Mr. Fust stated yes, if we were to adopt this ordinance today then that would give us a 45-day clock and the information in the packet about the rate increase would be sent out to all the customers, correct? Mr. Born stated yes, the draft notification is in your packet and is the notice that will go out to the customers, with some minor corrections. Mr. Fust stated, now the question is, if this comes back to us and there are not enough negative votes, then it would be up to us at the Prop 218 hearing to either adopt this or not to adopt it, is that correct? Mr. Born stated yes, that is correct. Mr. Fust stated here's the question, I'm assuming this to be the case that if we do adopt the rate schedule at the Prop 218 hearing, the rate cannot be more than what is stated in the notice that went out to all the property owners and renters but my understanding is that the rate could be less, is that right? Mr. Born stated the odds of that are slim. Mr. Fust stated so the Board could adopt a rate schedule that is less than this draft, correct? Mr. Born stated that he would let Rodney Page of RCAC answer that. Mr. Page stated that the open side to that, is that you would risk the State having other issues with funding this grant and moving forward because they base their funding on accepted rate studies. They already have this model in their hands, I have already turned this into them. Chairwoman Trenerry asked Director Bassham if she had any questions? Mrs. Bassham stated yes, she does. If a customer has an 1-1/2" meter and they want to exchange that for a 1" meter, can they do that? General Manager Born stated that he doesn't see any issues with a customer requesting to downsize. In fact, what we are hoping for is. There are a lot of larger meters on smaller parcels that just don't need to be there and this would probably inspire those customers to downsize and that is the point of this is. Meters that are 3" and above, the District will pay the costs to have those meters changed out to a smaller meter but meters that are below 3", will be the customers responsibility to get their service downsized. A typical cost for meter replacement today is around \$300.00. Director Bassham stated just to clarify and repeat what you said, anyone with a meter that is smaller than 3", that wants to downsize to a smaller meter, the customer would have to pay all costs? Mr. Born stated yes. Chairwoman Trenerry asked Director Miller if he had any questions? Mr. Miller stated yes, he has a list of questions to ask. My question about the downsizing and in the Directors handbook, that the meter sizes are based on acreage and according policy. I just was wondering what we would say to customers that had meters put on their property due to policy and not by choice? General Manager Born stated no, meters are actually put in by choice and not by acreage. The policy dictates pretty 'lose' terms. When a customer comes to us and asks for a meter and it's a reasonable size, they get what they ask for. Director Miller stated in reviewing the minutes from the meeting last summer and noticed

we mentioned that we could have 4 or 5 different scenarios. I'm just wondering if there are other scenarios besides what we are being presented with today? Mr. Born stated that was a part of the leg work that was done in-house with RCAC and with staff, where we came up with different scenarios and rate amounts. We have had several meetings with RCAC to discuss the different options and ways to make this successful. Director Miller stated that, looking at the rate study and if it's based on randomly selected average bills, what was the sample size? Rodney Page stated that they used all the Districts records. Every drop of water that was delivered by meter was accounted for. We had 2300+ accounts entered in it, so there was nobody that was excluded and to get as accurate as possible. We used a years' worth of water usage to get an average. Mr. Page stated that Skip had them go in and make adjustments and come up with different scenarios and when it actually came down to running the numbers to what you see now, we went ahead and left those meters as being changed because if someone is not having a demand on that distribution system and using it to it's maximum capacity, then why would you want to pay \$700.00 when you could pay much less and have a meter that actually serves the property and the current water usage. We went ahead and built that into this model and meters would be replaced as part of the grant because a lot of these larger meters were installed by the Bureau of Reclamation. Director Miller stated his next question is, what if we have some low income customers that are having difficulty and what are some policies we have in place to help them and the potential of 1,000 customers possibly wanting to downsize and obviously that would drop our revenue? Mr. Born stated that another thing we are doing; currently we have second and third units going through one meter, such as a trailer park that have 50 residences on it, are not paying separate service charges but with everyone being metered they will be. So with consideration of customers wanting to downsize, we should still see an increase in the revenue because there will be those additional meters and additional service charges. Director Miller asked, so if we have customers that feel they can't come up with the new rates, do we have any process for that? I know PG&E has a process. Mr. Born stated we do not. It's something we've discussed from time to time. The District pays for every drop of water that goes through the system and I don't know of any programs out there that would give us that kind of relief and would pay us back because someone can't pay their bill. The bottom line is, if there is a customer that can't pay their bill, we have always worked with them. We are able get them on a payment schedule that works for them and it works out. Rodney Page of RCAC stated that they went ahead and made the assumption in the model and we have the ability inside of that, so we actually took a percentage of those larger meters and put them in as a billing inside so we could see what the real income and impact would be. So even if they do downsize, you will not see a difference. Mr. Page stated that you also have to remember, you are currently giving water away and you will not be giving water away anymore. It will be charged from drop one now and that makes a difference in income. Districts in this situation when they move over to what the AWWA standards are, they see an increase in income that affects that bottom line. Director Miller stated as he was looking at the budget and theoretically thinking about rates, what if all these customers with 1", 1-1/2" and 2" meters switch down to 3/4" and what that does to the budget overall but it is an option to have if they

