

## **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, April 21<sup>st</sup> 2021 at 9:00 AM**  
**District Office - 5880 Oak Street Anderson, CA 96007**

Due to COVID-19 the 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, password: 892752# and follow the prompts to join the meeting.

### **MINUTES**

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

**STAFF:** Kurt Born and Kristen Thomas

**AUDIENCE:** Beverly Fickes, Terry, Sandy Winters and others, we were unable to get the names from Zoom.

**CALL TO ORDER:** The meeting was called to order at 9:00 AM

**PLEDGE OF ALLEGIANCE:** Chairwoman Trenerry led the Pledge of Allegiance.

**OPEN TIME:** Director Engel stated, I would express to the Board with my own appreciation, multiple community members sent notes and letters expressing their appreciation and support of the Board of Directors and the staff here. We the Board agree, Clear Creek CSD has a great staff. We all appreciate you our customers as well.

Vice Chairman Fust stated, he would like to point out something. Over the last couple of weeks we have had some pretty major breaks in the lines and the staff has been scrambling to get these things fixed and I want to point out to people who are here at the meeting and would like you to pass it along to everyone else that you can be alerted to these breakages and whatever is going on with the district by going to the website and signing up on the alert side of the main page and just leave your phone number and your email and when these breakages take place or anything that is of a major problem in the district takes place, they will alert you. As a matter of fact, we had two boil water alerts during the last three weeks and people were alerted to that through the alert system and also when the boil water alerts were lifted. So, it is a good thing to get onto the website and go to the alert button and sign up for it.

**CONSENT/AGENDA:**

Director Miller stated, I just wanted to verify, I know we had some technical difficulties last time and I was under the impression that on page four, we were talking about the Drought Ordinance which was a long discussion and our note taker has done an excellent job trying to capsule it, I was under the impression at the end there at some point there was a motion and a second and then a challenge to that motion and then it was rescinded. So, I just didn't notice that in there and I was one of the ones that made the motion statement because it didn't have "public hearing" attached to it, so I just didn't see that in there and that is the only thing that I had a question about. Vice Chairman Fust asked Director Miller, excuse me Murray, can you tell me where in the minutes that was? I remember seeing something like that. Director Miller stated, so the fourth page which is right above where it says Auditor Services, there was some motion that was made and a second and I just don't remember who seconded it but I do know a community member, Beverly, countered it and then we went ahead and rescinded it because we recognized we had to treat it as a public hearing and with the financial statement I am just wondering, we got last minute the March one so we are just going to do February today, is that correct? Chairwoman Trenerry stated yes.

A motion was made by Director Miller to approve the March Board Minutes with correction and the February finance report, the motion was seconded by Vice Chairman Fust. It was voted on and unanimously approved.

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

**OLD BUSINESS:**

None

**NEW BUSINESS:**

**Schedule Evening Meeting for May CCCSD Board Meeting:** Vice Chairman Fust stated, Madam Chairwoman I was the one who asked to put this on the agenda, we have had several people in the community that wanted to have our Board meetings at night and I am putting this on the agenda today and asking the Board if they would be willing to meet at an evening meeting for our May Board meeting and that would normally be in the Board room at the District Office, so I'm throwing that out there. As a matter of fact, just to move the thing along, I will make a motion that we have Skip do an in-person evening meeting for the May Community Services Board meeting. Chairwoman Trenerry stated, I have some questions I would like to ask you. Are we inviting the public to come into this Board meeting? Mr. Fust stated, yes. General Manager Born advised, depending upon the restrictions (inaudible) I don't know what the restrictions are going to be as far as the state goes, we could allow a certain number of people with proper distancing, I know we could do that. So, I guess it kind of hinges on where the state goes and what the status is. Director Bassham advised, So Governor Newsom said that if the numbers continue to drop, he would have the state opened up by June 15<sup>th</sup> of this year. So, I mean it still is one month off but you never know, he might do it (inaudible) but that was what I remember him saying it and I'm like wow that's June (inaudible). Director Miller advised, Madam Chair, maybe with respect to Covid rules we could just try a Zoom meeting trial that evening just to see how many people come. There is several here this morning in a morning meeting and just see how it goes with an evening Zoom meeting. Director Mark Engel stated, I'm wondering if there is a specific reason other than the familiar reason that there are a few people out there that would like to have us do this in the evening time because we seem to bring this up every Board meeting for the last, what four to six meetings at least and every time it gets turned down and yet we do it again on the next meeting and I kind of would like to put a rest to this issue if in fact there is a rest. I can appreciate there is one additional cost related to evening meetings but at the same time I realize that would allow other certain people that would come to those meetings. The arguments in the past have been again, the additional cost and the fact that it usually lasts for a couple of months and then that's that. I kind of thought we put this to rest, so I am wondering if there is an additional reason why you want this specific meeting to be evening or if we are just going over the same territory again. Vice Chairman Fust stated, well Madam Chairwoman if I may, I put forth the motion and there has not been a second so apparently this motion has died. Director Miller advised, I would make a second for evening Zoom meeting but we can't obviously do an evening in person meeting. You don't have the parking space there, I mean think about it, unless you're going to open up the whole back end of your building back behind the fence, where are people going to park? We are going to have to do it on Zoom anyways because once you get people who cannot access the public in person meeting, you have to offer an option of online or teleconference or something, I have been living in these regulations or groups for over a year now so you have to have an online component at some point and to have that at your office there, that's what I

thought of between last time and this time, If we had five laptops there going on that internet for us as Directors or maybe if you had a camera going looking at the Directs and feeding it to another computer and we internet glitches then our online audience is gone. So, we have limitations with that building and with your internet connection there that I'm concerned about and if we have an evening Zoom meeting to see how many people could come to an online one and then if there is a good response, some have suggested using the community center, we could from there but that is my suggestion. Vice Chairman thanked Director Miller and goes on to state, that was my fall back motion as a matter of fact because the in person meeting dies for the lack of a second so my next motion is to have a Zoom meeting but an evening meeting in May for the May Board meeting and that is a motion. Director Miller seconded the motion and stated, we can give it a try and see how many people can go to that, we can keep track of how many are here in the morning now and see how many come to the evening there at the trial and go from there. Vice Chairman Fust stated, if there is no further discussion, I call for the question. Chairwoman Trenerry advised, I would just like to ask a question, if we get thirty people wanting to come on, are we capable of handling that? Skip says yes. (inaudible).

Chairwoman Trenerry asks Director Engel how he votes, Director Engle stated, I maintain my motion against evening meetings period. For reasons previously given as well as the fact that, to be honest with you that's my time to spend with my wife (inaudible) and I am very much in favor of keeping it that way but you have my point and (inaudible) Director Miller stated, there is a comment I think from the public. Chairwoman Trenerry (inaudible) Vice Chairman Fust advised, well are we voting or are we talking? Because let's do one or the other please, what are we doing?

Chairwoman Trenerry asks Director Engle how he votes? Director Engle stated, no. Vice Chairman Fust stated, Irwin votes yes. Director Miller interjects by stating, I think we are getting out of order here, we have a motion and a second and we open it for talking and commenting and the community hasn't. Chairwoman Trenerry stated, because you asked us to vote, now do you want to hear from the community? Director Miller goes on to state, well Irwin called for the question, which is Chair's determination, which Chair can say no we haven't had that discussion yet there is a hand up. Sorry Irwin. Vice Chairman Fust advised, no I called for the question, it's up to the Chairman. If the Chairman wants to open it up to comment from the public, that is fine.

