

CLEAR CREEK COMMUNITY SERVICES DISTRICT

Board of Directors
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Johanna Trenerry, Chair
Irwin Fust, Vice-Chair
Murray Miller, Director
Cedric Twight, Director

SPECIAL MEETING **Monday, August 4, 2021, 6:30 P.M.** **District Office Board Room**

MINUTES

The minutes were transcribed from the meeting video that can be found on YouTube.com. If exact language is required on a topic, the video can be located by searching the following on YouTube, “CCCSD Special Meeting 8/14/2022, part 1 of 2.”

DIRECTORS: Johanna Trenerry, Irwin Fust, Murray Miller, and Cedric Twight,

STAFF: Bill Palmaymesa and Kristen Thomas. General Manager Skip Born: Absent.

AUDIENCE: Full auditorium

1. CALL TO ORDER: Chair Trenerry called the meeting to order at 6:30 p.m.

2. PLEDGE OF ALLEGIANCE: Director Twight led the pledge.

3. OPEN TIME: (Many of the names were not audible, or may be misspelled)

Many comments were received including being worried about the health of the elderly, that if they could not pay their bill, their water would be turned off. Another comment made that using evaporative coolers may push them over the maximum 29/HCF per month. Director Fust responded that he uses swamp coolers and he does not have a problem going over on volume. Mark Juarez spoke in behalf of his mother, Gloria – who produces 300 acres of olives in Happy Valley. He suggested it is time to re-do our contract with USBR. The Directors responded that it would be too risky, if we did not come to an agreement, the Bureau potentially could cancel our water contract. Mr. Juarez also said he understands and supports the price increase, but did not agree with the RCAC proposal of setting the cost by meter size. He also said it was not fair that the McConnell Foundation can use all of their water without being cut. A customer asked how the 29 HCF was calculated. Staff Palmaymesa replied it came from what the well can produce.

CONSENT/AGENDA: None.

OLD BUSINESS: None.

4. NEW BUSINESS:

A. DEVELOP A FISCAL PLAN TO FUND THE DISTRICT THROUGH 2021:

a. **Monthly cash flow analysis through the end of the water year.**

Director Fust announced the Bookkeeper had resigned and her last day is tomorrow, and that Cary Brown, the Office Manager, had also resigned, and her last day is the end of the week. Director Fust stated he has no idea where the District is financially. Maybe the District can borrow from the Public Employee Benefit Fund? The District has to pay General Manger Skip Born another pay check, and then when he leaves the District owes him 220 hours -- \$110,000.

Director Twight expressed his concern the District is “blowing” through the Redding water fast and that it is almost gone. Staff Palmaymesa agreed and added we cannot afford to buy more water at this time. Director Twight added maybe a customer would loan or donate money to the District. Director Murray explained the different options the District has to borrow money. It is crucial that the Prop 218 rate increase is passed. We all need to conserve.

Director Twight brought up the option of buying 500 ac. ft. from Knights landing. All of us need to really conserve or we will blow right through that water, too.

Attendees asked if McConnell Foundation could give us a grant. Scott McVay suggested Ag customers be allowed to buy an acre foot or more water for themselves and pay for it up front. Others said not to leave a stone unturned looking for a loan, and also to hire a Bookkeeper immediately. John Berry added, the District cannot seek a loan and not know how much you need. Sara Lincoln said a Bookkeeper needed to be hired right now; put it in a motion! Charles Hanson stated the District’s meters are old and worn out. The District has not kept up maintaining its infrastructure. Ms. Spade asked, “If we do not buy more water, will we run out?”

Staff Palmaymesa responded that we have the capacity to pump 1,500 gpm – 180 acre-feet per month.

Colleen Wogoman, referring to Director Twight’s comment, said she would not be donating money to the District without a Bookkeeper to keep track of it.

Director Fust moved to seek additional funding from banks or other lending institutions, wherever the District can find it – to solve our financial solution. Director Twight seconded the motion. The motion passed with a unanimous vote.

Sonia Welch asked if the District is paid for water used during a fire. Director Fust replied, yes as long as CalFire records the volume they are taking from the hydrant.

b. Ag rates/Ag water:

Directors Twight and Fust explained the situation with the Bureau (USBR) on Ag (Irrigation) and Domestic (M&I) water. We are a small water district and have almost no influence on Bureau decisions. We have 15,300 acre-feet of water contracted through the Bureau. If you want cheap water, you have to operate a farm, have a business plan, and fill out a crop report.

Director Fust made a motion to hire a Bookkeeper. The motion failed without a second. The other directors felt they could not vote on an item not on the agenda. They also asked if an employee from another water district could help us out getting our books in order.

