

CLEAR CREEK COMMUNITY SERVICES DISTRICT

Board of Directors: Cedric Twight - Chair; - Vice;
Irwin Fust - Director; Johanna Trenerry - Director; Chuck Jones -
Director
5880 Oak Street, Anderson CA 96007
Phone: (530) 357-2121; Fax: (530) 357-3723

FINANCE COMMITTEE MEETING

Thursday, April 14, 2022, 6 p.m.
District Office Board Room
5880 Oak Street, Anderson CA 96007

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

MINUTES

DIRECTORS: Cedric Twight

STAFF: IGM Bill Palmaymesa

AUDIENCE: Scott McVay, Russell DeMore, Beverly Fickes, Kaitlyn Patrick, Sandy Winters, Audrey Rush, Dennis Possehn, TJ Ray, Terry Lincoln, Sara Lincoln, Jon Burke, Pam Beaver.

CALL TO ORDER: Chair Twight called the meeting to order at 6:00 p.m.

PLEDGE OF ALLEGIANCE: Chair Twight led the pledge.

OPEN TIME: IGM Palmaymesa reported that the District had just received a letter from Vice Chair Dave Zabaldano resigning from the Board of Directors. Chair Twight explained that was the reason he was the only one there from the Finance Committee. Scott McVay asked that the activity reports be posted online so they could be discussed at next weeks Board meeting. IGM Palmaymesa indicated that the Board meeting has been moved from April 20th to April 27th but that they would get those reports into the board packets. Dennis Possehn spoke on the \$19,000 that the State Water Resources is charging the District for the wells. He thought the State should waive those fees when the District in normal years doesn't even use the water. Dennis asked that the District look into a waiver. Chair Twight stated that merited a review and asked IGM Palmaymesa to make note of that.

OLD BUSINESS/NEW BUSINESS:

- A. **ACTIVITY REPORT - JUNE 2021** - IGM Palmaymesa stated that this report was only for reference in amending the drought rate.
- B. **REVISE DROUGHT RATE** - Chair Twight explained the process behind calculating the drought rate and the uncertainty of the overall costs. IGM Palmaymesa

indicated that increased costs have been added to the formula while reducing the State fee costs which had been miscalculated. IGM Palmaymesa stated that based on the revisions the new drought rate will be \$1.04 per HCF instead of \$1.19 per HCF. This will start on the June billing cycle. Scott McVay asked why additional reserve cost were added to this drought rate when 10% was added already during the Prop. 218 process. Chair Twight said the reserve increase approved for water usage was 4.1%. Scott also asked about the telephone charges in the formula. IGM Palmaymesa stated that the calculation was currently still valid but that it could change. Scott also asked about labor and standby costs at the wells. Discussion followed on accurate cost allocations and fair estimates. Terry Lincoln asked about the costs already built into the Prop. 218 rates. Discussion ensued on the costs per first gallon of water to the meter and whether those costs were being added to the drought rate in error. Chair Twight explained the fix costs based on the June 2021 activity report. Terry disagreed on the labor allocations and the 10% additional charged for reserves. Chair Twight stated that the recommended \$1.04 per HCF would be presented at the next regular Board meeting.

- C. **DRAFT BUDGET - 2022/2023** - Chair Twight stated that he asked IGM Palmaymesa to draft a budget so the District could determine how well we are doing and whether there was funding for hiring a new GM. IGM Palmaymesa stated that the old budget did not balance and the formulas were not accurate. That spreadsheet was scrubbed. IGM Palmaymesa stated that this was the first draft of the budget and was very rough. Chair Twight recommended putting 1.8% into the Contingency Fund and the 4.1% water usage into the Contingency Fund. He indicated that both of those increases were for building reserves. TJ Ray asked for clarification. She asked, "So what you're telling us is that the funds collected last year that were for reserves were not put into reserves but left in the general fund?" Chair Twight reported that those funds were needed last year to keep the District afloat. He said he was not concerned what account those funds went into if the money was needed for the day to day operations of the District. IGM Palmaymesa stated that the money hadn't gone into reserves because of all the unforeseen bills. Scott McVay asked a few questions in regards to revenues and costs on the budget.
- D. **OPERATIONS/ADMINISTRATION** - IGM Palmaymesa reported that in March usage was 7 AF of surface water, and 103 AF for ground water.

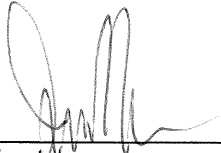
QUESTIONS/PUBLIC COMMENTS: Kaitlyn Patrick asked about a letter from the HVCC regarding some financial questions. She asked about the feasibility of purchasing another generator for power outages. IGM Palmaymesa said a generator would cost \$80,000-\$150,000 and financial wise it doesn't make a sound business decision when it's only for emergency purposes. Scott McVay verified that the District has not tapped into any Line of Credit monies. He asked about the Trinity PUD and the refund to customers. IGM Palmaymesa stated that there was also an overpayment to the Bureau for PUD and CVP. Pam Beaver asked about the fire water used. IGM Palmaymesa said the water that was used was less than an AF and no credit would be given from Bureau of Reclamation.

ADJOURNMENT: Chair Twight adjourned the meeting at 7:51 p.m.

Submitted by

Beverly Fickes, Volunteer

Cedric Twight, Chair



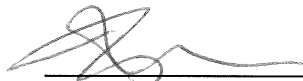
Irwin Fust, Director

, Vice Chair



Johanna Trenergy, Director

Chuck Jones, Director



William Palmaymesa, Interim
Manager/Chief Plant Operator