Chairwoman Trenerry stated, I personally would like to open it up to the public because (inaudible) and I'm sure they are all going to vote for it but I want to give them the opportunity.

Audience member Sandy Winters stated, we've had the evening meetings for many many years over there even when had that little board room, people sat out in the lobby area. A lot of people parked on that gravel road to the north there, there was plenty of room for parking and whenever we had an item where there was going to be a lot of people there, we went over to the primary school but the community hall would be good too. Thank you Irwin for bringing this up (inaudible) a lot of people from the community want to get involved and I would really like to see the Board vote yes on this. Thank you. Chairwoman Trenerry thanked Sandy and asked if anyone else would like to comment.

Audience member Beverly Fickes stated, so I do not understand, the directors work and were elected from the pleasure of the community. If the community is asking for evening meetings, you need to go back to evening meetings. It's what the community wants. I respect what Director Mark is saying about his preference but unfortunately, it's not about what Directors want in regards to evening meetings, it is what the community has been asking for many many years. Thank you.

Chairman Trenerry asks for the vote. Vice Chairman Fust states, I vote aye. Director Miller states that he votes aye. Chairwoman states that Mark has voted no. Director Bassham voted aye, Chairwoman Trenerry stated this is just for May at this time. Can we clarify ourselves here, is that correct? Vice Chairman Fust advised, yes that was my motion. Chairwoman stated, ok thank you, I will vote yes. (inaudible) Vice Chairman stated, it will be a Zoom meeting. Director Miller stated, that was what the motion was on. Vice Chairman Fust repeated Director Miller by saying, that was what the motion was on. Director Miller adds, so that way we don't have to work out the (inaudible) Vice Chairman Fust goes on to say, let me back up, just for a moment so people understand. I made a motion originally to have the May meeting be an in-person meeting. It did not get a second so it died. So then after some discussion I made a motion to have a night meeting in May and make it a Zoom meeting. That passed so that's what we are going to have. Chairwoman Trenerry stated, right, thank you.

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

**Auditing Services – Request for Proposals:** General Manager Born stated, at the Boards request and at the suggestion of some of the customers, I sent out inquiries some of the other local Districts to find out what they have done to solicit for the auditing services and I contacted Centerville and found that they had just done one recently in the last year and got their template and had it filled out to reflect our needs, at least a draft one at this point to see if it was something that the Board found acceptable or if you want to see changes in this. What would you like me to do with it?

Vice Chairman Fust stated, I have a question about it, several as a matter of fact, if I may Madam Chairman? Right now we have an audit that's going on or maybe it is finished by now for the 19/20 fiscal year, now are we talking about this being for the 20/21 fiscal year? Skip? General Manager Born advised, based on the logistics of when the Board asked me to move forward on this. If you want me to move forward with it now, we will send out the request for proposal now, I don't know when we will get them back but we can send them out now anticipating that we will be using them at the beginning of the new fiscal year 2021/2022.

Vice Chairman Fust stated, wait a minute, we have an audit that has been done or is being done by Ricardi for the year 19/20 but we are going to be finishing the 20/21 year coming up in June this year. This is the year that we need an audit for, right? So, this particular request for proposal will go out to get an auditor for the fiscal year 20/21, 21/22, 22/23, 23/24? General Manager stated, depending on what the Board wants, if you want it to go for that length of time. That length was just covered in this particular request. So, depending upon how you guys want it tailored, we could tailor it to our needs, whatever you would like. Mr. Fust advised, by the way in here, there is an spot for that, you can do it for five years but you can still get out of it before that if you want. I also have another question, under the evaluation criteria for this, one of the evaluation criteria says that the audit firm has either principal offices or subsidy offices located within a 150 mile radius of Shasta County, who establishes that, the 150? General Manger replied by saying, we do. Vice Chairman Fust asked, is it possible to make that less than 150? General Manger stated, I don't know Irwin but I can find out if there are restrictions on or limitations on mileage. I don't believe there are and never heard that there was. I know that when this RFP went out that Centerville did, they went down as far as Sacramento when they did their research. Vice Chairman stated, that's why the 150 miles. GM stated, now the firm that they used is actually the same one that the Bella Vista Water District uses also, they are called Horton McNulty and Saetern, they are in Chico. According to the Manager over at Centerville, he said they are really easy to work with, they are good to work with and they were best with their skills knowledge but they were very helpful for them also. Mr. Fust stated, well that would come out in evaluating them if they submit a proposal for us. General Manager said yes, it's just that Chris over at Centerville said that he had no problems with their services. He felt that they did a very good job for them because they are the same kind of District as we are, they are a Community Services District just like Clear Creek is. Bella Vista is a little bit different because they are a Water District and the laws regarding Water Districts and CSD's are a little bit different.

Mr. Fust stated, ok so the other thing that we have to determine if indeed the Board would move to send out this RFP would be when the RFP's would be back to the District so that the Board can evaluate them and if we are talking about auditing the 20/21 fiscal year then we should be getting those request for proposals back by I would think no later than August or September of this year, that is my thought and I welcome any other comment or question. Director Bassham stated, I think because this firm specializes in water Districts, Community Services Districts, I mean it sounds like a good possibility that they just might be the ones to help us when we have to do our audits. Chairwoman Trenerry stated, I think it's for the 21/22 year. It is not for 20/21 its 21 and 22 ok Irwin? Vice Chairman Fust stated, wait a moment, let's get our things straight here, we already audited or soon to be audited and we soon will get the final audit for the year 2019/2020, what we do not have yet is an auditor for 2020/2021 and that is what we are talking about here unless we are going to put this off to the next year and allow Ricardi to do the audit for 20/21, do you see what I am saying? Director Engle stated, I see what you are saying Irwin and it appears to me that (inaudible) subject to what it is that an auditor can do so I guess maybe the question is what our preference at this time because I am not willing to (inaudible) without first seeing it out exactly. So you want to try to get us a new audit, a new auditor, a new contractor for 20/21 is that what you are saying? I don't see the question. Vice Chairman Fust advises, yeah, I am asking the question. If this Board votes to adopt this new request for proposal today, what year will it be for? Will it be for year 21/22 or will it be for year 20/21? We already have the audit in progress or almost done for the year 19/20, so that is done or should be done pretty soon and should be delivered to this Board pretty soon, Skip am I correct in that? General Manager stated that the years that we are having done right now is 20/21 so in July it will be year 21/22. Vice Chairman Fust stated, Skip I have a problem with that. We haven't finished '21 yet. Mr. Born advised, it is all based on fiscal year Irwin. Our fiscal year ends in

