

CLEAR CREEK COMMUNITY SERVICES DISTRICT

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

5880 Oak Street, Anderson CA 96007

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

REGULAR MEETING

Wednesday, September 15, 2021, 6:30 pm

District Office Board Room

5880 Oak Street, Anderson CA 96007

Minutes were transcribed via video. To confirm, refer to YouTube HVCC channel for 9-15-21

MINUTES

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

STAFF: IGM Bill Palmaymesa and Kristen Thomas, Administrative Assistant

AUDIENCE: Scott McVay, Laurie McVay, Kaitlyn Patrick, Beverly Fickes, John Fickes, Pam Beaver, TJ Ray, Russell DeMore, Ken Longcrier, Jackie Longcrier, Sandy Winters, Terry Lincoln, Sara Lincoln, G. Fitzpatrick, Carl Franklin, Charles Hanson, Joanne Blomquist, and Brenda Konicek.

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

PLEDGE OF ALLEGIANCE: Chair Trenerry led the pledge.

OPEN TIME: Pam Beaver stated she submitted a letter requesting that Chairwoman Trenerry step down as Chair. She believes that the community and the Board needs stronger and exceptional leadership. She noted that her letter asking for discussion and action was not put on the agenda. A customer asked about the water variances as he hadn't heard anything. IGM Palmaymesa said they were currently being reviewed. Discussion followed on the amount of purchased water the District has left until February of 2022. TJ Ray noted that if the District expects customers to follow the rules, then the District should also follow the rules. She specifically cited the certified letter clause and the statement where the penalty would be charged on the following month billing cycle. TJ stated that the public still does not know what account the penalty charges are going into. She said the Board should have done their job last February in securing water for the community. She asked about the protest letter process as there was no explanation. IGM Palmaymesa indicated that legal counsel had advised that they didn't need to utilize certified mail in sending out penalty notifications. The protest letter is available at the office and on the website but hard to find. TJ stated that the ordinance should be null and void as the District is not following their own rules. She indicated that the District should be bound by the ordinance until it is amended. Director

Miller reported that mistakes do happen but that the District is trying to keep costs down. Russell DeMore voiced frustration and ire over small farmers being allocated the same amount of water as a residential dwelling. Scott McVay confirmed that a letter of thanks to Bella Vista Water District had not been sent as of yet. Sandy Winters pointed out that the well water was full of calcium and starting to cause havoc with swamp coolers and other appliances. She asked that the Board rescind the penalties as it would help a lot of customers in the community.

CONSENT AGENDA: Vice Chair Fust asked that the financial statements be pulled from the consent agenda for discussion. Staff Kristen reported that the new billing statements would have everything broken down. Vice Chair Fust asked for clarification on several line items on the July Activity Report. He asked that the activity report be easier to understand for everyone. Director Twight asked that some of the headings be more descriptive. Director Zabaldano explained some of the expensed items and pass through amounts. TJ Ray asked about the \$3.95 being charged for credit charge usage as well as the 3% and what account both those fees were going into. Staff reported they would verify. Vice Chair Fust moved to accept the July Activity Report as presented. Director Miller seconded the motion. Director Zabaldano stated that this really didn't belong on the consent agenda and since amendments were made, a vote was not appropriate. After further discussion by the Board, a vote was taken. The motion failed to pass by 4 to 1 vote.

TRENERRY - NO FUST - NO TWIGHT - NO MILLER - YES ZABALDANO - NO

NEW BUSINESS: Vice Chair Fust asked that Item 7 (G) Supplemental Water be moved to the first item discussed tonight. Board discussed and decided to leave the item on the agenda in order.

1. COMMITTEE ASSIGNMENTS (DISCUSSION/ACTION) - Chair Trenerry went over the standing committees and the roles for each. She reviewed her selection for the committees. The Board discussed and some changes were made.
 - A. Executive Committee: Johanna Trenerry and Irwin Fust
 - B. Financial Committee: Dave Zabaldano and Cedric Twight
 - C. Legislative Committee: Cedric Twight and Irwin Fust
 - D. Personnel Committee: Johanna Trenerry and Murray Miller
 - E. JPIA - Murray Miller
 - F. Steering Committee: Dave Zabaldano and Cedric Twight
 - G. Agricultural Committee: Johanna Trenerry

Director Miller moved to accept the Standing Committee roles as assigned. Vice Chair Fust seconded the motion, which carried unanimously.

