

## **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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### **SPECIAL MEETING**

**Monday, October 12, 2020 at 6:00 PM**

**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:** Irwin Fust, Virginia Bassham, Mark Engel and Murray Miller

**STAFF:** Kurt Born, Cary Brown, Christy Roberts, Chad Krick and Roberto Chacon

**AUDIENCE:** Ben Swim, Beverly Fickes, Sandy Winters, Scott McVay, Cheryl Crabtree, Tim Garman, Pam Dalton, Bill Epperly, Cedric Twight, Emily Rankin, Rusty Simmons, Coleen Wogoman, Greg Martini, Joe Vasquez, Nora Willson, Brenda Konicek, Wanda Jones, Lynn Frazer, Dave Hamilton, Sherri Macleod, Shawna Welch, Steven Romero, Betty Cloud, Tammy Cole, Sara Lincoln, Donna Possehn, Annette Kolkey, Joe Kneer, Marilyn Girt, Cindy Donarico, Sandra Glass, Jim Lewis, Brenda Bailey, John Rueth, Kyle German, Robert Wenham, Liza, Tim Osborn, Bridget Soksoda, Jonathan Bank, Margaret Hewitt, Sarah Stein, Ezio Moresi, Elizabeth Betancourt, Mark Juarez and Terry Hambelton

**CALL TO ORDER:** The meeting was called to order at 6:21 PM

**PLEDGE OF ALLEGIANCE:** Vice Chairman Irwin Fust led the Pledge of Allegiance

**OPEN TIME:** Vice Chairman Fust apologized for his technical difficulties. Mr. Fust stated Chairwoman Trenerry would not be in attendance due to a death in the family.

## **OLD BUSINESS:**

None

## **NEW BUSINESS:**

**Public Hearing – RCAC Prop 218 Rate Increase:** Vice Chairman Fust stated that in an earlier conversation with General Manager Born; we have enough protest votes to defeat this but this is a scheduled public hearing and I'm sure there are people who want to speak about this and we want to give everyone a chance to do so. Vice Chairman Fust introduced General Manager Skip Born and the Board members; Murray Miller, Mark Engel, Ginger Bassham and myself, Irwin Fust. We have a legal quorum of people, so we will move forward. At this time I will turn it over to General Manager Skip Born. General Manager Born stated that this process was started over a year ago with a request to do an adjustment on the rates and at that time, it was not accepted. The Community expressed that they wanted the rate study done by an independent firm. We had the rate study done by RCAC and this is pretty much all that they do. Their rate studies are based on criteria supplied to them by the State of California, which means we would be compliant with the State of California but this really doesn't fit Happy Valley and doesn't fit our customer base. However, it is a really good picture of what the State would require if they came in and took over. Vice Chairman Fust asked the Board members if they had any questions before he opened the public hearing? No Board members had questions. Mr. Fust opened the hearing to the public and stated we would like to hear from as many people as possible. We are looking for suggestions, your ideas and how this will impact you. We must have a rate increase in this District because costs have gone up but in a fair and equitable manner. I have here a request from a local Committee that was formed to collect protest votes and Ben Swim is the spokesperson for them. I would like to hear him speak about this situation, then we will go to the general public for comments. I ask those people to stay at a 3-minute limit and please do not relinquish your time to others.

Ben Swim thanked the Board and Community members and stated he is also a resident of Happy Valley and for the sake of time, I have been asked by the Community to speak. I hope that all of this is taken as constructive criticism that we can build from and move forward. Mr. Swim stated that some of the top things are; Community members are disappointed in how this process has been conducted and has created a divide between the Community members and the Clear Creek Services District. In addition, it appeared that Board and members of the District, did not have the information we were requesting. A side note from me personally, I admit that I don't go to as many meetings as I should and I don't always read the insert with the water bill. I will fully take responsibility for that. As most of you know, I have created an alternative proposal for the rate increase. I've worked with several members to come up with these numbers. Sarah Beer has gone through the last 3 years of their audits and budgets to make sure we cover the minimum needs for the District and it will be available for anyone to review. It is my understanding

that the Board can do an increase of up to 7%, without the requirement of a vote from the public. This will allow you to cover inflation costs and any minimal increases that may come about. These increases have not been done in the past, due to various reasons. We must have an increase of a certain amount in order to qualify for grants. If we can do a small increase before the end of the water year, which is February 2021, which allow us more time for grants and to come up with a suitable alternative rate increase going forward. I am willing to make myself available whenever necessary. If we could do the rate increase and get the grant money, that is going to help with all the numbers going forward. Vice Chairman Fust thanked Mr. Swim.

