

## **CLEAR CREEK COMMUNITY SERVICES DISTRICT**

Board of Directors, Johanna Trenerry – Chairwoman, Irwin Fust – Vice-Chairman, Virginia Bassham – Director, Mark Engel – Director, Murray Miller – Director  
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### **REGULAR MEETING**

**Wednesday, February 17th, 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 and Murray Miller

**STAFF:** Kurt Born, Bill Palmaymesa, Christy Roberts and Kristen Thomas

**AUDIENCE:** Tammy Cole, Beverly Fickes, Dennis Possehn, Cedric Twight, Barbara Springer, Bruce Bear, Terry, Donna Possehn

**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:** Chairwoman Trenerry stated that she has requested to speak and then she will bring Beverly on. Chairwoman stated that they had 30 people come help clean up the roadsides and that she really appreciates it. They took two big trailer loads of trash out of Happy Valley and asks the community, please, if you see trash out in front of your house take time to pick it up, it just takes a few minutes. Vice Chairman Fust thanked Chairwoman Trenerry for putting that together. Chairwoman Trenerry called on Beverly Fickes.

Beverly stated that she is representing the Happy Valley Community Coalition and we have been the group that has been meeting every week since September. One of the things that we have noticed is that some of the standing committees have not been meeting or have infrequently. I have requested some information from Skip and he has provided it, I just haven't been down to pick it up. That may provide some different information than what I may share today or ask for today. We are asking specifically for the finance committee or standing committee to start meeting more on a regular basis. So we can make sure that our finances are in order. That we're checking all of the boxes and that we don't have any little errors out there. That is also going to provide our community a little bit of ease understanding why these rate increases need to go up. I think we just need to be proactive with that. We just want this finance committee to get going and really look over some things like the Winn Act and what that will do to

us, especially when we are not making payments. Maybe investigate some unfunded liabilities that we have and to see if there are some other revenue errors that are going on. Beverly thanked the board. Vice Chairman Fust stated that we do have standing committees for the Water District and one of them is the finance committee. Those meetings are public. If any member of the community wants to sit in on one of those, they are welcome to do that, that is my understanding. Mr. Fust stated that General Manager Skip Born might want to comment or add to that. Mr. Born stated that Mr. Fust was correct (inaudible). Beverly stated just to clarify, I have been reviewing the minutes from 2017 forward and I really have not seen where the finance committee might possibly meet once a year. So, with these rate increases and things that were trying to get the customers to buy into, it sure would put them at ease if we show that we are being proactive. I have not been able to look at the documents that Skip sent me, but I haven't seen anything on the website showing that the committees have been meeting. Director Bassham stated that we do not do minutes on those committees because there is only two board members meeting. When I go and talk with Skip about the budget, we do not take minutes on it. Beverly asked if there are any community members on the committees? Director Bassham stated no not on those. The community members are invited to be at the meetings, they are public. Beverly stated ok, it would nice then to have them posted on the website and thanked the Board.

Audience member Cedric Twight asked to speak. Mr. Twight stated that he just wanted to comment on Beverly's request if he could. Mr. Twight stated Beverly's request resonates with me being a part of the CAC and that was a recommendation of the CAC. I think the strength of the Board embracing all of the members on this standing committee would lend a little bit of additional community involvement. It would help that particular committee drive an agenda that the customers feel could be worked on and that only builds trust, right? I think that is one of the commodities that the District is not overflowing with in talking to the members of the public. I think it would be a great strategy for including folks, letting folks know how wheels turn, where the points of impingement are, the challenges that the District faces, etc. I do not think anything bad could come of that. It would throw down the gauntlet with the public to come up with a few people that are willing to invest the time, which I think would be an interesting challenge. It would be interesting to see if folks are willing to make that commitment, but I think it would also help the Board members that are on that committee.

Director Bassham asked if she could say something very quick? Chairwoman said yes. Mrs. Bassham stated that it has just been the last six months that the community has really been involved. No one has ever requested to come to finance meetings when there has been two board members. We are not opposed to anybody coming to anything that they want to be a part of. You guys have to remember that you guys just started this six months ago and I want you to know that you are welcome to come to anything that we have available for the community. You have to remember that no one came to the meetings. No one was interested until we had that really high proposal from RCAC. I encourage anybody from the CAC or the community to come to our meetings. I just want it to be clear that we are not opposing it. Chairwoman thanked Director Bassham.

