

CLEAR CREEK COMMUNITY SERVICES DISTRICT

Board of Directors, Johanna Trenerry – Chairwoman, Irwin Fust – Vice-Chairman,
Virginia Bassham – Director, Mark Engel – Director
5880 Oak Street, Happy Valley, CA 96007
Phone: (530) 357-2121 Fax: (530) 357-3723

REGULAR MEETING Wednesday, February 19, 2020 at 9:00 AM District Office - 5880 Oak Street Anderson, CA 96007

MINUTES

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

STAFF: Kurt Born and Christy Roberts

AUDIENCE: Dennis Possehn, Scott McVay, Sandy Winters, Jonathan Bank, Bob Ferrera,
Mark Clausen, Tammy Cole and Dave Bartle

CALL TO ORDER: The meeting was called to order at 9:01 AM

PLEDGE OF ALLEGIANCE: Chairwoman Trenerry led the Pledge of Allegiance

OPEN TIME:

CONSENT/AGENDA: A motion was made by Vice Chairman Fust and seconded by Director Bassham to approve the minutes from January 15, 2020, paid bills from 1/10/20, 1/24/20, 1/31/20 and 2/10/20 totaling \$150,944.98 and the December 2019 and January 2020 Financial Statements.

Motion was voted on and unanimously approved.

OLD BUSINESS:

None

NEW BUSINESS:

Appointment of Board Member: General Manager Born stated they have had 3 applications so far and 2 were turned in after the deadline date of February 13, 2020. Mr. Born asked the Board members if they wanted to wait to appoint a new Board member until they have more applicants? Director Engel stated that they should table this until the next board meeting because interest is still coming in. Vice Chairman Fust stated that he is thankful for the applications we've received to date but we only gave a total of 2-weeks. There needs to be more time and if we decide this now, it leaves us

up for criticism from the community. A motion was made by Director Engel and seconded by Vice Chairman Fust to postpone the appointment of a new Board member until the next month's meeting. The motion was voted on and unanimously approved.

Vice Chairman Fust asked General Manager Born if he provided the applicants with a copy of our budget? Mr. Born stated that he did not but would provide them a copy via email.

Rate Study - RCAC: Chairwoman Trenerry asked General Manager Born to explain who RCAC is and what they do? Mr. Born stated that RCAC is a Residential Community Assistance program and they are not funded by any Federal or State agencies. They help other agencies collect funds to help them make improvements to their infrastructure, help get Districts to achieve financial stability and they help with various other aspects of running a District. Their services are free to us and they are doing the Rate Study for us because they have been doing them for 30 years and they are very experienced with them. Mr. Born stated that we originally were supposed to bring the Board something this month but after discussions with them about the Green Rate and the purpose it serves, they decided to include it in their Rate Study. The question of the Green Rate provoked a question of; then why can't we also keep Ag rates? RCAC is going back to include the Green Rate and the Ag rate because we are defined as an "Irrigation" District by the Bureau of Reclamation. This has been a learning process for them and for us but we are making sure this is right and is in the best interest of all the customers in the District. Vice Chairman Fust asked that since they are incorporating the Ag rate, how is that going to work with the WIIN Act and it not allowing the Ag rate? Mr. Born stated, that is not correct. We will still have the Ag Rate but we will not have the Federally subsidized Ag Rate anymore with the Bureau of Reclamation. By paying that construction cost off; the subsidized rate goes away. So in essence, the Ag Rate will still be available but the cost of it will be more than the M&I Rate.

WIIN Act Final Contract - Review: Chairwoman Trenerry stated that she is not ready to sign it and we do not have to until the end of the year. General Manager Born stated he is not ready to sign it either and with all these revisions; what will come up next? If we sign it now, then what will come up after we've already signed it? Mr. Born stated that we will wait and sign it later.

FEMA Backwash Pond Repair: General Manager Born stated that the good news is that he has had the same representative for 2 months now and it's going well. It has gone through the research center in Texas and has been approved, its now on the way back to Sacramento for the final approval. One thing they want us to do is put in a hazard mitigation, which they will also pay for and it will prevent any further seepage going into or out of the ponds by a means of some sorts of a French Drain. Mr. Born stated he as a meeting with the engineer's tomorrow and he should know more then.

LAFCO Nomination Period: Vice Chairman Fust stated that he has been the Chairman of LAFCO for the last 4-years. In 2016 this Board nominated him to be a member of LAFCO and that went to an election by all the Special Districts and subsequently he was appointed Chairman. Mr. Fust stated that he would like to do that again and is requesting that this Board do that again. A motion was made by Director Engel and seconded by Director Bassham. The motion was voted on and unanimously approved.