Audience (inaudible) stated that we are talking a grant and rate increase. Once you get the grant, you still have the rate increase there and then you guys are coming out ahead. To me this just seems like another ploy to just to get a raise. Anytime that you got salaries involved you automatically got raises. Nobody needs to be getting a raise right now.

Audience Cedric Twight thanked the subcommittee for working on the rates. I do have a concern and understand that we need a grant and the 7% increase to qualify for that but what I am really concerned about, is continuing to throw darts at a Board without knowing what precisely it is we are trying to resolve here. We don't have a clear problem statement, so when we start piecing in solutions, like a 7% increase, I can't be excited about that knowing, what is the minimum to qualify for a grant and it just seems like we are compounding the problem we are in. We just need to be systematic in our approach with understanding entirely all the moving parts. I think it would be smart to talk about one or more in combination so that we come out with the best outcome. Finally, I just want to thank all the Community members for putting their time in on this. Mr. Fust thanked Mr. Twight.

Audience Beverly Fickes stated that she is so disappointed in the way we did this. I wish the next time it comes around we are all sitting down together before we get to the public hearing process. We lose our faith in the Board and Staff when it's just thrown out there with not much dialog. It is disappointing in how last years hearing went and this years too. I hope we've learned how to manage a rate increase properly and hopefully we can work together to get that accomplished. Mr. Fust thanked Mrs. Fickes.

Audience Emily Rankin stated that she's lived in the valley for almost 40 and is very disappointed in how this whole thing was orchestrated. There were a lot of people behind the scene beating the streets trying to get the letters and I'm glad that we got them. People were not informed properly. I don't understand how come a notification didn't go out with the water bill. I called people and went door to door and an unbelievable amount of people were not even aware. That was a big disappointment. I hope going forward, the Board gets together with the Community. The people asked for the audit, we did not ask for the RCAC report and there's a lot of us in the Community that still don't think that we ever got the audit and got our questions answered. There's a section in that report that is not even legible and I want to know what we are giving up for the grant because

nothing is for free. If we go with the grant what are we giving up as a Community? Mr. Fust thanked Mrs. Rankin.

Audience Rusty Simmons asked General Manager Born if it's true, that you've tried numerous times to give rate increases over the years but the Board has denied it? General Manager Born stated yes, I have gone to the Board several times over the last 8 years and we've discussed different rate increases and the Board wanted to keep the rates as low as possible, so we've only done our basic CCI increases. To answer your question, basically, yes, I did. Mr. Simmons stated if so, why didn't you call a Community meeting? Mr. Born stated that every meeting we hold and all discussions that take place are in the newsletter and are in the minutes. It is up to the customer to be reading that information. You can't always hold the Directors and myself responsible. It's your job to read that from the mail as well. Mr. Simmons stated that he understood but the Board meetings are held at 9:00 in the morning and I can never make that. Mr. Born stated that he never heard from you that you didn't like the time. Vice Chairman Fust stated let's not do back and forth argument. We are trying to get as many comments as possible from people. Mr. Simmons stated that's why we have a Save Happy Valley Community and Ben Swim. Mr. Fust thanked Mr. Simmons.

Audience Tim Garman stated that he is not opposed to a 7% increase. I just want to know that the stipulations of the grant are going to entail. If you could let us know what that looks like, it would be helpful. Vice Chairman Fust stated that he agreed because with every grant comes conditions. We will look at those to make sure we can handle it within our District. Mr. Fust thanked Mr. Garman.

