

CLEAR CREEK COMMUNITY SERVICES DISTRICT

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

REGULAR MEETING Wednesday, August 21, 2019 at 9:00 AM District Office - 5880 Oak Street Anderson, CA 96007

MINUTES

DIRECTORS: Johanna Trenerry, Irwin Fust, Doug Evans, Virginia Bassham and Mark Engel

STAFF: Kurt Born, Rick Cascarina, Christy Roberts and Bill Palmaymesa

AUDIENCE: Steve Nelson, Nora Willson and Tammy Cole

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

PLEDGE OF ALLEGIANCE: Chairwoman Trenerry led the Pledge of Allegiance

OPEN TIME: None

CONSENT/AGENDA: A motion was made by Director Bassham and seconded by Director Engel to approve the minutes from July 17, 2019, paid bills from 7/25/19, 7/31/19 and 8/9/19 totaling \$122,583.44 and the July 2019 Financial Statements. Vice Chairman Fust stated that he was not present at the last meeting and will abstain. Motion was voted on and unanimously approved.

OLD BUSINESS:

None

NEW BUSINESS:

Appropriations Tax Limitation for 2019/2020 Fiscal Year-Ordinance 2019-05: Chairwoman Trenerry asked the Board Members if they had any questions for General Manger Born. General Manager Born stated that it's the same one we do every year, it's required by the State of California and the numbers are provided by our auditor and are then put into a new ordinance. A motion was made by Vice Chairman Fust and

seconded by Director Engel. The motion was voted on and approved.

Consideration for Health Insurance – Rick Cascarina: General Manager Born stated that he spoke with someone at PERS to get a clearer understanding of how the OPEB account/program works. The employees have been funding this account since it started in 2010. Mr. Born stated that Rick Cascarina's request is not out of line. Rick has paid into this OPEB account and he should get what he has paid in, given back to him. This is zero cost to the District. Director Engel stated that for clarification; what we are being asked here is that we waive the 20-year time of employment? Mr. Born stated that all Rick wants is the money he has paid into the OPEB program given back and Mr. Cascarina agreed. Director Engel stated that his concern with this, is that he doesn't want to establish a precedence. Mr. Cascarina stated he is the only employee that falls into this position because of his age. Mr. Cascarina stated that he chose not to participate in the OPEB at the time he was hired and he did not sign the OPEB form. Mr. Cascarina asked the bookkeeper at the time 'do not with-hold OPEB monies from my paycheck' but it was deducted from his paychecks anyway and he was later informed he must participate in the OPEB program. Vice Chairman Fust asked Mr. Born to explain how the District is not paying for this? Mr. Born stated that all current employees who are OPEB members pre-fund this account with a deduction from their paychecks every two weeks. Vice Chairman Fust asked Mr. Born if the other employees understand this is where we are getting the funds to pay Rick back for his OPEB contributions? Mr. Born stated yes, all employees understand this is what their OPEB deduction is for on their paycheck and this is a part of their employment here. Vice Chairman Fust also asked Mr. Born what happens if there is not enough money in the OPEB account to fund other retirees? Mr. Born stated that the OPEB program is evaluated and an actuarial is done every year that tells us how much we need to be funding this account, in order to keep up with the costs of providing health insurance. They give us those numbers and when those numbers need to be adjusted, it is passed onto the current employees. Director Bassham asked if all new employees must participate in the OPEB program? Mr. Born stated yes, it's a part of their new hire packets. Director Bassham asked Mr. Born if the OPEB account goes bankrupt, is the District responsible? Mr. Born stated no, this is a pre-funded employee only investment account to help pay for future health care costs. Director Engel stated that he is ok with this if all the affected employees are aware and are ok with it. Mr. Born stated he will call a staff meeting and request a vote from the employees. Chairwoman Trenerry stated if the vote is yes, go ahead with it and it does not need to be brought back to the Board. Director Engel stated we do not need a motion, just direction from the Board. The Board Members thanked Rick Cascarina for his dedication and service to the Clear Creek CSD.