Director Miller stated that it almost sounds like these meetings were somewhat private, I just want to know, were they posted publicly? Or were they just kind of informal? Director Bassham stated I don't think they needed to be because it was only two members, I don't think we have to post that we were having a finance meeting, Is that right Skip? Mr. Fust stated I don't think that is the case. I think it is a Brown Act committee and those need to be posted. I think it needs to be looked at. Director Bassham stated that she has no problem with that. Chairwoman Trenerry asked if we could get on with the meeting now and thanked everyone for their ideas and input.

**CONSENT/AGENDA:** A motion was made by Vice Chairman Fust and seconded by Director Miller to approve the minutes of January 17th, 2020, paid bills dated 1/25/2021, 1/26/2021, 1/28/2021 and 2/10/2021 totaling \$114,383.61 and the January financial statements. Motion was voted on and unanimously approved.

**OLD BUSINESS:**

None

**NEW BUSINESS:**

**Refund Request – Barbara Springer:** Chairwoman Trenerry questioned Mrs. Springer as to why it took so long for her to ask for her refund? Mrs. Springer stated that being busy and sidetracked by working full time is why it took so long. When we got more serious about selling the property we ran out of money and time. Director Murray stated that he needs to recuse himself from this one due to knowing Mrs. Springer outside of the Board of Directors.

Chairwoman thanked him. Mr. Fust made a motion to refund Mrs. Springer's \$2,500.00 and Director Bassham seconded. Motion was voted on with three ayes, one abstain and 1 absent.  
Ayes: 3      Noes:0      Absent: 1      Abstain: 1

**CAC Report to The Board of Directors & Recommendations to The Board of Directors from The CAC:** Vice Chairman Fust advised that the identity of item H was the 7 items that the committee gave to the Board at the last meeting and it was put off so that we could have the discussion at this meeting. Mr. Fust asked Dennis Possehn if he was on board to lead the discussion on the 7 items. Mr. Possehn advised, yes.

Mr. Possehn stated that the first item is currently the customers are charged for the Trinity PUD fee. Looking at it, the actual dollar that the Bureau charges the District is so small, I think it would be better if the District did not charge the customers. The regulations say that you can only charge what it costs, so if you just charge exactly what it costs, it is so minimal (inaudible). Mr. Fust stated I think the total for the year is right around \$800.00. Mr. Possehn stated yes, or less. Mr. Possehn asked what the Board thinks about that? Vice Chairman Fust stated that when we adopt a new rate schedule, that does not have to be a part of the schedule. Director Bassham asked Mr. Possehn if he was suggesting that the District pick up that \$800.00? Mr. Possehn stated I think it is less than the \$800.00. That is what the District charges the customers, what the Bureau charges the District is less than that.

Mr. Possehn stated the second item is that currently the restoration fee is just included in the water charge. We think it would be better is that was a separate line item.

Number three would deal the Finance Committee. We found some problems with the financial statement recently. Since the District is struggling financially, we think it would be better if the finance board members would meet at least once a quarter. Then, if there is a problem or they do not understand the financial statements, it would be prudent to get a certified public accountant to at least look it over and advise the finance committee. We think it prudent that the finance committee would review the MOU. One thing that jumped out at us was the overtime. (inaudible). Maybe that can be something to look at. We understand when there is a line breakage, it has to be done and they have to put in the time. Sometimes there may be the opportunity to give the person some time off instead of the charging of overtime.

Number four; (inaudible) It might be good to form a group to just look for grants and for funding to see where the best opportunity for funding is. Just like the CAC except their job would be to seek grants. The folks that would sit on this group would be somebody that has a lot of experience with grants and applying for grants. (inaudible)

Number five; One problem that we saw on the rate schedule is that some of the numbers, like ag, are in acre foot, some are in cubic foot and then some are in one hundred cubic feet. I think it all has to be standardized to one type of unit and that unit would be one hundred cubic foot.

Number six; We would like the volume of water shown on the monthly activity report.

Number seven; We've already have talked about it but every charge the District does would be a different line item so it is obvious to the customers what they are paying. So, the Winn Act charge, the water rate, the loan payment, they would all be separate line items on the monthly bill.

Chairwoman Trenerry thanked Mr. Possehn.