2020 ACWA Legislative Symposium: General Manager Born stated that right now their agenda that's posted is preliminary and it's possible they will add to it. Vice Chairman Fust stated that in the past years, the only reason we participated was to meet the State Assemblyman and State Senator. We are in the middle of an election year and he's not sure they would be interested in what we are doing right now. Mr. Fust stated that they have offices here in town if you want to meet them, rather than travel to Sacramento. All Boards members agreed they would not attend this year.

2020 Water Users Conference: Director Engel stated that as the designated JPIA director he has a 'book' at that table when this meeting comes up; which means we have a voice and we get to vote in making primary decisions. Last year there were a lot of discussions about their responses to our need regarding the Carr Fire, which he felt was very important. Director Engel stated that there are other opportunities as well and the JPIA offers employee benefits. We've had a really good response with the JPIA and he feels that liaison is very valuable. Chairwoman Trenerry stated that her only concern is the expensive involved. Audience Dennis Possehn stated that with the current budget, we should drop it. Director Bassham stated she doesn't feel that is the solution and it's important to keep a relationship and stay recognized with the JPIA. Mrs. Bassham stated that, yes, the cost is a concern right now but our relationship is better now than it has ever been. Vice Chairman Fust stated that he agrees with Mr. Engel, that it is important to have that presence down there but in thinking about the cost, his suggestion is to postpone it this year and resume next year. Audience Scott McVay stated that his suggestion is to postpone the decision until the Board has it's fifth Board member. Chairwoman Trenerry stated she likes the idea of postponing this decision until next month. Audience Mark Clausen asked if the cost is worth it and if there is a way to re-coop those funds? Vice Chairman Fust stated that there is no doubt a benefit to attending. Director Engel stated that the way he looks at it, is it's a cost of doing business.

Senate Bill 929 – Website Requirements 2020: General Manager Born stated that this is just informational and regulatory maintenance of the District website that provides information to the public. Mr. Born stated that we are in compliance.

Treatment Plant Power Generator: General Manager Born stated that it looks like

we are going to be able to get our generator replaced by JPIA. After further conversation with the underwriter and in testing our current generator; the inspection confirmed that there is significant damage to the engine because it was sucking in heavy particulate matter during the Carr Fire, causing excessive wear and due to the age of the generator, it was recommended by JPIA and McLarens to replace it. Vice Chairman Fust asked what the power source is? Mr. Born replied, diesel because it provides more power than propane and is more readily available in emergencies.

OPERATIONS & ADMINISTRATION

STAFF REPORTS: General Manager Born stated the BMP'S are done and the annual reporting for Agriculture Crop reports have been completed. Mr. Born stated there were approximately 270 crop reports turned in. There was definitely a decline like every year but we did have something to report.

Field crew have been busy with routine maintenance with no major leaks lately, just service line leaks. A line on Cloverdale was hit and luckily it was only a 3" line but the field crew had to fix it and this customer will receive a bill for those repairs we had to make.

There are currently 2 new meter installations; which brings hope with it only being February. Vice Chairman Fust stated that this District is still not growing and that's part of this District's financial problem. General Manger Born stated that this system and the pipeline in the ground is 53 years old and its lifetime was 50 years. We've exceeded that and we are seeing ramifications of that on Olinda, Flowers and China Gulch with repeated 10" line ruptures. We are seeking grant money from RCAC to get some of this line replaced so we do not have to deal with these line breaks all the time because the expenses associated with those are just incredibly high. Director Bassham asked where the new installations are going in at? Mr. Born replied, one on Cloverdale and the other is off New Riders Way.

Audience Scott McVay asked if there are any updates on the Dollar General? Mr. Born stated, no, he hasn't heard anything from them. Mr. Born stated that he did reach out to the person in Igo/Ono about putting in a fire hydrant and he is getting into contact with LAFCO to see what needs to be done. Adding that area would bring more revenue to the District and it would be a big Annexation but it can be done. Vice Chairman Fust stated that this could benefit Igo because they currently have a problem. Mr. Born stated that the conduit coming from Whiskeytown currently has a turn-out called Igo/Ono and it's on the original maps from 1963 and it makes the job easier. Audience Sandy Winters stated that Igo/Ono paid for their water rights to Rainbow Lake and doesn't think they will be interested in going with Clear Creek Water District. Mr. Born stated they may not but with the current issues with Rainbow Lake and their open ditch system, are being argued. It won't do us any harm to try and get a hydrant or meter out there. Mr. Born stated that years ago he confronted their Board about getting Clear Creek water services out there

but they were not interested. That was years ago but things have changed, water supplies have changed and water is becoming a more valuable commodity.