June of 2021. Mr. Fust replies by saying, right, exactly so how can we be auditing that right now, we are not done with the fiscal year yet. GM stated, we aren't done with the fiscal year yet. Vice Chairman Fust asked, so who is going to audit the 2020/2021 fiscal year? Chairwoman Trenerry advised, Irwin the fiscal year is looking for someone to pick it up for 2021 and it starts in July. Vice Chairman Fust interjects by stating, a fiscal year, excuse me, but look at this folks, the next fiscal year starts July 1<sup>st</sup> of this year and is the fiscal year 2021/2022, I am asking again, who is going to audit the fiscal year 2020/2021 which hasn't ended yet, who is going to audit that? Director Bassham stated, to get bid on who is going to do our audit for the year 2020 to 2021, July 1<sup>st</sup> 2020 to June 30<sup>th</sup> 2021. Mr. Fust states yes, who is going to do that audit? Director Bassham stated, that is what we are voting on. Vice Chairman Fust stated, that is what I am getting to, so this RFP that we are putting out should stipulate that this is for starting year 2021. Let's put that in the RFP, if it gets voted on, I don't know if it is going to get voted on. I am going to make a motion that we vote on it but if it does get voted on then it is going to say that this will be for the year, the first audit will be for the year 2020/2021 which ends in June 30<sup>th</sup> of this year. So, if we send this out today for instants, when would you want the proposals to come back to be evaluated so that the new auditor can audit the books once this fiscal year ends on June 30<sup>th</sup>, 2021, when do you want the proposals to come back, that is my question? It has to say that. Director Engle stated, I think it is a good point because what we have to do is get these bids back in time to make a decision about the fiscal year which is in process right now and will be over in June, we need it back before then. Vice Chairman states, no we don't need them back before the end of June, we need them back after June 30<sup>th</sup> so that we can evaluate the auditors at that time and then whoever is chosen then can do the audit for the year 20/21, I'm having trouble getting my point across apparently. So, what I am suggesting is that if the Board decides to vote on this RFP to go out today or tomorrow or whenever in the next week, then when do you want the proposals back? Now this is April so if you give the auditing firms all of May, all of June, all of July, I don't know how long it takes to get proposals back but three months should be plenty of time to get proposals back from auditors, I would think. Then that would be July 31<sup>st</sup> then the Board can take the next two months to evaluate them and this is where the finance committee comes into play. The finance committee would be the committee to initially look at the proposals and theoretically get rid of the ones that don't meet the RFP and then bring the rest of proposals to the full board for evaluation and then the Board will pick one. That (inaudible) would be in place by the fall of this coming year and they would be able to then audit fiscal year 20/21, did I make sense there? Made sense to me.

Director Miller stated, this looks like a document that has, of course hiring applications in California have legal ramifications, I'm just wondering as we looked at this and I know there were questions about the 150 mile radius, whether it can be less than that nor not legally, has a lawyer even had first glance at this at Centerville or where ever you borrowed this from or our lawyer had a glance at this? General Manager Born stated, our lawyer has not looked at this yet, I don't know whether Centerville's lawyer looked at it or not, I can find out if you would like. Director Miller stated, yeah it just looks like a legally binding document, that's not my (inaudible), I know HR law but I don't know, I don't know everything about HR law as a manager, so I just think when something like this is being drafted it needs to get some kind of vetting besides us as Board members. I would appreciate a glance from our legal counsel to (inaudible) besides a 150 mile radius. Vice Chairman Fust advised, by the way, I don't mind a 150 mile radius, I'm just saying if there is a way to change that to make it more local. Director Miller goes on to say, my last question was, I thought that we approved a full audit or forensic audit previously so is that wording in here somewhere that I am not noticing? Vice Chairman Fust stated, yeah, this RFP in my estimation allows the auditing firm to get as close to the numbers as they possibly can and I will tell you, in my estimation, that the auditing firms that do audit public agencies like this have to adhere to the government standards and that is also in here that it says that they must adhere to the government standards in doing the audit. Director Miller stated, I see that. We had an auditor that had to do the same but at the same time there were somethings missed so I'm just wondering if a fine tooth comb is going through this or if we are just looking at a general audit. Director Engle advised, it kind of feels like to me that we are admiring minutia once again, can we possibly move it forward? Vice Chairman Fust stated, I'm ready to move it forward with the proper dates in it. My suggestion was to put the RFP out tomorrow, next week, whatever, with the proper dates on it and to get it back by July 31<sup>st</sup> and take the next two months to evaluate the auditing firms and pick and auditing firm by November. That is my suggestion and you guys can do with it what you want and of course you may want to hear from some of the public on this. Chairwoman Trenerry opened it up to the community for questions and commenting. No one commented.

Vice Chairman Fust made a motion that we send out the RFP for an auditor and send that out with the proposals being due back to the District by July 31<sup>st</sup>.

Chairwoman Trenerry asked, are we going to try to get people that work with water companies so that we get this

right, I mean there is all different kinds of auditors. Vice Chairman Fust advised, this RFP will allow any auditing firm to send in a proposal. Chairwoman Trenerry stated, ok that's all I needed to know, thank you.

Chairwoman Trenerry asked do I hear a second to the motion? Director Miller stated, I would second it with the understanding that legal counsel takes a glance at this. Chairwoman Trenerry asked Director Engle how he votes on it. Director Engle asked Director Miller to please repeat what he stated. Director Miller repeats by stating, I am in favor of sending it with the understanding that our protocol includes legal counsel at least taking a glance at this document since it appears to be a legal document. Chairman Fust stated, I can amend my motion which still stands, to include, after putting the proper dates in and running it by the legal counsel as an extra precaution. Director Engle stated, Murray I support that idea too. So, we have an amended motion and a second? Multiple Board members stated, yes. The motion was voted on and unanimously approved.

Ayes: 5        Noes:0        Absent: 0        Abstain: 0

**Explanation and Adoption of Proposed Ordinance 2021-03 – Drought:** Chairwoman Trenerry asked Director Miller if he had anything he would like to say? Director Miller stated, yeah I think other than under C. I think that was taken out but noticed the public hearing, this is just a decolorate, I was told that would be taken out. Other than that it looked fine. I know that legal counsel suggested during a meeting that we look into other drought ordinances but at the same time we have had a drought ordinance, I've read through that whole thing so I'm ok with it as far as I can tell. Director Engle stated, I am fine with this ordinance. We are behind schedule on this we need to get this in place. Vice Chairman Fust stated, I am fine with it also, I just want to point out of course, that there is no enforcement behind it. We still have a drought year. We are going to be using considerably less this year than we have in the past years and this ordinance that we are passing here specifically stipulates that we are in a drought year. It does indicate some things that people are not allowed to do, outside watering outside after dusk or before dusk, landscaping and lawns, watering of dirt roads, things like that. Sensible things that need to be done in a dry year and those are good, but in terms of this drought ordinance having any other implications regarding the fees that are charged, of course, that is not included in this. That is to be done at a different time, in a different way but I have no problem with the ordinance. Chairwoman called on Director Bassham (inaudible). Chairwoman Trenerry then asked if the community had any comments.

Audience member Beverly Fickes stated, I would like it on the record that the rate increase and the penalties, those were found to be illegal? Can someone clarify that for us? Director Miller stated, yeah, we were told at a meeting but yeah it kind of borderlines on the realm of consumption charges so basically when someone reaches a certain level and we ding them and that's been rejected in court, so that was my understanding. A penalty for consumption use is the same as the consumption tier so we need to avoid that. We need to find a way to pass the cost that we are occurring on as a separate matter. Chairman Fust stated, right, that is subject to, as I understand it, a Prop 218 hearing which we will be talking about later.

Chairwoman Trenerry asked, could I hear the motion? Director Miller stated, I made the motion that we approve this ordinance. Director Bassham seconds the motion. It was voted on and unanimously approved.