Mr. Cedric Twight stated that he was looking for some reaction or some discussion relative to those seven items. I would love to hear from each one of you, what you thought of those suggestions. Chairwoman Trenerry stated that there were some very good ideas. Director Bassham stated that she agrees, I think some of them are good ideas. I think on some of them we have to think of costs. Like when it comes to programming for the bills, that is going to cost the District money to change the format of the billing. I think a lot of these are good ideas, I think the more that the public is informed, the better off everybody feels. There is still going to be a lot of costs behind some of this stuff too so that also has to be looked into. Director Miller stated that he thinks that the community did a good job looking into it as best as they could with the information that they had. It would be good for some feedback and to see if feasibility of these items could take place. If we could phase some of them in over time, that would be great. Vice Chairman Fust stated that some of these recommendations could show up as future Board items for discussion.

I think having the seven items as a starting point is a good thing and then we need to work on those as time goes along. I think what Director Bassham mentions about adding line items to the bill would require taking a look at the software to see if it is possible to do that. If not, what the cost would be and if it is worth it.

### **Rate Increase Proposals – Engel, Swim, Twight and Possehn & Appointment of New CAC Member:**

Chairwoman Trenerry advised that she went through all of the proposals. I like some of them in some parts and some in others. I was not totally happy with everything that was in one specific proposal. Something we might do is pick out maybe two of the best that we really like. I had problems with Mark Engel's. I like his a lot but it can't be used because of the Bureau saying that we have to use so much water. After looking at these I thought why can't we bring Ben Swims and Cedric Twight's suggestions to our lawyer and see if it is feasible and maybe we can work the two together some way. That is my recommendation. Director Bassham stated that she agrees, that at some point we do need to get our lawyers involved to check it to make sure that it is going to be something that we can adopt. I like the dollar amounts a lot better than RCAC's.

Mr. Possehn stated that both Mr. Twight's and mine would be similar. My rate would be for the first year and then the following year would be Cedric Twight's. The customers could choose between plan A and plan B. The Ag would just be gone. So, it would just be M&I and everybody would choose plan A or plan B. One would be a big base rate with a small water rate and the other rate schedule would be the opposite with a small base rate and a big water rate.

Chairwoman stated that she would like to address that though. Being agriculture, I know my rates are cheaper in the wintertime. I set money aside for the summer, so in other words, I am already doing what everybody else should be doing. When my bill comes in the summertime, I go into my ag (inaudible) and get that money to pay for my usage. I do not particularly care for an A and B. I would like it to be domestic and agriculture.

Mr. Possehn rebutted by saying, one problem is that the Bureau has doubled the cost of the ag rate.

Mr. Twight stated that Mr. Possehn's and his proposal reflect a very similar kind of analysis. They are tied to the cost of filtering 100 cubic feet of water, plus a little bit of profit for the District for each 100 cubic feet of water that goes in the pipe. The cost of delivering that water, transmission, office and administrative costs are included entirely in the base monthly rate which is a reflection of plan A. That means that it allows you to receive the cheapest water possible that the District can financially produce it at. We decided .30 cents would be an opportunity to create an adnominal amount of revenue for starting to build reserves, to be able to build capital improvements, etc. That water rate is the cheapest rate that the District can provide to customers without losing money at that endeavor. The monthly base rate covers all of the fixed administrative transmission costs that are reflective of the fiscal year 2018/2019 - January 2020, those are numbers we used. Those numbers are founded on District costs so there is no illusion as to whether those numbers are real or not. It is the bitter pill that the customers need to realize, that is what it takes to run this place right now. With respect to the less expensive plan B monthly charge, it takes the water filtration price and essentially distributes the remainder of the office and administration fees by allocating a water rate that covers those costs. The water quantities used to come to that rate are reflective of those domestic and ag users usage. Mr. Possehn goes on to explain his spread sheet to the Board. Director Miller thanked Mr. Twight. Vice Chairman Fust stated that we are talking about two rates, we already have two rates. We have a domestic rate and an ag rate. The ag rate that we have now does not support ag because the Bureau charges us approximately \$87.00 per acre foot so the ag customer is not paying their fair bill right now, that has to change. We are coming up with a rate A and a rate B, you can call it a domestic rate and an ag rate, you can call it whatever you would like, it does not make a difference. The customer gets to choose the rate they want based on whether or not they are doing commercial agriculture and using a lot of water or they are just a domestic user and using less water. The rate A and B concept is valid. Where we run into a problem is that somehow the Bureau charges the District a different price for ag water or domestic water. Right now, the ag water is charged to this District at about \$87.00 an acre foot whereas the domestic rate the Bureau charges us is about \$43.00 which includes the base charge for the water and restoration fee. It would be better for the District if everybody was on domestic. We would get charged less and we could pass that onto the customer. We need two rates, and both of those rates have to take into consideration the base rate that it takes to operate the District and the water rate that it takes to pay for the water that the people use. I favor the combination of Dennis and Cedric's rate rather than using the rate schedule that RCAC came up with increasing the rate for the size of the meter. The community does not like that either and I understand why, it doesn't make any sense.