Audience Ezio Moresi stated that he's been listening to the people and they make sense. I'm surprised as to why the Board doesn't believe the same, it's just common courtesy. I think we all understand that to run a company, you need to pay employees, maintain the equipment and so on. I don't know that there's full disclosure during the meetings and I don't think there is full transparency. I think we would get more if we had an honest transparency. If you going to get a grant and there's ties there that obligate, or are things there that we are not in favor of. We need to clarify that further and get a better understanding of it. I don't think people are against a little increase but a lot of people are against this 3 and 4 fold increase on the water rate itself, plus the monthly cost. Mr. Fust thanked Mr. Moresi.

Audience Annette Kolkey stated that first I want to thank everybody for working with new technology. There has been absolutely no transparency and we need to remind the Board that not only do they have a fiduciary responsibility to the District, we are the District and we need to work together. Also, there is no such thing as things will get better, or let's wait because here we are and things need to change. We are all in this together and we love our area. The RCAC report was extremely over-pulled and under delivered. Comparing it to anything that would have been produced by Pace Engineering is a lie. The RCAC report disqualifies itself in 3 different places and it suggests that a median

household income study be done by the Board. Why didn't anyone call Shasta County? That information would have been easily remedied with a phone call. As far as the grant, back in your meeting minutes there have been several comments that the District is out of compliance with rates and the existence of our main system. We don't qualify for a lot of grants and until those issues are remedied, we are just blowing smoke. We do need grants and we do need to get things fixed but the Board cannot do it alone. The gentlemen that has come forward with alternate rate studies, god bless him. It's not really our job to do the heavy lifting. Going forward the Board needs to give more transparency and more input from the actual users of the District. The new base rate, regardless of how much, I would like to know what portion of that rate goes to replenish what fund. Mr. Fust thanked Mrs. Kolkey.

Audience Mark Juarez (speaking for his mother Gloria Juarez) stated that he doesn't think the report was done from a farmer's point of view. The olive trees have been out here for 50-60 years. When they first started this District, it was for Ag. To water olive trees, you needed a lot of water. You don't need it all year long, only 2-3 times per year. So upping the price of the meter, for a 4" meter, for our olive trees is not going to work. We are going to be out of business. The next time, I think it would be good to get some farmer's involved to see what actual water usage is needed from them. Mr. Fust thanked Mr. Juarez.

Director Murray Miller stated that there were questions on the chat that he wanted to bring to attention. Director Miller stated that Steven Romero is asking, do we have cost estimate of the replacement of the distribution system? General Manager Born stated that we have some in-house estimates, primarily of the 10" lines because those cause the most problems. We need to have an engineering firm come out and actually do an estimate. That's the way to get an accurate number. Mr. Fust asked Mr. Born if he had a ball-park figure? Mr. Born stated there is a lot more to it than just putting pipe in the ground. There is a lot of environmental work that needs to be done, construction, engineering and planning and other components to make this work. My initial estimate was around \$5-million dollars and that's just initial and nothing official. Director Miller stated that his second question is, how much was the grant for? Mr. Born stated that is completely determined on engineering firm and their assessment on the District. We don't know that number.

Director Miller stated in the chat Liza asks, why are you trying to take away our meters if they are over 2"; these meter were already paid for just the same as all the other meters? Vice Chairman Fust stated that we are not taking anybody's meters.

Director Miller stated another question from Bridget. Bridget came on and stated why haven't we looked at what the price is to fix the infrastructure before we hike prices and make Ag meters unaffordable? Mr. Born stated that this price hike that we are talking about is getting us back to where we can afford to get the District back in shape. Mr. Fust stated we are going for a grant and the amount is still to be determined. Bridget

asked what that total infrastructure budget is that we're looking at fixing by these enormous rate hikes? I've never seen a ball-park figure. General Manager Born stated that the shortfall is in the District reserve accounts. Those accounts are designed to help with capital improvement projects, filter plant and the distribution system. We've used those funds because of timing of the drop in the economy, the drought and several other factors. We have not been able to replenish those reserve accounts and it's critical to the operations of this District. Bridget asked Mr. Born, didn't we have a rate increase 2 years ago because of the drought? Mr. Fust stated no, we did not. Mr. Fust thanked Bridget.

Director Miller stated another question on the chat from Pam Dalton, why are you trying to charge a monthly fee on meters that homeowners already own? Vice Chairman Fust stated it was indicated in the purposed rate increase and it's a good question because I have that same question myself.