Request for Assistance from State Water Resources Board: General Manager Born stated he has been working with Rodney Page from RCAC to help us move forward with the Prop 218 process, which includes giving them mounds of information that they will be put together in a spreadsheet. Mr. Born stated they will give us 4 or 5

different scenarios for the Board to choose from as far as the proposed rate increase. It will show how the rates will be affected in each given scenario. RCAC will present it to the Board with their suggestions to help the Board Members make a decision and determine which rate increase scenario to go with. Mr. Born stated that RCAC has been doing rate studies for utility districts for 25+ years and in addition to the rate study, we are seeking 100% grant funding for the 10" line replacement. Mr. Born stated that initially he was told the rate study would be complete in January but they have already started the process and we are moving in a positive direction and they know the importance for us to get this increase done. Mr. Born stated as of now he does not have a completion date. Director Engle stated we must keep in mind that when it is complete and they plug-in the numbers, we still have a 45-day wait period. Director Engel asked if there is any chance we can get this done by January 1, 2020? Mr. Born stated that was the initial date given to him by RCAC and he hasn't heard any different, so he assumes that will be the date at the latest. Mr. Born stated they have all the information they requested. It is a matter of them taking the time to get it done. Mr. Born stated that RCAC will come to a Board Meeting to discuss what they are proposing and they will also be present at the Prop 218 meeting to give their presentation to the Board and to customers, to explain how it works. Director Engel thanked Mr. Born for the update on the rate study.

Shasta RED – Cottonwood Estates Project – Tierra Robles - BVWD: Mr. Born stated that Engineer Steve Nelson who is working with Shasta RED is here and he is doing the Tierra Robles development project in Bella Vista and the Cottonwood Estates project. Mr. Born invited Mr. Nelson to the podium to speak. Mr. Nelson stated he is currently working in Palo Cedro on a 166-parcel project and trying to get it through the approval process with Shasta County and one criteria implemented by the County is to find a source to augment the water during drought periods to the Bella Vista Water District. Mr. Nelson stated they do not know how much or how long but they are investigating sources. Mr. Nelson is asking Clear Creek CSD to consider negotiations with them so they can utilize the remaining allocated water and have it diverted from Whiskeytown Lake and have it drawn by Bella Vista Water District to his project. Mr. Nelson said he is scheduled to go back to the Shasta County Planning Commission on September 12th and he is hoping to go back to them and have at least a name with a source of water that he can potentially enter negotiations with. Mr. Nelson stated this could be a 20 - 30 year agreement and they recognize that they could be paying for water that they may never use. Mr. Nelson stated he has a meeting with Bella Vista Water District next week to nail down exactly what that volume of water is needed. Mr. Engel stated that we are in the business to sell water but without any real numbers, all we can do is talk. Vice Chairman Fust asked Mr. Born if we consider this, what will happen in a drought year and what does the USBR think about this? Mr. Born stated that depending upon the year and the severity of the restrictions that are handed to us, that would determine how much water the Bella Vista project would get. Mr. Born stated that because it's in the same County, he doesn't think the USBR would have a problem with this. Mr. Born stated that this contract would be something that they will

have to look at every year because it will vary upon availability and this will be a very complicated contract because our number one priority is customers in our District. General Manager Born stated that before any kind of agreement is reached, he wants a general direction from the Board Members and what their feelings are towards this? Director Engel stated that we are in a business of selling water and Director Bassham agreed that we do have extra water to sell. Mr. Born asked the Board Members for their approval to proceed with this to the next level? All Board Members stated 'yes' and they agreed to move forward. Chairwoman Trenerry stated this is with no guarantee. Mr. Born stated that nothing can be done without a contract and a contract has to come back to the Board for approval. Director Engle asked if the reimbursement agreement has been reviewed by council? Mr. Born stated, not yet. You are the first to review it and make any changes, then it goes to council for approval. Mr. Nelson stated that is a way for the District to make a little money and it wouldn't cost the District anything. Director Engel thanked Mr. Nelson for his information. Director Bassham asked all the Board Members if they agree we are to move forward and see where it goes? All Board Members agreed. Mr. Nelson excused himself from the meeting.