B. REPORT AND DISCUSS THE WATER BUDGET FOR THE REMAINDER OF THE WATER YEAR:

a. Discuss well production forecast:

Staff Palmaymesa explained the water schedule. Well #3 was producing 180 acre-feet per month.

b. Discuss options for ensuring the CCCSD does not violate its Bureau Contract without purchasing additional water.

Director Twight explained if we get into the position of using Bureau water not allocated, at a minimum, the District would have to replace the water taken, and at worst we could lose our contract with the Bureau, meaning we would lose everything. Brenda Konicek suggested putting penalty and late fee income into a Trust Account to ensure the money went to purchasing more water.

c. Develop a Workable Variance Process for the Drought Restriction Penalty Ordinance:

Colleen Wogoman expressed that the Board is making us pay for their mistakes. Director Twight responded that there is a long laundry list of items that need fixing. These cannot be solved tomorrow ... it is going to take time. Staff Kristen Thomas stated a customer can file for a variance, but currently we do not have any excess water to approve such variances.

Director Twight stated, the rate payers turned down the previous rate increase in 2019. Director Fust recalled the 2019 rate increase figures were wrong so the Board voted down the increase. Then the rate payers rejected the RCAC Prop 218 increase.

Director Miller re-read the drought restriction letter and the penalties if people go over. There was general discussion on how billing cycles may affect penalties and when customers will start seeing penalties on their water bill.

An attendee asked which Director has gone out and contacted loan institutions – which one of you? Director Fust responded, staff does not have the time as we do not have a General Manager. Nobody on the Board has time either. We need to hire a Bookkeeper and a General Manager – all this is not going to be done tomorrow, it is going to take time.

Director Miller moved that all revenue collected from fines and penalties, associated with the drought ordinance, shall have a separate line-item on the Activity Report. Cedric seconded the motion. The motion passed with a unanimous vote.

Director Miller moved that all water purchase donations will be placed on a separate line item on the monthly “Activity Report.” Director Fust seconded the motion. The motion passed by a unanimous vote.

Director Twight stated, we blew through the Redding water and strongly expressed that we need to be careful using surface water for variances, as it is unfair for folks staying under 29 HCF. We need to buy additional water and revisit the water schedule in September. Director Miller discussed how variances would work. Beverly Fickes asked, “If this was only if there was additional water available.” Director Fust explained that Staff Palmaymesa would be the one to review and approve variances. Beverly Fickes asked, are all variances going to be turned down this month? Director Fust replied, “Yes.” Scott McVay asked again, if he can buy additional water for himself – and others do the same.

C. PURCHASE OF WATER FROM KNIGHTS LANDING INVESTORS:

Director Twight explained, the Bureau recommended not buying water from Knights Landing Investors directly; instead, buying water from Redding ... then Redding buys that water from Bella Vista ... then Bella Vista buys the Knights Landing Investor water. This is all because there are existing contracts in place and an environmental assessment, taking months to be approved, would not be required

Scott McVay asked, if he could donate water to another customer. The Board discussed it and responded – No, it is not legal to do so.

Staff Palmaymesa explained the plan for buying Knights Landing Investor water and how it would fit in with our well water production. Beverly asked, if the District has to pay for that water in October. Staff Palmaymesa responded, no.

Director Twight moved to purchase 700 acre-feet of water from Knights Landing Investors in a three-way water transfer. Director Fust seconded the motion. Discussion: Scott McVay said he was concerned about what it will cost the customers. **A vote was taken and the motion passed unanimously.**

D. APPOINT AN INTERIM DISTRICT MANAGER/ADMINISTRATOR:

Director Fust moved to appoint Staff Bill Palmaymesa as Interim General Manager. Director Miller seconded the motion. The motion passed unanimously.

5. BOARD TO ADJORN TO CLOSED SESSION:

6. REORT OF ANY CLOSED SESSION ACTIONS:

Director Miller: Announces the Board passed a motion that the Office Manager’s position will remain vacant, and that other staff will be hired to fill in as needed.

QUESTIONS/PUBLIC COMMENTS:

Scott McVay brought up the topic of the PUD fee, that the District only pays \$0.12/acre-foot, and customers are charged \$0.12 per HCF. He asked, what account is the additional revenue going into? Director Fust replied he believed the income was going towards water purchases. The other directors agreed.

Director Fust stated he was also concerned about the “Merchant Account.”

Beverly Fickes urged the Board to hire a Bookkeeper. Staff Kristen Thomas cannot do it all herself!

OPERATIONS AND ADMINISTRATION: None.

STANDING COMMITTEE REPORTS: None.

ADJORNMENT: Chair Trenerry adjourned the meeting at approximately 10:55 p.m.

Submitted by:

Dennis Possehn, Volunteer

Johanna Trenerry, Chair

Cedric Twight, Director

Irwin Fust, Vice Chair

Murray Miller, Director

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✓GM Approved 8-17-22

Irwin Fust, Vice Chair

Cedric Twight, Director

Murray Miller, Director