Audience Fara stated that she is Ag and I am really curious if the grant goes through, are they still going to charge us for the meter if I'm only using the meter so many months out of the year? Mr. Fust stated we don't have a grant? We still have to find that out. Fara stated that's all she uses hers for, is Ag. The monthly thing is not a good deal. Mr. Fust stated that the grant we are seeking is to replace the aging pipe in the ground. We don't know what the grant is going to be and we need to find out more and how much it will cost. Mr. Fust stated just so that everyone understands, the grant and the rate increase are separate. The rate increase is to make up for the increase in costs that we've had over the years, the down-turn in the economy and the drought. We had to buy water at astronomical rates.

Audience Pauline asked, is this your way of getting rid of Ag water and if so, am I able to drill a well? Vice Chairman Fust stated we are not trying to get rid of Ag. We are trying to increase Ag out here but over the years Agriculture has gone down out here. It's just a fact of life unfortunately. Mr. Fust thanked Pauline.

Audience Scott McVay asked what is being done about the money we owe for the Central Valley Project? We are coming up on a deadline within 2 months for that \$800,000.00. General Manager Born stated this is coming due in December and we've been working for years now with the Bureau of Reclamation, our attorney and other agencies in Shasta County. One way or another the Bureau of Reclamation wants their money and by 2030 it becomes due and payable anyway. There are advantages in going with the WIIN Act and we will post those advantages online. Mr. McVay stated he's been attending the meetings and the Board has passed it down the road repeatedly over the last several months and what is the Board doing to resolve this situation? Vice Chairman Fust stated that there is a final date and it's at the end of this year and we haven't gotten to the end of this year yet. What we've been doing along with other water districts is trying to get the best language we can in the contract that we have to sign so that it's more advantageous to us. That is why we have engaged with an attorney, John Kenny here in town and he is representing several other water companies. Mr. McVay asked if we are losing leverage

by delaying our decision? General Manager Born stated no. We are still within that timeline and he has been in contact with the Bureau of Reclamation and they know where we are with the process and they are fine with it. Mr. Fust thanked Mr. McVay.

Audience Coleen Wogoman stated that she had a comment about not trying to get rid of Ag customers and in talking with customers the last few weeks, there have been quite a few that have been turned down for Ag. I just want clarification on this because I've been hearing about this over and over again. It's frustrating because you're telling other Districts, such as Bella Vista, that we can give them water for their subdivision because we are not using it and the truth is we aren't being allowed to use our water. I keep hearing different things and I just want some clarification. I think what you're saying is false. I don't think you're promoting Agriculture. I don't think you're supporting people who want Ag water and you're telling Bella Vista, as recent as July, that we have plenty of water to spare for their subdivision. I would like some answers on that, if I could please? Vice Chairman Fust stated that it's good to hear that you want to help with the Agriculture situation in the District. We need the help and Coleen I invite you to help promote that. As you know Johanna Trenerry has been trying to promote that for a long time. She started the Farm-trail out here and over the years the Farm-trail is going down. Mr. Fust thanked Mrs. Wogoman.

Audience Greg Martini stated that they sold his father in-laws house and it has always been on Ag rates. The people that moved in have 15-acres of olives and they were told, no. Across the street there's a 4" meter. A new person moved in and they were told, no with about 15-acres as well. General Manager Born stated that the reason you're being told that now and I think Coleen was here when we put this ordinance into place; that when we get announcements from the Bureau of Reclamation of shortages of any kind, the first thing that the Board decided to do was not allow new Agriculture accounts until those restrictions were lifted. The current restrictions are minimal, the people don't even realize there are restrictions but the staff is just following policy. It's a policy that was adopted by the Board years ago. Mr. Martini stated that it's not a new account, it's a transferred account? Mr. Born stated that it doesn't matter. Policy says that when we are under any kind of restrictions, we don't put people on Ag. My suggestion is that if you want to go on Ag, is to write a letter to the Board of Directors asking them to give you a variance and the Board can chose to do that. Mr. Fust stated he would be up for that if it boosts Ag. Mr. Martini asked what is the course of action, can they appeal it when there are no restrictions? One property has been Ag for 20+years and the other 50-years. Mr. Born stated it's a matter of it changing hands while we are in the middle of a restriction. Mr. Martini asked how is it a restricted supply if were giving water to Bella Vista? Mr. Born stated we are not giving water to Bella Vista. We haven't come up with any plan for doing that. We haven't supplied them with anything at this point and we don't even know if it's going to work. Mr. Martini stated that we shouldn't be talking to them if we're cutting our own people off. Mr. Fust stated we are not cutting off our own people off. Let's try and do something about that. Mr. Fust thanked Mr. Martini