Ayes: 5        Noes:0        Absent: 0        Abstain: 0

**WIIN Act Lawsuit – Moving Forward:** General Manager Born stated, this is going to go to a legal battle. The Board needs to give me some kind of direction on whether or not you may want to pursue this and join in with the other contractors on this particular lawsuit or not and sit back and wait and see what happens. The attorney did get back to me and told be a realistic estimate of time could be expected up until 2023 and that is a realistic scenario. She said a pipe dream might be this next year but the odds are pretty much against it. I just need direction to know if you want us to pursue and kind of pay attention and follow this thing and either commend to doing the WIIN Act and finding a way to pay for it and join the lawsuit or just sitting back and waiting for a period of time and see where things go. Vice Chairman Fust stated, Madam Chairman I have questions, the number one question that I have is, we have already signed on the dotted line for the WIIN Act, can you un-sign a contract? General Manager Born advised, well what we did is we did the validation part of this, we did do the contract also but the feeling that I am getting from Reclamation and I was told, to give them an idea on whether or not we were going to back out of it or not. So that kind of tells me, even though we did do that contract, they are willing to let agencies back out of this if they want to because of the issues with the environmental groups now. (inaudible) Vice Chairman Fust stated, that

was my other question too, even if we back out of the contract, the lawsuit and I have it right here, spells out that Clear Creek Community Services District is a part of the lawsuit. How do you get out of that? General Manager Born stated, I am not a lawyer, I don't know. I would have to talk to a lawyer about it to find out what our options are. Vice Chairman advised, yeah, I think you need to do that because there is a whole bunch of legal questions here that I'm not qualified to answer and I don't think anybody on this panel is qualified to answer. I do know, I noticed that you did get the cost breakdown and you sent out an email on that, I don't know if anybody listening or a part of this Zoom meeting knows this but if the lawsuit was out right dismissed it would still cost us about \$6250.00 to have the Downey Brand people go into court to defend us on this lawsuit even if it is dismissed. If it is not dismissed and it goes through a full two year period, from what I understand, it could cost us up to \$23,000.00 in order to do that. This is a substantial amount of money that we don't have. If it means that we have to do a little bit of homework on this in order to be able to get this right. The good thing about the WIIN Act as we all know, the beauty of the WIIN Act is that we get to keep our 15,300-acre feet of water in perpetuity and of course that is what part of the lawsuit is about. It is an environmental lawsuit but it all has to do with how much water we, not only us but what the other contractors take out of the system and how it affects the environment. My point is that I don't know enough about all of this, whether we can actually get out of the lawsuit, whether we can actually get out of the contract, let's just say for instance that the lawsuit was not dismissed out of hand and it went to court and the plaintiffs, in this case the environmental groups, lost, we paid approximately \$23,000.00 for them to have won the case, our Downey Brand have won the case and then what happens when the environmental group then turns around and appeals that to the court of appeals, what do we do? Do we now then put up more money to Downey Brand to fight them again? I don't know what to do about this folks, this is crazy but I would like to know more from the attorney. General Manger goes on to advise, this has the potential to go on for a very very long time, so at the Board's pleasure I will seek some more to find definite information from all affected parties so that we can make better educated decisions regarding this. Vice Chairman Fust thanked Manager Born and stated, we really appreciate it, that is what we really need. Director Miller stated, I have a couple of questions Madam Chair. The first question that I have is for our Manger, have you interacted with some of these other Districts as far as how they are starting to handle this? General Manager Born stated, the only District that I have interacted with most recently has been Orland-Artois Water District, they are fully engaged in this. They have already paid the WIIN Act new balance of a little over 14 million dollars, so they are vested very heavily into this, so they are going to ride the wave and see where this goes. I haven't spoken with anyone else yet at this point but I can reach out to both Bella Vista and (multiple people talking at once) Vice Chairman Fust advised, Centerville, City of Redding, Shasta Lake, all of us are on here. Director Miller adds, that would be helpful to know if they either take the wait and see approach or if they are more aggressive. My second question was, well it is more of an observation, as I look at this especially on page 29 where it lists individuals who have contracts approved, one of them is Westlands Water District. Westlands Water District has been an entity in the crosshairs of this particular organization that is suing us for some time. You can look them up on the internet and find out. I don't think they are going to let up on this because of the, especially Westlands Water. I was reading different stories about this, they are all news briefings from this same company that is suing us, talking about Westlands more than one time on their website so, they seem to have that group in their sight. I don't think they are going to let up, I think they are going to have an appeal process, that is just my hunch. The problem that I have with is that it appears the Federal Government was rushing to get something done before Trump's administration ended, that's just my observation it appears and now we are going to deal with the aftermath which includes no EIS or EA or any type of environmental study which is standard protocol. I just don't know, if that hasn't been followed then it does make it almost to the point of rescinding it, they are not even following their own rules, the Bureau didn't even follow their own rules, unless they can prove otherwise. It almost appears to me that the Bureau was rushing forward or setting us for failure waiting for the next administration. I don't know what it is, something to me is just strange about it and overall, it appears that the goal on page 44 is to rescind this whole thing if the plaintiff gets their way so, I would appreciate legal counsel but at the same time you are in a pool with someone who has a huge target on them already and I just don't see the aggressiveness of this environmental group letting up on that. (multiple people talking at once) the question I had was could we go it alone, could we do it separately without that group but then we're stuck on our own fighting this big monster. Vice Chairman stated, I don't think we can, it's not possible. Chairwoman Trenerry asked Director Engle if he had anything that he wanted to say? Director Engle replied, no I think we pretty well covered it here. My initial response to this situation and looking at the numbers, this may be as simple as, can we afford it? I understand that the benefits of (inaudible) are significant, if it wasn't for that we would probably be done talking about this. I do believe we need more information. Some sort of assurance somewhere, and I know the federal government has some deep pockets (inaudible) what we don't want to do is (inaudible) process of spending money that we really can afford to spend at this time on an iffy outcome and I agree with Murry the fact that the Federal Government has not followed their own

rules leading up to this point, this biologist group has significant advantage at this point. I don't see the court ordering them to do the studies, I just see them going out and they start over again. At that point we have spent a lot of money. So yes, I believe I am echoing all of the express pretty much to the point that we do need some more information. I am not ready to throw it out (inaudible) I would really like to see it happen. I understand the amount of work that has gone into it up to this point and (inaudible) the question is, is how likely is that? Plus what it is going to cost. So, I think we need some more information, I think we need to know, its hard to say what the likely outcome is based on questions (inaudible) that were raised by Murray here, they haven't followed their protocol. Chairwoman Trenerry asked if Director Bassham would like to say anything. Director Bassham stated, I just agree with everybody else, you know this is getting to be way over my head to be honest, (inaudible) table this and come back to it once we get more answers. Chairwoman Trenerry advised, I would just like to make a statement, I like to see silver linings in things, we have nine years before our contract will be up, 2030 and this would give us time to repay our restoration fee and bring it down and I think that would help us because we are going to have to pay it one way or another so if we can start bringing it down now, I think we should try to do that. Whether we have to go back a renegotiate our contract so the deal goes through, at least we have got our restoration cost down. Chairwoman advises she is opening comments from the community.

Audience member Sandy Winters stated, I was at the Board of Supervisors meeting a few weeks ago and we had to stand in line in order to speak our three minutes and the man I was in line behind was a representative of the Jones Valley Water Company and he had unloaded a whole lot of their problems on the Board of Supervisors so when you start contacting other water districts about this WIIN Act problem, you might contact them to see what they are doing. Chairwoman thanked Sandy Winters and stated, that is a good idea.