**TRENERRY - YES FUST - YES TWIGHT - YES MILLER - YES
ZABALDANO - YES**

2. VACANT GENERAL MANAGER POSITION/APPOINT A REVIEW/SELECTION COMMITTEE (DISCUSSION/ACTION) - Chair Trenerry reported that she and Director Twight held a Personnel Committee meeting and took suggestions from the public on what was needed in the GM package. Director Miller suggested before the Board sends out the job description that some minor edits and typos be corrected. The Board discussed the salary range and agreed to just remove from posting. It will be based on candidate's experience and qualifications. Director Miller moved to accept the job posting with minor edits, grammatical changes, and omit the salary range line. Director Twight seconded the motion, which carried unanimously.

TRENERRY - YES

FUST - YES

TWIGHT - YES

MILLER - YES

ZABALDANO - YES

3. ORDINANCE #2021-07 WORKERS COMP INSURANCE FOR VOLUNTEERS (DISCUSSION/ACTION) - Vice Chair Fust stated the ordinance needed to use term "ordained" and not resolved. He went over the difference between ordinances and resolutions. He stated that ordinances and resolutions can be used interchangeably. Charles Hanson asked whether the District could use volunteers from Shasta College. IGM Palmaymesa said yes. Director Miller moved to approve Ordinance #2021-07 as amended including using date of September 15, 2021. Vice Chair Fust seconded the motion, which carried unanimously.

TRENERRY - YES

FUST - YES

TWIGHT-YES

MILLER - YES

ZABALDANO - YES

4. WIIN ACT UPDATE/AGREEMENT REGARDING JOINT REPRESENTATION (DISCUSSION/ACTION) - Vice Chair Fust said to clarify the Board has to decide to be part of the lawsuit. Downey Brand is representing 14 agencies currently and we received an estimate on costs for the District. Year one about \$8,000 up to \$23,000 at conclusion. Vice Chair Fust said if we sign on to this, we are signing up for the ride. We must decide whether to sign up for this portion and we will then have a voice on the law suit. We are named in the suit so we will be liable for our portion if it goes to the Supreme Court. IGM Palmaymesa stated that there is a hearing in October and the Board needs to either accept Downey Brand as their representative or not. Director Miller moved to continue with Downey Brand as our representative on the lawsuit. Director Twight seconded the motion, which carried unanimously.

TRENERRY - YES

FUST - YES

TWIGHT - YES

MILLER - YES

ZABALDANO - YES

5. ORDINANCE #2021-10 DISTRIBUTION SYSTEM IMPROVEMENT PROJECT AUTHORIZATION (DISCUSSION/ACTION) - Vice Chair Fust indicated that this ordinance also needed to be changed to ordained and not resolved. IGM Palmaymesa

indicated that this was the template provided by the state and it could be changed to a resolution heading. He stated that he needed to be listed as project manager instead of Mr. Born. The Board discussed that with this being the first resolution of the year that the number should reflect Resolution 2021-01. IGM Palmaymesa indicated since the agenda had it listed as Ordinance 2021-10, that the heading would be corrected to Ordinance/Resolution and 2021-10 was still appropriate. Vice Chair Fust moved to approve Ordinance/Resolution 2021-10. Director Zabaldano seconded the motion, which carried unanimously. Charles Hanson asked about the cost of the project. IGM Palmaymesa indicated that it was approximately \$6 million, with 90% grant and 10% loan. He also reported that additional projects could be added and possibly be a 100% grant.

TRENERRY - YES

FUST - YES

TWIGHT - YES

MILLER - YES

ZABALDANO - YES

6. ORDINANCE #2021-11 DISTRIBUTION SYSTEM IMPROVEMENT PROJECT AUTHORIZATION (DISCUSSION/ACTION) - IGM Palmaymesa indicated that this project is 18 months to two years away from commencing. Director Miller moved to approve Ordinance #2021-11. Vice Chair Fust seconded the motion, which carried unanimously.

TRENERRY - YES

FUST - YES

TWIGHT - YES

MILLER - YES

ZABALDANO - YES

7. DISCUSS SENDING THE PURCHASE OF SUPPLEMENTAL WATER TO THE APPROPRIATE COMMITTEE (DISCUSSION) - The Board discussed the merits of a supplemental water program. The board packet contained a first and second draft. Vice Chair Fust indicated that he had contacted the General Manager from Bella Vista Water District to determine how this program worked for them. He felt that this was a good thing if we had supplemental water to allocate. Vice Chair Fust said this could work next year if there is still a drought. Scott McVay stated that's why its being presented to the Board now so all the details can be worked out. Chair Trenerry noted that if a customer signs up for the supplemental water and then the Bureau of Reclamation says no drought, the customer still has to pay for the water. Director Miller indicated that if the District was able to secure supplemental water that was not "take or pay," then there would be no risk. Director Twight says he can see both sides of this program and it has to be available to all customers. He foresees the issue a little differently if the District has their financial footing by next year.