Director Miller stated that it sounds like there were concerns about Bureau of Reclamation and their reaction to either Marks proposal or Dennis and Cedric's proposal and that's going to have to be figured out. I do not know how they are going to react per say if we pay them the bill for ag and M&I and then we bill our customers differently. They will want to see how it is used so I can see where the Bureau factor comes in. My dissertation was on

collaboration. Collaboration takes time. It takes a lot of time sometimes but the end product is what you're looking for. Where if you have as much collaboration as possible, even if the general idea needs to be tweaked or worked on or worked through all of these areas, it appears that the general idea is coming back that at least with the segments that we have interacted with, some kind of flat fee and some kind of concession for high water usage. Whether you use Marks rate which, in essence, is a bulk rate for those who use more water or whether you look at the plan A, plan B rate structure, it seems to be that they both have some concession for bulk components for those who want to use more water. What I look at is the general idea behind all of these and it appears that between Mark Engel's and Cedric Twilight and Dennis Possehn's rate structures, that seems to be the general direction. Now how we go about it, we will have to work out all those details so that is where we really need more input.

Vice Chairman Fust stated that he can agree to that. Mark's proposal looks very tempting but we do have to deal with the State and the Bureau of Reclamation. Both of those entities have indicated that their direction is toward conservation. If I recall, we used to have a cheaper rate the more water that you used but we had to change that because of the Bureau of Reclamation's and the States thinking changed when it came to conservation. So right away that puts Mark's proposal, although it is tempting, second in my mind. I would favor Dennis' and Cedric's, because of the state and the Bureau of Reclamation. Director Miller stated yes, I thought about that but as far as the State, they do not want you to show tiered right? They do not want you to show tiers based on conservation. This would not be tiers based on conservation, it would be tiers based on buying in bulk and that is all your doing. You are buying this huge amount instead versus this small amount. It is an unknown, I see that. If Mark was here, we could question that some more. I am seeing commonalities between these two and it seems that is the general direction to go. As far as Ben Swim's, I think Ben took into account quite a few things and did a good job of working with the AWWA structure. Director Miller went on to go over Mr. Swim's rate proposal spread sheet. Mr. Miller stated that Mr. Swim's method made sense based on what we have expectations for California except that the replacement cost should have just been figured into the meter size. These other two proposals seem to have at least the idea of a base rate for everybody, depending on what you choose, plan A or plan B. Mark's is just a flat one. It seems like we are going away from the meter size, that seems very clear from the input that we have received so far. We should refer those two (Dennis' and Cedric's proposal and Marks' proposal) back to legal counsel.

Chairwoman Trenerry stated, I think maybe we should take both Ben's proposal and Cedric and Dennis' Proposal to our lawyer and see what they say. Vice Chairman Fust question Chairwoman Trenerry by stating that Ben's proposal has been somewhat rejected by the community now; but you are suggesting that we send Ben's proposal to the lawyer to have them look at the structure? Chairwoman Trenerry stated, yes because he has good points in his proposal. I think they should both be looked at. Chairwoman Trenerry made a motion to take both of those to our lawyer but there was no second.

Dennis Possehn asked to speak. Mr. Possehn stated, I am an agricultural user. I am a farmer and I have a farm back east that we own. The agricultural water coming from the Bureau had been subsidized but currently the Bureau has stopped the subsidized water. It costs even more than the M&I. Farmers can still do what they are doing, you just will not call it agricultural water. Chairwoman Trenerry stated that she has been in this for too long. It has to be called agricultural water because that is what the Bureau of Reclamation calls it. They are going to restrict us over and over. I am here saying that we need to support our farmers. Not only here but all over California. Vice Chairman Fust states we can still support farming in Happy Valley and still call it water A and water B because it is going to take more than calling it ag water to support agriculture in Happy Valley. Chairwoman stated that when I first moved here, I used sprinklers, now everything is on drip and I do not spend the money that I used to. So, in the wintertime, because I don't use water that much, I set that money that I know I am going to use during the summer aside so I can keep farming. I do not want to see the water being called A and B, I think it is important for it to be called agricultural water.

Director Miller asked if any of the community members had some suggestions that they would like to share?