can't afford it. Vice Chairman Fust stated that a lot of this will not be done immediately but will happen over a period of time and I could see where one will offset the other but I don't see everybody switching from a 1" meter to a 1/2" meter right away. I believe we will have time to work through this and see where we stand. Office Manager Cary Brown stated to Director Miller that in going through this whole process, I thoroughly went through all the customers and did just as your saying, the 'what-if's' so that's where these numbers come from and how many of these customers are actually likely to switch out because they really do use the amount of water the meter allows for. The same thing for the 2" and smaller meters, I honestly do not feel these prices will be so high that people will want to switch out. I do understand your concern with the low income but I don't think it's going to be a major issue and like Mr. Fust stated, this will play out in time. Director Engel stated that looking at the price between 1" and 1-1/2" is significant and as far as the monthly base charge and going up from there is even more significant. I think if I was one of those customers and I didn't think I needed the bigger meter, then I would definitely be looking at downsizing my meter but we have already covered this so I do not have any additional questions. Vice Chairman Fust stated with regards to those people who have trouble paying their water bill and I know the power companies, like City of Redding and PG&E, have structures set-up to work with people. I'm not sure that we can do the same kind of thing with our small water company and our limited resources but it's something we should look at and I suggest we have it on an Agenda for a future Board meeting. Director Miller stated he wished there were more options and he is opposed. Director Engel stated that this is a significant increase but it has been studied extensively and there is more than one reason we need to do this. We have big infrastructure problems and moving forward will put us into a position where we will be eligible for outside funds and I wish there was another option as well; however I feel it is necessary for us to do this. Director Bassham made a motion to move forward with Proposition 218 and Vice Chairman Fust seconded. Motion was voted on and approved.

Ayes: 4 Nays: 1 Abstain: 0 Absent: 0

Appropriations Tax Limitation for 20/21 Fiscal Year – Ordinance 2020-09:

General Manager Born stated this is the same Ordinance we do every year. It keeps us in compliance with the California Constitution and just states that we can't spend any more than \$598,981.25, which our cap dollars equal \$365,00.00 anyway. This is just a matter of following protocol that is established by the State. Vice Chairman Fust made a motion and Director Engel seconded. Motion was voted on and approved.

Ayes: 5 Nays: 0 Abstain: 0 Absent: 0

Reimbursement ASADRA/SWRCB – Ordinance 2020-10: General Manager Born stated that this Ordinance gives him the option or opportunity to sign documents and represent Clear Creek CSD in determining and finding assistance through ASADRA. This is in addition to FEMA funding. This is a part of the process that is required. Director Bassham made motion and Director Miller seconded. Motion was voted on and approved.

Ayes: 5 Nays: 0 Abstain: 0 Absent: 0

Authorizing General Manager/Agent – Ordinance 2020-11: General Manager Born stated that this is another Ordinance that is similar to the one we did several years back for the Backwash Recycle Project and it allows me to review and sign assurances and certifications on behalf of the District. It is part of what the State Water Resources Control Board requirements for us to move forward with their assistance. Director Miller made a motion and Vice Chairman Fust seconded. Motion was voted on and approved.

Ayes: 5 Nays: 0 Abstain: 0 Absent: 0

OPERATIONS & ADMINISTRATION

STAFF REPORTS: Nothing to report

STANDING COMMITTEE REPORTS: Chairwoman Trenerry stated that the free dump day they do every year has been cancelled due to Covid-19. Mrs. Trenerry stated that she did not want to subject the girls in the office to the traffic coming in to get the vouchers. Maybe it can resume next year. Mrs. Trenerry stated they are still scheduled to pick up the roads in October. If you see trash, please let the County know.

Vice Chairman Fust stated that LAFCO is moving along and they are in the midst of electing the Special District Director seats 1, 2 and an Alternate to the commission.

Chairwoman Trenerry asked Director Engel about attending the JPIA meeting? Director Engel stated that he did attend the meeting and asked if this discussion can be deferred to next months meeting because there is so much information to pass along? All Board members agreed.

QUESTIONS and/or PUBLIC COMMENTS: In discussion about the Prop 218 Ordinance; audience Sandy Winters stated that she had the Government install a 4" meter and we run irrigation almost every night. We can't go on a 3/4" or 1" meter. If you guys come and change my meter, I need at least a 2" to run irrigation on our 7 acres. General Manager Born stated that we can discuss this but you, the customer, will

determine the meter size. Mrs. Winters stated that they sell grass-fed steer and she sells produce at the farmers market in Igo and it helps pay their water bill. If prices are going up because of the size of the meter, then she has to look at downsizing and that's something she really doesn't want to do. Mrs. Winters asked if we could consider a senior discount? Mr. Born stated that was what Director Miller was referring to and it is something Mr. Fust suggested we talk about in a future Board meeting.

Audience Sandy Winters asked what we pay LAFCO \$5500.00 a year for? Vice Chairman Fust stated that you pay LAFCO every year because the State says you have to. It is a State law that was established back in the 1960's and every County has to have a LAFCO. LAFCO sets boundaries for Special Districts, sets boundaries for Cities, sets the Sphere of Influence and is a 7 Member Commission. General Manager Born stated that LAFCO rates are reasonable and the benefits are great. Mr. Fust stated that every entity pays and is based on District budgets with Bella Vista having a largest contribution of the Special Districts. Apportionments are done by the Auditor each year. Chairwoman Trenerry thanked everyone for their input and supporting the General Manager.

ADJOURNMENT: 9:48 AM

Submitted by,

Christy Roberts

Johanna Trenerry, Chairwoman

Irwin Fust, Vice Chairman

Virginia Bassham, Director

Mark Engel, Director

Murray Miller, Director

ATTEST: _____
Kurt Born, General Manager