Audience Joe Vasquez stated that just to let people know that the olive industry is working now. West Coast Products has been buying our fruit. Last year we did about 8-12 and up to 200-tons a couple years ago. So the olive industry isn't dead. We need the water to be able to water our orchard. Mr. Fust asked Mr. Vasquez who was buying the olives? Mr. Vasquez stated West Coast Products in Orland.

Audience Gloria Juarez stated that she wanted to remind everyone in Happy Valley that years ago we had reservoirs all over and we got our water from Rainbow Lake. When we found out that Whiskeytown was going in, we fought for Ag water from Sacramento and we were granted water from them. Originally it was for Ag because there were a lot of people with olives, strawberries and different things and a lot of grazing land. I feel that Ag water is more than the Domestic, I don't know if that's true but we must have water for the trees. We can't manage our orchards and fields without water. The price should be for everyone and people struggling. I just wanted to give a little bit of history of how our water came down from Whiskeytown and we really had to fight for this water. Mr. Fust thanked Mrs. Juarez.

Audience Sandy Winters stated that Don and I moved here in 1968 and we had no water. I hear there is going to be a lot of land going up for sale, for example the North Fork Ranch which is over 3,600 acres on that parcel and all the people that will need water. Another big parcel on Olinda Road is being advertised as a development and there's another possibility that we are headed for another drought. It's rough living on 50-gallons a day and no water for cattle, garden and watching everything die. Don and I have been customers with the Water District for 43-years and have paid over \$27,000.00 to the Water District. In 1961 the Farm Bureau sent a delegation to Sacramento. They were trying to get a project put in but we were getting water from the ditches; old miner ditches. It didn't work and they went bankrupt. Mr. Fust thanked Mrs. Winters.

Audience Nora Willson stated what she would like to see is take some time where we can all work (inaudible). Sort of a question and answer type thing so we understand and know what's going on and work together as a Community. I think that would be a good starting point and understand more about what is going on in your offices that affects us at our home. Mr. Fust thanked Mrs. Willson.

Director Mark Engel stated he wanted to comment to Nora and he hears what your saying. Little over a year ago we brought the proposal to the Community and although it wasn't rejected, there were concerns about the fact that it was done internally. By request, we brought in an outside consultant and they did this study. I don't think anyone on the Board liked that proposal but we did it because we were asked to do it by the Community. So what your saying is more communication, more questions and answers, more transparency and we totally agree with that. The clear opportunity for this is the monthly Board meetings but what I see happening here today is a lot of involvement from people are that are shocked by that proposal and said, what, no way. So now we have a lot of



community interaction going on and I agree, I think there needs to be more interaction with the next proposal.

Audience Brenda Konicek stated that we need to have evening meetings so that people who work can attend. At 9:00 in the morning those working people are at their jobs. We need to start over with everything, including salaries. We need revisit the salaries. We've got new trucks, high salaries and our infostructure is falling apart. Mr. Fust thanked Mrs. Konicek.

Director Miller stated there are questions in the chat and he is going to gather a few. Mr. Miller asked if the District has considered drilling wells to get some independence from the Bureau of Reclamation? Mr. Fust stated yes, we have 3 wells and going back to what Sandy Winters talked about. If that 3,000 acres tends to develop, which I don't think will be anytime soon. They will require those people to drill wells.

Audience Wanda Jones stated that she happened to call in on the lunch hour and she got an answering service that said they couldn't answer any of our questions. I just didn't know we were big enough to have an answering service. Mr. Fust stated we do have an answering service because there is a such thing as nights and weekends, so that if there is a break in the line we can get it fixed. Mrs. Jones stated that she understands the answering service after 5:00 but what about the lunch hour? Mr. Born stated its because we are closed from 12 – 1 pm. Mr. Fust thanked Mrs. Jones.