**Prop 218 Rate Structure – CAC Report / Update:** Vice Chairman Fust stated, Madam Chairman I am the Chairman of the CAC and if you don't mind I will start off the discussion on where we are on this and would ask Director Murray Miller to add something to this conversation as well. The Community Advisory Committee came up with a three-rate structure and the Board saw that three-rate structure at the last Board meeting that we had in April and what we intended on doing and what we did was since that time we had a meeting with the General Manager, Skip Born and the attorney for the District, Rachel McVean and Cary Brown and Bill Palmaymesa, the operator from the water treatment plant was there at that meeting. We met on April 13<sup>th</sup>, we were going to meet sooner than that but because of some of the breakages we had, we had to cancel the meeting once I believe, so we finally did get together. What we wanted to do was put forth to the attorney the three-rate structure that was recommended by the Community Advisory Committee and see what her feeling was regarding it meeting the compliance of Prop 218. It became apparent that the rate structure that we had, in her estimation, did not meet the compliance of Prop 218 in a nutshell. Another factor that came into play of course, was the fact that we are now in a drought. So, in addition to a normal rate structure that we are trying to establish for the District, we also have to take into consideration the fact that we are in a drought and we are going to be paying a lot more for water to supply to the people of the District and that also has to be a part of any rate structure. The suggestion was from the meeting that we have with the attorney was that a better solution would be to have a two-rate structure. An ag rate structure that we already had proposed from the CAC and a domestic rate structure, that it would be a lot easier to comply with Prop 218 with that kind of a structure. We took that back to a meeting of the CAC last Monday evening and had a robust discussion about that. To my knowledge I don't think we resolved it at that particular meeting. I would like to turn this over to Murray now and maybe Murray you might be able to fill in some blanks where I didn't cover it and also maybe put forth the ideas that we were talking about regarding a two-rate structure and the drought contingency plan. Director Miller stated, as far as one of the other things that the attorney suggested working out a rate proposal document like similar to what our Manager together in 2019 or RCAC did or any other water engineer would do. We are not engineers, we're not that but as far as taking the template and explaining the rationale for how you get to the structure. It is easier to do with the two rate structure, the plan B that you saw in your paperwork has some issues and there is some issues still being discussed but at this point we are trying to put together a rational document with information from our management, information and ideas from the community and put it together in a way that as you read that document you can understand how we got to that rate structure the way that we did, how it covers the cost, how it covers the reserves, how it does all of those different things, how it shares the affordability and that's kind of what we are working on right now. We are still waiting for some input and info from our management and from some community as well and we are still debating the idea of how to do a drought part of that. My understanding from what the attorney said was that the drought reserve amount added to your biggest rate could be a way to deal with that long term, the problem we had at the CAC was how do we deal with it right now



and so the drought part is slowing us down a little bit. The document is drafted, the initial rough draft format is done and so that is not the problem. The problem is how we incorporate the drought part into this during this particular rate structure or do we have to do a separate Prop 218 for that? So that is what is slowing it down right now. We would probably have the document before you and (inaudible) at this point if we didn't have a few factors slowing it down. Vice Chairman Fust stated, thanks Murray. That is kind of where we are right now and I understand that Murray, you have received some information from General Manager Skip Born and that information will then be put into that document you have put together and by the way I might tell you, that document that you have put together rivals the document that RCAC did for that other rate structure that went down in flames and I'm not suggesting that yours is going to go down in flames, I'm suggesting that the amount of detail that has gone in to that and the rational that has gone into that and when it is distributed to the Board members you will see that it meets the requirements needed. Director Miller adds, and when there is a departure from RCAC that is documented as of why, so the community had arguments but those arguments have to be documented as of why with the rational, with possible sources instead of just (inaudible) there is some critiques of RCAC, not critiques basically here is the information that we were given, this why we chose to go this route. It will go through step by step of why that is. It will document AWWA and other different sources to kind of point out why we are going a different way. Hopefully, that makes sense. When we get that done and get some community input, we can bring it back to you. Vice Chairman Fust stated, with that I will say at the end of the CAC meeting last Monday evening, the direction was to finish with that document, to come up with a rate schedule that we have been working on for some time now and then Beverly's committee which is this other community committee, has agreed to take it to a public meeting at either the school or the community center and expose it to some public scrutiny and once it has done that then it can come back to the Board and the Board can then take a look at it. Did I get that right Murray? Director Miller replied, yes, Cedric, Dennis and I are working on getting that document done and getting it to Beverly. Vice Chairman added, and then getting it back to the Board and then eventually getting it to the Board so the Board can take a look at it. Director Miller also stated, we would like to have legal counsel sign off on it before we bring it to the Board. Vice Chairman stated, that is a good idea. So that is where we are with the rate schedule. Director Engle stated, wow, how long have we been working on this guys? Are we going on 4 years yet? Vice Chairman Fust stated, not quite 4 years but close. Director Engle goes on to state, as I'm just moving through my day, I think about the processes that are occurring out in the community and various things that have come back to us or things (inaudible) some of the stuff feels like a little bit of a punch in the face but in fact a decision was made by a previous Board to (inaudible) reserves and that was a long time ago. We have been trying to get together a rate proposal and (inaudible) as a community at the same time. I mean RCAC was just (inaudible) and frankly a little bit of miss information as well. We have been working on this process almost as long as I have been on this Board and I am just wondering, are we any further along now than where we were? Vice Chairman Fust stated, my answer would be yes, we are. We know a lot more than what we knew before. We are really and the community is right up on the details of how rates work in this District and the cost of business in this District. For many years the community, I have to say, did not pay close enough attention to what we as a Board have been doing. Now they are paying attention and that is good. Director Engle stated, so it has been an informational process. Vice Chair replied, I think so. (multiple people talking at once) Director Engle goes on to say, I wonder if we are actually going in what would turn out to be a fruitful direction, I would like to think so of course. I also understand as well as anyone that we have a definite and serious need to get this done. Director Miller stated, as I look back, I don't know how long it took Skip to do the first one, it probably took some time, RCAC took some time and now we are looking at what 6 months with this one with more input as much as we can solicit from the community which would take more time than a standard just in the office type of one. So, once you add the collaborative element it slows it down dramatically and yet if you have that buy in you have more of a chance of getting it done. It could take, I don't see it, unless we really rush this this thing (inaudible) getting it done by the fiscal year beginning. It may not happen but it may happen soon after that. We are just trying to make sure it is carefully done. There is only a few more components left to really finish this thing off and if it fails then we experimented, we tried it, we got as much input as possible, alright guys what do we do now? (multiple people talking at once) Director Engle stated, also what was done here by the Community Advisory Group was based on what is now old numbers, so what my question is, is at one point will we actually get some fresh numbers, new numbers, appropriate numbers and how do we know it is going to be adequate to the needs of the District? Do you understand what I am saying? When an engineering group does this, they take into account all of the various factors and project other factors too into the process so are we going to wind up eventually with a plan that is no longer appropriate? Director Miller replies by stating, well historically your (inaudible) has involved your Manager over the years primarily and Centerville currently still has their Manager doing their process and it has worked on paper over the years although you guys have went into the reserves quite a bit but as far as, yeah, there is different ways you can do that. You can hire an engineering firm for \$50,000.00 and have them finalize it or take the document and