Mr. Twilight stated with respect to the word agriculture, what I think we have done with this plan A and plan B is crafted a means with which to deliver essentially domestic water at a rate that allows agriculture uses under plan B. I say that because all of the water that comes from the Bureau is transformed into domestic water and the Districts challenge is to be able to take that water, after treating it and transmit it to the customers at a rate structure that doesn't sink the District but still provides the most cost-effective water to the folks that want to use a fair amount of it. I think the strength of Dennis and Cedric's proposal is that it empowers everyone that has the slightest green thumb to pay their fair share to get the water delivered to their property, which is represented in that higher monthly fee but also when they are using that water, you are using it at a rate that generates a profit for the District. The reason that you cannot hang the term "agricultural" on Plan B is because A – it's not agricultural water because it is treated, B – M&I water you can get from the Bureau at half the price and C- the WIINN ACT secures that allocation regardless. The three keys things there is that it empowers more people to use water at a profit. That use is no longer

subsidized under the ag designation, which it has been for decades. It allows more customers to get to that 15,320-acre feet at a rate that is not only equitable but also puts money in the District's pocket. If you use the word "ag", the customers have to have a commercial ag business. In my opinion, I bet that half of the customers on ag right now could not withstand a real agricultural financial audit. Let's take advantage of the water that the District is blessed with but let's deliver it at rates that allow the District to become whole and strong again.

General Manager Born advised that when there are drought restrictive years and we have to have cutbacks, the cutbacks always come at different levels on ag versus M&I. In the past, what we have been able to do if our short comings on the M&I side have been to the point to where we would not make it, Reclamation allow us to what they call "convert" some of our ag allocation to the M&I side. I am not exactly sure how this would work if we were to label them A and B.

Mr. Twight stated looking at the drought memo, it appeared that Reclamation provided 75% of M&I and only 50% of Ag. General Manager Born advised, no, that is one of the stages and we have five stages of drought. During the worst drought that we have ever had, of our 15,300-acre feet we were only allowed 541-acre feet for the year for our customer base and that was with the conversion moving back and forth. That year they had given a 0% allocation to ag. We made the fight saying that we have incidental use of our ag customers so we were able to get some leeway but it can be tough.

Mr. Twight questioned Mr. Born, asking, it is based on usage, right? So it is going to strengthen the Districts ability to acquire water in drought years because it is going to show a higher rolling average of M&I use. It sounds like M&I is the last to get curtailed in a drought? Mr. Born advised you are right. They do base it off the last three whole water years, so they take whatever they are going to allocate for this year and they will base it on the last three years and give us a percentage of those uses. The more water that we can use in any given year, the better off we are going to be.

Mr. Possehn stated what if we do M&I, A and B and a separate one for the ag component? Mr. Twight asked if Mr. Possehn is suggesting that we have Plan A and plan B and then a third which would essentially be like Plan B but call it ag? That sounds great. General Manager stated that might be just the ticket. Mr. Fust asked Chairwoman Trenerry how that sounds to her? Chairwoman stated that sounds good to me. Mr. Possehn goes on to speak about his spread sheet.

Director Miller asked, if this was referred to legal counsel with modifications, would that be enough, or do you want to see it again before we do that? Mr. Born advised, in my opinion, we have a really good awareness of how this works and with these modifications. I think we're ready to take it to an attorney. I like what I see. I think they did a really good job.

Director Murray Miller motioned to take the Dennis and Cedric plan, which has rates for year one and two, with modifications mentioned, to legal counsel. Vice Chairman Fust seconded the motion. Motion was voted on and approved, with one absent.

Ayes: 4      Noes:0      Absent: 1      Abstain: 0

**Ordinance 2021-01 – Roger Schreiber:** Chairwoman Trenerry read Ordinance 2021-01 commending Chief Plant Operator Roger Schreiber on his 43 years of service to the District. A motion was made by Director Miller and seconded by Vice Chairman Fust. It was voted on and unanimously approved, with one absent.

Ayes: 4      Noes:0      Absent: 1      Abstain: 0

**Ordinance 2021-02 – Drought and Water Shortage Policy:** Vice Chairman Fust stated that this has been brought to our board by several members of the community. We are now in the stage one drought situation, so the reading of the stage on drought language it forbids any new ag applications. That does not make sense considering that we still have quite a bit of water to offer. The suggestion was to change the language of the Ordinance. Mr. Fust read the new language and made a motion. Director Bassham seconded. It was voted on and unanimously approved, with one absent.