Audience Lynn Frazer asked why are we pumping water out of our wells if we're not using our full allotment of water from Whiskeytown? Also, why are we pumping water from wells if we are talking about selling water to another water district? Mr. Born stated that we are not pumping water out of our wells. Mrs. Frazer stated she stopped by the wells and I heard them running the other day. Mr. Born stated we don't pump our wells unless we need to take tests. Mr. Fust stated the wells are there for emergency use only.

Ben Swim asked General Manager Born to speak about the WIIN Act. Mr. Born stated that it's difficult to explain. We are all members of what's called the Central Valley Project (CVP) when the Bureau of Reclamation came in and built this years ago everyone was left with what is called construction costs. Those construction costs are divided between Ag and M&I customers. The M&I customers have been paying all along and AG customers, like all other Districts, was allowed to defer the Agriculture payment and they become due and payable by 2030 which is coming due very soon. That's where the WIIN Act comes into place and that allows us to forego anymore negotiations for another long-term contract with the water; which means that water contract is there in perpetuity for 15,3000 acre-feet, per year. Mr. Fust asked Mr. Born how much do we owe for the construction cost deferment? Mr. Born stated that dollar amount is not solid but we are looking at about \$800,000.00. Mr. Fust asked Mr. Born so we owe \$800,000.00 and the customers have to pay that \$800,000.00 before 2030, correct? Mr. Born stated yes. The contract negotiations will typically go on for years and yes, the contracts are expensive.

Audience Dave Hamilton stated him and his wife have been here over 40-years and he has decreased the size of his meter from a 6" to a 3" and now we are at a 2" and I understand we are going to pay big money if we want to keep it? Mr. Fust stated I don't think you are because the people have gotten enough protest votes so this won't go through.

General Manager Born stated that Mary Williams with the Shasta County Clerk of the Board Office has counted all of the votes and there are 1,823 votes, so it's been defeated. Vice Chairman Fust stated that is right and he congratulated the people. Mr. Fust stated the fact that 1,823 people of the District rejected the rate increase is going to yell loudly in Sacramento. Especially the ones that we are looking to do grants for us.

Audience Sherri Macleod stated there have been a lot of good questions from the Community and this rate hike has gotten everyone's attention. As a Community member I work in Redding and there is no way I can make it in the morning. How can we change it to meet in the evening? Mr. Fust stated that he is going to bring this to a Board meeting in the near future.

Director Murray Miller stated 2 comments in the chat are requesting evening meetings. Mr. Miller stated here is a question here from Happy Valley Neighborhood Watch, what were the results of last years audit? Mr. Fust stated that the audit is available at the office. We are audited every year and it is available for anyone to view.

Mr. Miller read another question from the chat that asked, in the past, is it true the District had a million dollars plus in reserves and what happened to it? General Manager Born stated yes, we had a million dollars in reserves. Part of that was used for replacement of main-lines and a good portion of that was used at the Filter Plant to replace equipment.

Mr. Miller stated another question here is asking, is it true that we put our wells on Cottonwood Water District property and are we being sued because of that? Mr. Born stated no, that is not true.

Mr. Miller stated others are asking, how do we get a transcript if there is no recording available of this meeting? Mr. Born stated that Christy is taking the meeting minutes now and using a voice recorder, so there will be meeting minutes available. Mr. Miller stated that was the last question on the chat for now.

Audience Tim Garman stated that he has a suggestion for the Board. Can we just forget about selling water to other Districts, such as Bella Vista, until we find out options for Ag water. That is just my suggestion. Ben Swim stated to Tim that he thinks it comes from a State designation and I don't think the District has control over that. It's my understanding that we are currently in stage 1 of drought in the State of California and when you're in any phase of drought you can't add any Ag rate customers. Mr. Fust stated

that a lot of the restrictions we've had on Ag in the recent past have come from the Bureau of Reclamation.

Audience Cedric Twilight stated that in regard to the Ag water and who's decision it was to restrict it; it's important to have those details and the staff and the Board members should have that information. Continuing conversations with maybe and possibly are not very productive in my mind and it causes a mistrust and in going forward, we need to be mindful about trust and being very clear.