basically look at it or do the whole study themselves or you can trust your local numbers and say ok, here is what we have. You should not expect a Community Advisory Committee to do the whole rate structure in the same fashion as an engineering firm. The goal with Community Advisory was to get as much collaboration into it as possible from the community as to what could work for the community. Then in my opinion, Dennis and Cedric went above and beyond to develop the rate structure which really my main goal was to get input as to what we can afford and then give that to management, have management put through all of the numbers to figure out how we could develop that structure but they went ahead and did a structure on top of getting input and yet we are at the point where its going to have to be handed over to Management and legal counsel to finish it off. Once the rational document is done and those new numbers will come into play if there are new numbers but it is fixed on projection type of proposal just like any other business where your projecting based off of previous years activity report and you get another activity report for the year, you have to update those numbers and tweak it before you get the final thing at the time but at some point you have to pull the trigger and say here is the best numbers that we have and we're moving forward. Director Engle stated, of course the purpose of review by legal counsel is to mitigate the chances of (inaudible) and obviously from any source, whether it be anyone within a group or within the State from looking at this and that make all the sense in the world to me (inaudible) subsequent process engineering review that should happen as well. Director Miller replied, that is optional according to your legal counsel as far as legal defense, as far as your preference. You could take it and it would take a little more time but you could take it to first glance or something with PACE say here's what we have, of course your engineering firm are you talking about, I mean they are not legal experts for Prop 218, look at the Anderson study I just got by email, they have tiered water rates. Tiered, that is illegal. That was done by an engineering firm. So, you can't trust the engineering firm is always going to catch everything. RCAC obviously messed up on several things. So, what I'm saying is, as far as we were told it was an option as part of the process that you could add to the process, it is not required by law but you could add a glance from PACE or whatever, just say hey look through this see if the numbers add up or you could have a CPA look through it, you don't have to have an engineering firm look at it. Director Engle stated, well I want to thank you guys and everybody involved for working on this process, I mean it is something that we desperately need to get done. I am anxious to see the finished product so best of luck. Vice Chairman Fust stated, I share Marks comment because Mark feels like a lot of people would feel at this point that are not associated with the CAC in that we haven't seen anything, we don't know where you guys are going, so they are kind of in the dark in a way until you actually see something in front of you but let me point out a couple of things that I think are important, number one; Mark you talk about the numbers. The numbers that were used to develop the rate increase are real numbers that come out of the 2019 audit activity reports that we have had, those are real numbers. Those were numbers that were used to finance the District during those years. Those are real numbers. Murray talks about tweaking the numbers, that can be done obviously when the new numbers come in from the 2020 audit and you can work on that a little to tweak the numbers for the rate structure. The other thing that is very important here that the Board needs to understand, we as the Board have to go to a Prop 218 hearing. During the Prop 218 hearing as you remember recently, the RCAC proposal was shot down with a 50% vote. We don't want that to happen going forward. We want the community to be a part of the collaboration to put this thing together because they are the rate payers. They have to be comfortable with it too. So, our rate structure that we are putting together through the CAC takes into consideration heavily, community input through Beverly's committee, which is the committee of the rate payers, by the way who were the ones that organized protest votes against the last Prop 218 so we are not going to be able to put anything in place unless we have the ok, generally speaking, of the customers out there. The rate structure that we come up with has to be a combination of real numbers and also a combination of the realization from the general public that they have to buy into it also. That is it. Chairwoman Trenerry stated, it seems to me that there are errors in this document and I adherently say lets pass it on to our attorney and see if it is ok. Is that ok? Is that what you want done? Director Miller replied, Madam Chair no, what we are doing now is we are following the previous Board direction, which was to take the rate structure, put it legal counsel, make the changes and suggestions and she suggested that we do a rate analysis proposal document, so right now we are working on that. We are not asking you to pass anything right now. Chairwoman Trenerry stated, ok.

**Letters from Customer Fickes – Procedural Concerns:** Chairwoman Trenerry ask who would like to start? She then called on Beverly Fickes. Mrs. Fickes replied, let's have Skip start because we have pointed out that this CCI Ordinance that was pass in November was done incorrectly, it should not have been passed, so we are asking for the Ordinance to be rescinded and a refund and we need some interpretation that that is correct. General Manager Born stated, I did find (Inaudible) that was dated back in 2008 that I have to get to our attorney to review, I sent it to you as well Bev, I would like her to review that before anything takes place because that ordinance has language in it

that, it was 2008-10 and I don't know whether or not this is legal or not that is why I want to talk to our attorney about it but in the second WHEREAS statement the Board of Directors determined that the previous Drought Water Plans contained adequate surcharges, therefore Proposition 218 hearings are not necessary in order to implement the surcharges; and WHEREAS, the Board of Directors retains the right to implement surcharges as necessary with the flexibility to charge up to the ceiling previously adopted. Beverly replied, the Prop 218 was passed in 1996 and I think the wording all came out in 1997 so you would have had to have any ordinances prior to that showing the increase for CCI on an annual basis and I don't believe that the Board did, it was passed later. So it can only be good for five years so you are in violation, its only good for five years, the inflation charges. General Manager stated, ok I don't know that so I think that I will take it to legal counsel (inaudible) Director Miller added, yeah I read that same Ordinance and I noticed it said that Prop 218 was not necessary for surcharges and I thought, yeah I don't know how you can say that without at least having a lawyer look at that the interpretation is correct, if not, if it wasn't correct then wow, that is quite a statement but yes if you could have legal counsel look at that. Beverly Fickes adds, well if you look at the last, you know we sent this letter out April 2<sup>nd</sup> and if you look at the last sentence, we ask that you guys investigate prior to this meeting so we could get to the bottom it ahead of time but ok. I can't (inaudible) its inflation and it very specifically talks about inflate vary increases by year process. Director Miller stated, my ' is all fees and surcharges, I don't understand how a surcharge (inaudible, multiple people talking at once) Vice Chairman Fust stated, excuse me but Beverly you said in the letter that this should be investigated before this meeting today. Beverly replied, yes. The last sentence of the letter that we sent to the Board and to Skip was we asked that you fully investigate prior to the April Board meeting and report the findings at the April 21<sup>st</sup> meeting. Vice Chairman Fust stated, we did not have a meeting before this meeting to go over that. The General Manager can't do anything unless the Board tells him to do something so if it's needed to be looked at by an attorney and this is an action item on the agenda, then I will make a motion that we send this to the attorney and have the attorney do a report for us. Director Miller seconded the motion. Chairwoman asked if any other Board members had any questions. Director Engle stated, I don't actually need to make this comment, let's just proceed with the way you are doing it. I was going to say that I don't see why we need to do it that way but if you want to do it that way (inaudible) then that is fine, let's have a vote. Chairwoman Trenerry stated, so you made your motion to take it to the attorney. Vice Chairman stated, yes and Director Miller seconded the motion. The motion was voted on and unanimously approved.

Ayes: 5      Noes: 0      Absent: 0      Abstain:

**Trinity PUD:** Vice Chairman Fust stated, this issue of the Trinity PUD, if I may Madam Chairman, I would like to get into a little discussion of that. There has been a tremendous amount misunderstanding about this Trinity PUD and if I may, I'm referring to the Bureau of Reclamation payment recap that is sent to the District every month and Skip you go by this because you put it together and under the restoration fund payment it says that there is a restoration fund payment for irrigation of \$11.11 per acre foot. That has been confused with the Trinity PUD. The Trinity PUD if you look down below on this statement, the Trinity PUD it says for irrigation and M&I the Trinity PUD fee is .12 cents per acre-foot. That has been confused over the years as the restoration fee and it is not. Now I have a question for Skip and this keeps coming up and I'm getting tired of trying to answer it. We have entered into the WIIN Act and because of the WIIN Act we have not paid off the \$818,000.00 construction cost. We signed onto the WIIN Act we have not paid off the \$818,000.00 yet, are we still being charged the approximately \$10.00 to \$11.00 restoration fee for irrigation per month. General Manager stated that is what Reclamation charges us. Vice Chairman asked again, so we are paying it? General Manager Born stated, we are. Vice Chairman Fust goes on to state, ok, that said I hope everybody is listening to this because we still are paying the restoration fee for irrigation. That amounts to approximately two and a half cents per one hundred cubic feet. We pay the restoration fee for domestic, that is 05 cents per one hundred cubic feet, we pay that, we still pay that. I hope everybody understands that because it keeps coming up. There has been confusion about what the PUD was. The PUD again, the PUD fee is 12 cents per acre-foot. It amounts to what, \$500.00 a year or something like that, not very much but the restoration fee for M&I is \$22.00 an acre-foot, that is the 05 cents per hundred cubic feet that people pay that have a domestic charge. The people that have agriculture still pay two and a half cents per one hundred cubic feet for the restoration fee. There it is, should not have a question about it again. Director Miller stated, I have a question about Trinity PUD, I know Irwin just tried to explain it but then if your records are any indication here, your activity report that we approved lists the Trinity PUD as \$800.00 a year, I mean that referred to in the letter here ( multiple people talking at once) it says it right here, the PUD assessment which is \$800.00 a year in the activity report that we have that we just approved, so I understand where you got that number. The question I had was the Board voted 03 cents