WIIN Act Update: Vice Chairman Fust stated that there is still verbiage in the WIIN Act that states if we agree and go with the WIIN Act, essentially our Ag rates will go up five times. Mr. Born stated that our Ag rate will have to adjusted and that another thing to consider is; Bella Vista is not doing the ability to pay (ATP) study and they are going with the WIIN Act, which means Clear Creek CSD will be absorbing the entire cost of the ATP study. Mr. Born stated that some time soon the Board will have to make a final decision. Director Engel asked what the numbers are and Mr. Born stated, not good. It's a gamble if we go with the ATP study and it's a gamble that I think we will lose. Mr. Born stated that our customers just don't qualify for Ag like they used to. Our primary water users were olive orchards and most of them are not in production because they cannot sell their product and as far as the USBR is considered, our other smaller Ag accounts just don't qualify as a commercial type industry. Ag is going away. Chairwoman Trenerry stated if we go with this, what am I supposed to tell all of the other Ag customers? It's our responsibility to stand-up for Ag customers. Chairman Fust agreed and stated we should fight and go with the ATP study. Director Engel asked if we could re-cap the timelines for the WIIN Act? Mr. Born stated that he thought it was December but he will nail down the dates for us to be able respond. Mr. Casarina stated his concern for the District and trying to save the Ag and in doing that, are we trying to save a few for the detriment of many? Director Engel stated that looking into the future and what is important, it is the survival of this District.

FEMA Backwash Pond Repair: Mr. Born stated that we'll have to take a step back from this and re-evaluate. Everything had been approved and signed off in Sacramento and Texas, except for one guy and he stated he would not sign and that we need to prove that the damage was a result of the fire. Mr. Born stated that he thought it was black and white; we proved that pre-fire there were no leak issues and post-fire there

are massive leak issues. Mr. Born stated that is guy wants something signed off by an engineer that says exactly that and our engineers won't sign off because they didn't know the condition it was in before the fire. Mr. Born says that he will get back into contact with his program manager and find another way to make this work. Mr. Born stated that thankfully our insurance company has picked up most of the cost, FEMA has not paid a penny. It's a very frustrating process here a year later.

OPERATIONS & ADMINISTRATION

STAFF REPORTS: Filter Plant Operator Bill Palmaymesa stated that the Water Treatment Plant is operating good and we've been making 8-9 million gallons of water per day. Mr. Palmaymesa stated we just completed cleaning out pond 2, which was 115-tons of sludge that got transported to the dump and we are using the pond for the first time since July 2018. We are working with Strange & Son Fence to replace 800-feet of fence that was damaged in the fire and the replacement chlorine doors are tentatively scheduled for the end of September. Director Bassham asked Mr. Palmaymesa about the algae that's being talked about that is dangerous for pets? Mr. Palmaymesa stated that yes, blue/green algae is toxic to humans and animals but that is in two ponds to the North of the Treatment Plant and they are isolated from the main body of the lake This algae is nothing new and it happens almost every year.

STANDING COMMITTEE REPORTS: Chairwoman Trenerry stated that starting September 1st through October people will be able to get one free dump voucher. Also in October will we schedule to clean up the roadsides. Vice Chairman Fust stated that LAFCO is entering a new fiscal year and will be doing updates. Vice Chairman Fust stated the GSA had a meeting last week and in their presentation; we are considered a medium ranking. They've established that the surface and ground water that comes through every year is almost 2 million-acre feet of water that goes down the Sacramento River. We can easily sustain our groundwater, unlike down south. We have a lot of water. Vice Chairman Fust stated there is nothing scheduled for the monitoring well yet but there is a public outreach that will take place on October 16th from 5:30 to 7:30 at the United Methodist Church in Redding if anyone is interested in going to that.

QUESTIONS and/or PUBLIC COMMENTS: Audience stated the number to call for illegal dumping is 866-618-7274 for this area. Or call SHASTACOM.

ADJOURNMENT: 10:34 AM

Submitted by,

Christy Roberts

Johanna Trenerry, Chairwoman

Irwin Fust, Vice Chairman

Doug Evans, Director

Virginia Bassham, Director

Mark Engel, Director

ATTEST: _____
Kurt Born, General Manager