Ayes: 4      Noes:0      Absent: 1      Abstain: 0

**Bruce Bear – Forgiveness for Downstream Leak:** Members of the Board asked Mr. Bear what happened leading up to the leak? Mr. Bear stated that they had a main line break between the meter and the house. They did a lot of leak detection and found out that the leak was under the garage slab. We had a pretty good gusher going and had the whole main line replaced. It was about 150 ft between the house and the meter. I was asking for some forgiveness because the average bill is usually between \$50.00 to \$60.00 a month and we ran \$330.00 on the cycle before last and \$660.00 on the last. It cost about \$7,500.00 to take care of the situation as is. I was just hoping that the Board

would just give me average usage for those two cycles. Director Bassham asked how many leaks Mr. Bear had. He stated that it was hard to tell due to where the leak was located. Mr. Fust asked General Manager Born if the water District was involved in this? Mr. Born stated no, Mr. Bear has just submitted a letter asking for forgiveness. Chairwoman Trenerry asked Mr. Bear what he did when he first saw how large his bill was? Mr. Bear stated that they did a lot of leak detection, digging and called a plumber. Chairwoman Trenerry stated that we have to stick to our policy and suggested that we extend out his payment. General manager Born stated that we could do a payment schedule, something that might work a little easier for Mr. Bear. Mr. Bear said he can take care of it within three months or sooner. Vice Chairman Fust made a motion to give Mr. Bear a year to bring his bill up to current status. Director Bassham second and it was unanimously approved, with one absent. Mr. Bear thanked the Board.  
Ayes: 4      Noes:0      Absent: 1      Abstain: 0

**Annual Auditor Services:** Mr. Fust stated in looking at the numbers that we have available to us with the Community Advisory Committee, it became apparent that there are lot of questions that come up regarding the annual audit that we do for the District. It turns out that we have had Ricciardi doing that audit for the District for many years and there are some interesting developments when other CPA's look at our audit, that frankly I have missed, that a qualified CPA has found. What that tells me, is that it is time for this District to take a look at going out for an RFP, request for proposal, for a new auditor and to do a full audit of the District. The people this community would want nothing more than that. I request that we put on the agenda as an action item for next month the adoption of an ordinance that it takes that to go out for an RFP for a new auditor for the District. Mr. O'Connor with R.J. Ricciardi could put in for that, as well as other people. I would hope that we could pick up a local auditor here that has done work for other Districts around. I think it would be better for us. Director Bassham asked Mr. Fust what were some of the things that were caught that we missed? Mr. Fust stated that on the budget for 2021 and other revenue, there is a line item for merchant reserves that is added as other income. It really is not other income because it is already considered in the sales of domestic water and agricultural water. Chairwoman Trenerry stated that we will bring it up at the next meeting.

## **OPERATIONS & ADMINISTRATION**

**STAFF REPORTS:** Nothing to report

**STANDING COMMITTEE REPORTS:**

**QUESTIONS and/or PUBLIC COMMENTS:** Director Miller asked to bring up the requests for night meetings. Chairwoman Trenerry stated that we would have to still be doing the zoom meetings at night. Mr. Fust suggested that once the rate schedule that they have tentatively approved comes back from the attorney, that we schedule a night meeting for the general public to be able to see the rate schedule before we actually put it out for a Prop 218 meeting. We can get a discussion on it. Chairwoman Trenerry said that is fine.

Mr. Twight asked if that would be in March? Mr. Fust said we may need to have a special meeting. Before we can go to a Prop 218 meeting, we need 45 days to let everyone know. It would be good to be able to put a new rate increase in place by the beginning of the fiscal year.

Beverly Fickes asked if this meeting would be to inform the community of this new rate structure being proposed? Mr. Fust stated that if we got the rate structure back by the March Board meeting, we could set a community meeting within two to three weeks, couldn't we Beverly? Mrs. Fickes advised, I think so but I think it would have to go with the billing. There is a lot of people that are not on Facebook.

Director Miller stated, so if I am understanding correct, we would bring it back from legal counsel, that would trigger an information meeting, followed by input and initiate the Prop 218. Vice Chairman Fust advised, right. Then the April meeting of the Board could be the meeting where the Board would approve the rate increase to be put out for a Prop 218 meeting and that would start the 45 days. That 45 days would put it towards the end of May and that would be the Prop 218 meeting. If it is approved, it would go into effect July 1<sup>st</sup>.

Beverly Fickes stated that for the Prop 218, you have to give the customers 45 days' notice, so it has to go into their billing.

**ADJOURNMENT: 11:04 AM**

Submitted by,

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

\_\_\_\_\_  
Johanna Trenergy, Chairwoman

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

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

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

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

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