with the CCI rate increase which is in question because of the five-year idea, not 12 cents and my question would be, how did that change come about? That's what the letter I think brings up to us. General Manager stated, in my documents, the things that I have, that I collect and save on our server, it shows that document as being listed as 12 cents instead of the 03 cents. Now I don't know where Beverly got the one that she got, there was one that was released prior to that but it was not part of the official records and it wasn't part of the ones that the Directors got or that you voted on. The one that you got and the one that you voted on was the one that reflected the 12 cents. Beverly stated, that is incorrect, I pulled it off of the November packet that you had provided to the Board and you guys went over it and there were some mistakes on it and made some corrections on, that was the one that said there was no change to the Trinity PUD, 03 Cents to 03 Cents. Director Miller stated, let's do the math anyways, 1.9 percent of 03 cents is not 12 cents, if you apply CCI rate increase to all of those people and you would be nowhere near 12 cents if you did that. Chairwoman Trenerry stated, we will check into it and see if there was a misunderstanding. Director Miller adds and if it's over five years, you are charging for something that is not valid. Chairwoman stated, ok our records that he gave us shows the correct, Director Miller interjections by stating, I had down in my records 03 cents on the back of this thing here that we approved so I don't understand where we get the 12 cents, that was changed later. That's not the authorization of the Board to do that. Chairwoman Trenerry stated, we will check into it. Director Miller states, you need to quit checking anything and start solving some of these things because I can tell you right now that you know if I am the local Manager and I do something beyond what the Board has voted then I am held accountable for that and we as Board members are held accountable because we're just saying we're going to keep looking into it, keep looking into it. Let's look into it and let's get this taken care of. If we are charging people too much money, we need to definitely stop doing that. Your legal counsel themselves said, (inaudible) and Irwin can concur, some of your things that you were doing were in question so yeah bring it to them, I don't see how this can't be addressed in the next month. To keep pushing things off and I understand that you just got the letter but this has been, this is problem. I mean we can't just keep saying we will possibly deal with this. Get it taken care of. Chairwoman Trenerry stated, no we said we would look into it and I know Skip looks into things because I bring him things too. He did look into it but I don't know what else you want. Director Miller stated, well your five-year process has been up for years, even if you do 2008 it's been up for years. Your Prop 218 rate process has expired, you need to go back to the rate structure back when they were in place, you cannot put in place a (inaudible) and then every time you change it you claim it's (inaudible) you can't do that, you have to repeat the Prop 218 process. This would be part of Prop 218 process because you increased rates. (multiple people talking at once) and listen to our lawyer because your lawyer already weighed in on some of these things in that meeting and that been weeks ago. Chairwoman stated, not being in attendance, I do not know what she said. Director Miller stated, well your Manager was there he can definitely (inaudible due to multiple people talking at once) Chairwoman Trenerry stated, he always gives us the right information to the best of his abilities, yes we all makes mistakes, 12 cents, God bless us, he says it is not a mistake, we will look into and give you the proper answer. Vice Chairman Fust stated, one more thing, I think it is part of the confusion. On the rate schedule here, I have it right in front of me here, this is the list of prices that went up with the 1.9 percent increase and it says down here Trinity County PUD per one hundred cubic feet 03 cents. That is not the Trinity PUD, I'm trying to explain that to you, that is the restoration fee for agriculture. Trinity PUD is not 03 cents for one hundred cubic feet, got it? Trinity PUD is 12 cents per acre foot, a lot of difference. At the next meeting let's come back in my estimation with some kind of way to go to resolve this.

Commented [CCC1]:

**Statement of No Confidence:** Chairwoman Trenerry asked, did you want to make a statement of no confidence? Vice Chairman Fust stated, well you can see why. Beverly Fickes added by saying exactly. Chairwoman Trenerry stated, thank you. Vice Chairman Fust advised, maybe somebody might want to comment Madam Chairman.

Sandy Winters stated, I've been a customer of this District for 54 years, I never knew that I was being billed anything for public utilities district fee or a restoration fee. I was aware of the CCI increase because I listened to that several meetings over the years, some years the CCI was not imposed on the District customers because it was so little. The way I understood it from part of the meetings (inaudible) is there a way that we can be informed on our bill about this PUD fee and this restoration fee, I don't even know what I'm paying unless it is in my ag fee. General Manager Born stated, Sandy one of the things that we are going to be doing is to bring those charges down to separate lines items so you can see them and identify them a lot better and a lot easier. Sandy Winters stated, that would be really helpful (inaudible) the sooner the better. Thank you. Chairwoman thanked Mrs. Winters.

## **OPERATIONS & ADMINISTRATION**

**STAFF REPORTS:** Nothing to report

**STANDING COMMITTEE REPORTS:**

**QUESTIONS and/or PUBLIC COMMENTS:** Chairwoman Trenerry stated, the only thing I have to say is that Happy Valley Pride day will be picking up the roadside and it would be nice if people were out there, if you would invite people to come and help us keep our roads clean. It is May 8<sup>th</sup> and we will meet at 8:00 am at the Community Center. We always have coffee and little munchies to hand out and we do have bags available. We ask you if you have a safety shirt, wear it. One of the things that maybe people out there do not realize, is that people have cars being abandoned, I do have a phone number for illegal dumps, tires being thrown out, the county will come and pick those up if we turn it in. If you see someone dumping, please please report it. Maybe we can stop these people from dirtying up our roadsides.