STANDING COMMITTEE REPORTS: Vice Chairman Fust stated that LAFCO is still going through the Municipal Service Reviews. They will be meeting again in April. Chairwoman Trenerry thanked everyone that came out to help clean-up the roadsides. Canyon Road was really bad and we need to get more people involved. There were 10 people who came and if we could double that to 20, we could pick-up a lot more trash. She will be sending out letters in April to those who have attended in the past, in hopes to get more of the community involved.

Director Engel thanked the individuals that turned in an application for the Board member position. All the other Board members thanked them as well.

QUESTIONS and/or PUBLIC COMMENTS: Sandy Winters asked where Rick Cascarina has been and she always looked forward to his reports? Mr. Born stated that he is retired. Dennis Possehn came to the podium and stated that in this difficult financial time a new Board member should be a professional, like an accountant, businessman or the woman that Mr. Born and Mr. Cascarina met with during the last Prop 218 meeting. Mr. Born stated that he would reach try and reach out to her. Mr. Possehn asked if the grant was approved? Mr. Born stated that only the first part of the funding process has been approved. There are more processes to go and a lot more paperwork to do but we are on the right track. Mr. Possehn asked if there will be an opportunity for the public to review the recommendations of the Rate Study prior to the Board approving it? Mr. Born stated yes, the people of RCAC are going to make this as public as they have every other Rate Study they've ever done. The community will have the opportunity to be here and ask questions during a board meeting when they come to present to the Board members; which is just a preliminary to the Prop 218. Mr. Possehn stated he doesn't understand the WIIN Act. Essentially, are they going to take the Ag subsidy away and then charge each user a certain amount of money? Mr. Born stated it's called the construction component. Years ago this District and most all other Districts in California were given the opportunity to waive paying for the construction component for Agriculture water rates and by waiving that the prices for Ag water became Federally subsidized, or dropped. That had a specific date on it, sometime in 2021; of having to pay the construction component back to the Bureau of Reclamation by a certain date. Mr. Born stated that most Districts that have Agricultural rates have waived that component and now in order to qualify for the WIIN Act to get your contract in perpetuity, you have to pay the construction component back. For Clear Creek CSD it's approximately \$850,000.00 and in research, our neighbor, Bella Vista's is \$2.2 million and they are going to pay that because the advantages of the WIIN Act are too great to not take advantage of it. Mr. Possehn asked what if we don't do the WIIN Act? Mr. Born stated then everything remains the same but the \$850,000.00 is still due in 2021. There is no postponing or bypassing that payment that's due, so if we go with

the WIIN Act then we get those benefits and we never have to negotiate that contract again. Mr. Born stated that he has contacted a Water Broker because we have a surplus of water that other people want and need. We are trying to work a deal to sell M&I water south of the Delta; that would bring more revenue to the District. Mr. Born stated that most Districts down there use their entire allocation or more, of water and occasionally they are looking for someone who will sell it to them.

Mr. McVay asked how the \$850,000.00 will be paid for the construction because obviously it's not in the reserve accounts? Vice Chairman Fust stated that we are going to finance it, that's the only way we can do it. Mr. Born stated there is a special financial institution out there that is doing the financing for all of the Districts affected by the WIIN Act. They are combining everyone to make it easier and be able to provide us with lower interest rates. Mr. McVay stated that by selling water, we could use that money to start rebuilding the reserve accounts? Mr. Born stated that we are rebuilding the reserve account definitions and how money is to be allocated to them. The people at RCAC are working with us to have a policy in place to rebuild those reserve accounts and the rate study will also be taking those things into consideration.

ADJOURNMENT TO CLOSED SESSION – Personnel - Govt Code 54957:

Adjournment to closed session at 10:05AM, following a 5-minute break.

ADJOURNMENT TO OPEN SESSION: 10:42AM – Vice Chairman Fust stated the Board members met with General Manager Born and there is no reportable action taken during closed session.

ADJOURNMENT: 10:42AM

Submitted by,

Christy Roberts

Johanna Trenerry, Chairwoman

Irwin Fust, Vice Chairman

Virginia Bassham, Director

Mark Engel, Director

ATTEST: _____
Kurt Born, General Manager