Director Miller asked how can we relieve some of the pressures for the agricultural customer. He stated that if everyone is having to pay the drought rate, which covers all the costs in purchasing water, then why are they having to pay a penalty as well. Director Miller felt that was a double charge. IGM Palmaymesa indicated that the penalty was to discourage the over use of water. Director Miller recommended that the

penalties be deferred as we come into the fall and winter months. Brenda Konicek asked if anyone had checked to see how much water was used between October and February of last year. IGM Palmaymesa indicated that last October it was well over 300 AF. Director Zabaldano felt relief could be handled during the variance or appeal process. He didn't think the Board needed to make the decision on those appeals. IGM Palmaymesa stated that the drought ordinance made a provision for the customer to appeal to the Board. A customer asked about the variance process and whether it was possible to receive a variance as there is no extra water. Director Fust said the variance program was not working out well. Director Twight reported that the savings of water did not manifest itself as some customers continued to overuse. He also indicated that the District lost \$84,000 in the month of July with the higher cost of purchased water and it was not billed back to the customer. August's loss was \$45,000. The Board discussed available water purchased from City of Redding and the amount of water that could be drawn from the wells. Director Miller thought that the whole water year should be taken into account for the customer. If a customer goes over in the summer months and uses way less in the winter and still averages 29 HCF for each month, they should not receive a penalty.

Director Fust noted that the discussion strayed from the supplemental water program proposal. He stated he would like to see if the District could do this program. He requested a committee study this. Director Twight would like to take the program and have it circulated among the community and hash it out at a workshop and not at a Board meeting. Director Miller felt the Finance Committee should review. Charles Hanson commented that the District should be buying water every year in February so that this situation does not happen again. He stated that if there is excess water, then the water can be sold so we don't lose money.

OPERATIONS & ADMINISTRATION:

- A. STAFF REPORTS - UPDATE ON FINANCIALS, BILLING SOFTWARE, WELL PRODUCTION, SW PRODUCTIONS/CONSUMPTION TOTAL WATER CONSUMPTION - IGM Palmaymesa reported on water consumption of 86 AF of ground water so far in September, 19 AF of surface water. Chair Trenerly asked how much water was left from the City of Redding contract water. IGM Palmaymesa indicated 200 AF of the 700 AF and then 500 AF until February. Director Fust felt that with the cooler months coming that the District should be able to allow variances. There should be enough water to allocate when considering well water. Director Miller stated that we should give variances or waive the penalty. We have purchased water that will not be used. Director Miller said the Board dropped the ball back in February when extra water was not purchased and felt that the District should eat some of the costs being born by the customer. He thought there should be a way to grant forgiveness for the overages. Staff Kristen noted how time consuming it was to go in and change individual accounts when approving variances. Discussion followed on deferring the penalty after the drought rate of \$1.21 is instituted. The Board talked about giving discretion to the IGM on not charging penalties. Based on the ordinance wording, the Board agreed that it gave

authority for the IGM to make those decisions. Director Miller said that IGM Palmaymesa can conditionally approve, approve, or disapprove the variances based on the ordinance wording. After an extremely long dialogue between the Board members, direction was given to IGM Palmaymesa to allow him to also approve adjustments if a customer protested the penalty charges.

IGM Palmaymesa indicated that the new auditor Horton, McNulty, and Saeteurn will resend an engagement letter and commence audit between February and April 2022. He also reported that the office clerk position had several applications and staff will hire by the end of the month. Chair Trenerry reported that the dump day would be handled differently this year. She will be handing out the certificates along with Sandy Winters assisting.

QUESTIONS/PUBLIC COMMENTS: None

STANDING COMMITTEE REPORTS: No additional reports were given.

ADJOURNMENT: Chair Trenerry closed the meeting at 10:50 p.m.

Submitted by,

Beverly Fickes, Volunteer



Johanna Trenerry, Chair



Irwin Fust, Vice Chair

Dave Zabaldano, Director

Murray Miller, Director

Cedric Twight, Director



William Palmaymesa, Interim
Manager/Chief Plant Operator