Vice Chairman Fust stated, I have several questions that I need to ask. I know it is getting late but these questions need to be discussed. On the activity report, and I won't get into this too much because I need to sit down with Skip again and go over some of this. I have a couple of questions on the Activity Report. I have in front of me the Activity Report for February 2021 and for March 2021 and my big question is and I have talked about this many times before, under other revenue there is a, what's called a miscellaneous sales revenue and if you look at the 2021 February report it shows that under the current month, current year there is a total of \$278,536.00, where did that revenue come from? I have spoken to Skip about this once before and if I am not mistaken he said that that was revenue that came in from credit cards, my question is if that is revenue that came in from credit cards then it's being double counted because it is also being counted in water sales and so the figure that comes out at the bottom, well not the bottom actually, on the next page that says total funds available in the current year \$2,360,00.00 that's almost \$300,000.00 less, I need to know for sure that that is what we are dealing with. Now let me go on from there, I did get the Activity Report for Clear Creek for March and I look down to see under other revenue what is taking place as far as that particular figure is being concerned and lone behold that's gone. Miscellaneous is gone now we have a new line item that says BW Pond/Carr Fire deposits, \$281,260.00 what is that? Where did that come from and why is that other revenue? There something not quite right about our Activity Reports and they are getting a little stranger to me every time. The other one that I have a problem with, is, well not really a problem necessarily but I have a question about is under taxes and assessments, under taxes – Chestnut we have budgeted \$14,500.00 but we have 0 amount that has been collected and I understand Skip that is because that is no longer in effect, that's been paid off right? General Manager stated, correct. Vice Chairman goes on to say, ok so the \$14,500.00 is just a place holder that was put in there when we approved the budget this last year, is that right? General Manager advised, yes. Vice Chairman stated, so the Chestnut taxes are all paid off, ok. Good to know that. Now, I have other questions, I will get off of that because I want to meet with you and go over this a little more in detail because it's getting a little more stranger all the time. I'm pretty sure that the Board members know that our bookkeeper, Christy Roberts is no longer working for the District, I don't know whether the community knows that or not but she is gone and she went to work for her husband and it's been about a month now and my question to Skip is what do we do? We need somebody that can handle the books, what do we do? General manager Born stated, I think we either need to bring someone on in a part time fashion to take up the slack on that or to just hire it out in a permanent fashion by an outside agency that can do this for us. Vice Chairman stated, can I make a suggestion? This would be a good way for the Finance Committee to meet with you and discuss this in detail and get some ideas of where we can go, as we all know going out and hiring someone right now, we already do not have enough money to run the District and going out and hiring somebody else is kind of out of the question. What we are down to 11 employees 10 employees? General Manager stated, 10. Vice Chairman continued, so my suggestion would be and all of the other members of the Board could weigh in on it. My suggestion would be for the Finance Committee to meet and go over this and make some determinations of where to go in the future. We need somebody that is going to be able to understand the software we use for bookkeeping and how to handle it and put together an activity report that really reflects the true financial nature of the District so I'm concerned about this. I think everybody on the Board should be concerned about this. Ok, I've got another one, I know you and I Skip have talked about this but I want to put it

on the record, our allocation for this year is down to 1898 acre feet and we would be drawing on the wells to supplement that and I think that I asked once before but I don't think it has been publicly noticed, have you approached the McConnell Foundation to see if they have water available and what their price of water is going to be and have you approach anyone else, how about ACID? General Manager Born stated, I have approached, I spoke to them actually and they sold their water off immediately, the ACID has a long-term contract in place with the Bella Vista Water District too transfer water to them and any other excess that they have they sell out of the District (inaudible) to make more money, so to answer your question there is nothing available that I know of. Vice Chairman stated, so I want to establish right now the only that we have this coming year that we are in right now, is 1898 acre-feet of water from the Bureau and whatever we are going to pump out of our own wells, that is it, is that right? GM Born stated, yes that is right. Vice Chair stated, ok I need that information to be out there and that we are in a drought, we just passed a drought ordinance that says please don't do these things and people need to know that you can't do these things. We're going to have to balance the amount of water that we get from the Bureau and the water we get from the wells to be able to furnish as much water as we can to the people of the District so that their lives are not completely disrupted because of the drought. Director Engle stated, do you understand that at this point right now and also (inaudible) the fact that we did not pass this ordinance last month, that water consumption is pretty much normal or above normal and there is no way we are going to keep up with it as it because we can't pump enough water out of those wells to make up for what we are missing. Now, (inaudible) agree with you that we have got to get the message out and I'm sure that is going to get handled immediately at this point. Unfortunately, we didn't get it out last month, that would have been better but we do have a problem, I agree with you and I do hope we can find some surface water to buy this year, unlike the last time we ran into this situation, I think this is far more dire would you agree? Vice Chairman stated, I very much would, I want to put that in a message to people. Director Miller stated, last month we could not pass that because we had no public hearing notice, that it was looked into and basically your lawyer (inaudible) so we should be glad we didn't pass it last month as far as the penalties and all of that but you're right, we need to get education. Vice Chair stated, people need to understand they have got to cut back.

Director Miller stated, by the way, I did find that in the November packet that it was 03 cents so I will send that out right now. The Trinity PUD thing.

Vice Chair Fust advises that audience member Terry has his hand up. Terry stated, listening to all of these little problems that you are finding on the activity report, that is why we need a full audit. Every time I am on this meeting where we are going over all of these little things that are found you know, its 03 cents, 12 cents well if you add that up over the years and that's a lot of money that needs to be looked into. Vice Chairman stated, I don't know if you were on earlier but we did approve an RFP to go out for a new auditor. Terry stated, right but the RFP does not say a full financial audit. Vice Chair stated, it does on there, if you look at it carefully it says that it is an audit that be to government standards. Terry goes on to explain, right I know the auditing standard by the government are not a full financial audit. A full financial audit needs to be looked into every time. Not just what the standards are, there are too many problems to just do a basic audit. We need to go back and look at everything to find out where all of this stuff is. You should not be changing parts of the financial statement in mid spring. You can't change stuff like that. I think the auditor needs to go back and look at 12 months of financial statements and match everything up to it and make recommendations how to correct the problems that the District is having with their financial problems. Vice chairman Fust stated, well that is what I anticipate the auditor will do. Terry replied, well that is not what it says and the way I read it. Vice chairman Fust stated, well wait until it comes out, then you will be able to see. Terry asked, ok are we going to have time to comment on it then or is that when you guys approve it? Vice Chairman asked, approve what? Someone in the background says a new auditor. Mr. Fust replies, a new auditor? That will come back to the Board sometime in the fall. Terry stated, right, but the RFP is going to go out now and the RFP should say that you want a full financial audit. You want this auditor to look at everything. Vice Chair stated well that is what that RFP says. Terry stated, well I did not read it that way. I will go back and re- read it. Thanks.

Audience Beverly Fickes stated, I did not get an opportunity to speak. In November when you passed that CCI, it was not a mistake. That was criminal what was done. So by trying to put that back on me of where I got that report, I got it right back from you guys. You glossed over the statement of no confidence; 81 people signed that. You have to understand that we are finding the Trinity PUD error, we're finding the CCI error, we're finding Prop 218 violations, the penalties that are incorrect. In six months, our committee group has uncovered how many items. So you have to realize that we have lost confidence in the Board. We have lost confidence in the ability to oversee the

Districts business. You have to understand that we are frustrated to the max and it just seems like you are going about business as usual when you really need to look at what we are telling you in this no confidence, we firmly believe that a few of you need to retire, resign and get off the Board because if you're not going to be part of the solution, you are part of the problem. Thank you.

Chairwoman Trenerry stated and with that I wish everybody a good month and keep praying for rain, only God can give us what we need.

Audience member Emily Rankin stated, Madam Chairman I would like to make a comment, I also signed the petition. I think you as a Board need to pay attention to your community members, you work for us not the other way around. We have many concerns, many questions. We have a hard time getting answers to those questions and you need to start taking us seriously. There are obviously some issues, bookkeeping issues and otherwise that need to have a serious look at them. Those books need to be gone over thoroughly. Things keep coming up that should not be coming up. You need to take that RFP, just because it came from another water district, does not mean that it is going to do what we need it to do. So, if you need to take that to a lawyer and have it looked at, please do so but the community as a whole and there is a lot of out here, want a through audit of the books. This is what we are requesting, that is what needs to happen please. Thank you.

Chairwoman thanked Emily Rankin and stated, we will see you next month at night.

**ADJOURNMENT: 11:04 AM**

Submitted by,

\_\_\_\_\_  
Kristen Thomas

\_\_\_\_\_  
Johanna Trenerry, Chairwoman

\_\_\_\_\_  
Irwin Fust, Vice Chairman

\_\_\_\_\_  
Virginia Bassham, Director

\_\_\_\_\_  
Mark Engel, Director

\_\_\_\_\_  
Murray Miller, Director

ATTEST: \_\_\_\_\_  
Kurt Born, General Manager