Mr. Miller read a question from the chat from Sarah Stein asking if the rates are going up to pay for the \$800,000.00? Mr. Born stated that a rate increase would help to cover the costs but there are other options. One is to get a loan with the other agencies, or we pay \$200,000.00 per year for 4-years.

Audience Shawna Welch stated that she heard Skip say that it was the Boards decision several years ago to go into the phase 1 drought and deny Ag customer to turn in an application? Mr. Born stated no, that wasn't several years ago. That was this year when the announcement came from the Bureau of Reclamation, that they were cutting us back and those cut-backs determine whether it's stage 1, 2, 3, 4 or 5. Mrs. Welch asked if that is something we can re-visit in a Board meeting. Mr. Born stated absolutely, he doesn't see why not. Mr. Fust thanked Mrs. Welch.

Audience Emily Rankin stated there is a lot of concern in the Community about the WIIN Act and I'm hoping that the Community can be involved in the decision that the Board makes for that. I hope we can forget the past and make new steps forward. We have a lot of attention right now and I hope we can keep that going forward. Mr. Fust agreed and thanked Mrs. Rankin.

Vice Chairman Fust closed the Public hearing at 7:53 PM. Mr. Fust stated the protest vote is over 50% so the proposed rate increase is defeated.

Director Mark Engel stated that we've basically hit the re-start button. We have to give this some additional thought and hopefully with Community input, we can discuss how to proceed. Determining a clear path forward that we can actually achieve. Looking at the whole picture and how things are tied together. I think people are starting to understand that and how you have to charge rates that are acceptable to get grants for funding and trade-offs that are acceptable. Mr. Fust thanked Mr. Engel.

Director Bassham agreed and stated we need to come together as a Board and the Community and get together and discuss it. I think that is our next step and look at these rates together and that we are making the right decision for everyone involved. I love this Community support. I'm sorry it took all this to get people to join but I'm looking forward to making it work. Mr. Fust thanked Mrs. Bassham.

Director Miller stated that in looking at options, we may have to modify the RCAC proposal. There is a good structure there and it's followed in other cities. I'm not saying that we need to chuck the whole structure but we can look at this proposal and see if there are things we can keep and getting the bond measure so we can keep the total replacement costs down. Next time we need to put in place a pre-Prop 218 process so we have Community feedback before we put anything out there. My suggestion is that we have some kind of pre-process that gets out that transparency that everyone is talking about. I don't think we should totally chuck what RCAC did. I think we can look at the template and modify it and make it our own.

Vice Chairman Fust stated that what he is hearing from customers and Board members is that we need to look at new ways of doing this before going to the Prop 218 hearing. Mr. Swim has indicated that we should be looking at a interim rate increase of 7% and is an rate increase we could do without a Prop 218 hearing. It would be at an evening meeting and everyone would have that information before the meeting. I suggest that doing something like this before the end of the water year, which is February 2021. Mr. Fust asked the Board if that is something they would go for? Director Engel stated that in the last Board meeting, I mentioned an interim rate increase. We have a significant cash flow issue here and we need to get something going. As far as the Community being agreeable with this; I heard a mixed bag as to whether or not they would agree to this. Mr. Engel asked Mr. Fust what exactly are you proposing? Mr. Fust stated what I am proposing is 2 things here. I think we need to form a small Committee of Community and Board members and what a 7% rate increase will do for us along the road and talk about other ways of doing things. We need to put something down on paper that we can present to the public and I'm suggesting we do that between now and the end of year and before February schedule a public meeting in the evening with the people. Mr. Fust stated that this Community needs a rate increase that takes into consideration the increase in costs of doing business. In my opinion we need a rate structure that is the same base rate regardless of meter size. I think everyone should pay the same for the meter, like it is now. The water charge should be based on what we need to make the budget. Regardless of the rate increase, the pipes in the ground are getting old and we are going to have to replace them. Either with a grant or we will have to pay for it and we can't afford it. Let's get together and work on something we can afford. We have no choice; costs have gone up. We have to do it where people will support it. Director Miller asked if we should fall back on the CCI rate increase with this failing, so that we have some cash flow before the next 218 process? