

CLEAR CREEK COMMUNITY SERVICES DISTRICT

Board of Directors: Cedric Twight- Chair; Dave Zabaldano - Vice;
Johanna Trenerry - Director; Irwin Fust- Director; Chuck Jones -
Director

5880 Oak Street, Anderson CA 96007

Phone: (530) 357-2121; Fax: (530) 357-3723

REGULAR MEETING

Wednesday, March 21, 2022, 6:30 pm

District Office Board Room

5880 Oak Street, Anderson CA 96007

Minutes were transcribed via video. Recording may be found on YouTube Happy Valley CCCSD.

MINUTES

DIRECTORS: Cedric Twight, Irwin Fust, and Chuck Jones. Absent were Dave Zabaldano and Johanna Trenerry.

STAFF: IGM Palmaymesa

AUDIENCE: Scott McVay, Russell DeMore, Beverly Fickes, John Fickes, Kaitlyn Patrick, Brenda Konicek, Dennis Possehn, Sandy Winters, Ken Longcrier, Jackie Longcrier, Terry Lincoln, Sara Lincoln, and TJ Ray.

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

PLEDGE OF ALLEGIANCE: Chair Twight led the pledge.

OPEN TIME: Beverly Fickes reported that the HVCC had prepared a list of questions earlier in the month and asked that these questions be answered at tonight's meeting. Chair Twight indicated they should go on the agenda for next month. She also asked that the minutes be pulled from the consent agenda for clarification. Scott McVay asked about Board member training and where each member stood in regards to their training.

CONSENT AGENDA: Director Fust asked that the minutes be pulled from the consent agenda. Director moved that the a portion of the consent agenda be approved which includes the paid bills and payroll. Director Jones seconded the motion, which carried unanimously.

TWIGHT - YES

FUST - YES

JONES - YES

Director Fust reviewed the minutes of 11-17-21, and noted correction of \$250,000 line of credit under Tri-Counties bank and not \$250. And then on page 6, third paragraph should read General Management Committee meeting and not General Committee meeting. He stated there were two committees and a board for the EAGSA. A management committee, a technical committee, and a board. Director Fust commented

on the minutes for 2-16-22 and that the correct discussion was to LAFCO and not Association of Water Agencies. He asked that it also be clarified that our District pays annual fee to LAFCO and that they do a municipal review on each district every five years and the annual fee goes towards that review. Also the sentence that “whether the District participates with AQWA or not,” should be removed. Scott McVay asked whether LAFCO was going to do a review in 2022. Director Jones indicated that he spoke with LAFCO staff and while our District was scheduled for a 2022 review that it may not happen until 2023. Director Fust noted that the District has to have accurate finances before a review can be completed. Beverly Fickes commented on the 11-17-21 minutes and voiced concern over the verbiage used in the minutes to describe the HVCC review of timecards. She stated that whoever is doing the minutes should use correct terminology. Chair Twight asked that any concerns be submitted in writing so they are part of the documents. Scott McVay noted that the tone of the minutes suggested that the HVCC are just a bunch of whiners and that should be avoided when preparing the minutes. Director Fust moved approval of the 11-17-21 and 2-16-22 minutes as amended. Director Jones seconded the motion, which carried unanimously.

TWIGHT - YES

FUST - YES

JONES - YES

OLD BUSINESS/NEW BUSINESS:

A. WATER SHORTAGE EMERGENCY - ORDINANCE 2022-01

(DISCUSSION/ACTION) - Chair Twight indicated that this ordinance indicates that the District does have a water shortage emergency. He stated that the fines and penalties table is being modified and that it was necessary to constrain water usage. The Board discussed the variance process. IGM Palmaymesa reported that the big take away is that customers will be receiving more water because the District was able to secure McConnell water. 60% or 29 HCF (which ever is greater) of 2019 usage will be allocated to customers. Director Fust asked about the possible increased production at the well fields. IGM Palmaymesa stated that a grant for safe drinking water had been applied for but no time line could be made. Director Jones noted concern that if our well water production was too high, the Bureau or State could completely cut us off from surface water. Russell DeMore stated that many people are not paying for their water and that some water is being used for marijuana production. He asked that those issues be rectified. Scott McVay asked about the meter reading equipment and whether they were all accurate and scanned monthly. IGM Palmaymesa stated that staff does keep an eye on certain meters in the District. In discussing the variance process, Brenda Konicek noted that when the 10” line breaks in front of her residence, the line will surge when re-pressurizing and the line on her side of the meter will break. She stated that is out of their control if they aren’t home and they will need to file a variance. Chair Twight indicated that this issue would fall under the protest portion of the ordinance. There was discussion on the medical/school/business/agricultural variance sentence in the ordinance. Chair Twight recommended that the term agricultural be removed. Sandy Winters commented that pasturelands were dead and the increased water is too late to save the pastures without reseeding. Chair Twight reviewed the changes

to the proposed ordinance: 1. H - Strike sentence: "agriculture variance should be considered by the directors." 2. H1 - Changed first sentence "on" instead of "of." 3. I2 - Penalty of \$200 be reduced to \$100. Director Fust brought up that this ordinance should have been noticed as a public hearing and that it was not publicized as one. Chair Twight asked IGM Palmaymesa to confirm that with legal council. Director Fust said this item could be challenged since it was not noticed correctly on the agenda. Director Jones stated that in the minutes we will clarify and report back. Director Fust moved to approve Ordinance 2022-01 with the corrections as outlined. Director Jones seconded the motion, which carried unanimously.

TWIGHT - YES

FUST - YES

JONES - YES

B. DROUGHT RATE DISCUSSION 30 DAY NOTICE - ORDINANCE 2022-02 (DISCUSSION/ACTION) - Chair Twight stated that the discussion this evening was regarding the 2022/2023 drought rate using the combined rates from McConnell and our costs to pump from our wells. For the current cost of utilizing McConnell water through the water treatment plant is approximately \$1.12 per HCF. For the well water, total costs to process is \$1.18 per HCF. Once blended, it averages \$1.19 per HCF. Scott McVay asked about the restoration fee and why we are still paying when utilizing well water. IGM Palmaymesa stated that this was brought up at a meeting last month and that the fee will be taken off the next billing cycle. Director Jones moved to approve the Drought Rate Ordinance 2022-02 for the 2022/2023 water year. Director Fust seconded the motion, which carried unanimously.

TWIGHT - YES

FUST - YES

JONES - YES

C. QUARTERLY FINANCIAL REVIEW (DISCUSSION) - IGM Palmaymesa indicated that staff was not able to put any information into the Board packets. Chair Twight asked when activity reports would be available. IGM Palmaymesa said that the program has inaccuracies according to Board member Zabaldano and are having to be completely rebuilt. He stated that the fix will take place when we switch over to Quick Books. IGM Palmaymesa gave a review of the District's current financial standing. Beverly Fickes asked about the audit and IGM Palmaymesa reported that it would start the first week of April. She also asked about the merging of the merchant account with the general account and the potential of overstating water sales. Chair Twight indicated that without having the books updated, all we can do at this time is speculate. The Board and audience discussed the overstated accounts which was documented and identified by a CPA from last year. Scott McVay asked whether the Board or Finance Committee had started working on next years budget which is due in June. Chair Twight said it was difficult with the state of the books right now. IGM Palmaymesa stated a budget can be built based on income vs expenses.

D. REGULAR MEETING DATE AND TIME (DISCUSSION/ACTION) - Chair Twight suggested that the meeting date be changed to a different week of the month. His

idea was that it coincide with billing cycle. Director Fust asked what time during the month would work best for staff. IGM Palmaymesa indicated that the 3rd Wednesday of the month makes the most sense right now. The Board discussed in length, pros and cons of changing date. The Board backtracked and discussed the drought ordinance and effective date to implement. Chair Twilight indicated that there was not enough interest in switching the meeting to the 2nd week of the month. Director Jones stated that everyone was comfortable with the 3rd Wednesday of the month and until valid reasons to change were made, we should leave as is.

- E. EAGSA UPDATE (DISCUSSION) - Director Fust reported on last weeks meeting. He said the reason for the meeting was to approve the update plan to be given the Department of Water Resources. He stated that the report shows that even with the amount of water being pumped from the aquifers it has not adversely affected the ground water. Director Fust stated that Scott McVay made a proposal to the EAGSA Board to look at a different cost allocation instead of each group contributing 1/6 each. It has been put on the EAGSA agenda for next time. The management committee should make a recommendation to the EAGSA.

OPERATIONS & ADMINISTRATION:

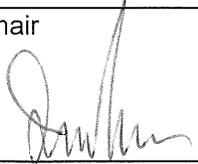
- A. STAFF REPORTS - IGM Palmaymesa stated that a time extension letter was submitted to CalOES for 2 million in funding. Staff is still working on the meter reading software programming and hopefully will be finalized by the end of the month. He reviewed the water usage for the month. IGM Palmaymesa noted that there were filters that needed to be replaced.
- B. QUESTIONS/PUBLIC COMMENTS - Sandy Winters asked about the \$1.00 loan fee charge on customer's billing statement. IGM Palmaymesa stated that the District is in the process of acquiring two loans for two projects and one of the requirements was to show how we were going to repay those loans. These payments are building reserves to show we have the ability to repay. Beverly Fickes asked about a letter the HVCC had submitted last month on pending litigation verbiage and whether a response had come back from legal. IGM Palmaymesa said he is working on a reply.
- C. STANDING COMMITTEE REPORTS - GENERAL MANAGER VACANCY UPDATE - Director Jones stated that a major issue is how to pay for this position. Director Fust indicated that seven applications have been received and that the Personnel Committee needed to review and vet the applicants. Directors Fust and Jones agreed to hold a Personnel Committee meeting the following Monday, the 28th, 6:30 p.m. to review the applications. TJ Ray indicated that it was brought up last year that a background check be done in order to validate the applicants. She asked whether that would be part of the process. Director Jones said they would be looking into that. Director Jones gave presentation on the Agriculture Committee meeting and subsequent tour on Saturday at Tilth Farms.

ADJOURNMENT: Chair Twight adjourned the meeting at 9:12 p.m.

Submitted by

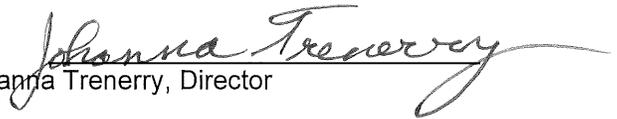
Beverly Fickes, Volunteer

Cedric Twight, Chair



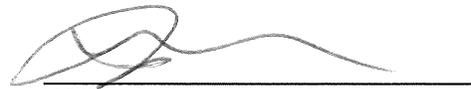
Irwin Fust, Director

Dave Zabaldano, Vice Chair



Johanna Treneroy, Director

Chuck Jones, Director



William Palmaymesa, Interim
Manager/Chief Plant Operator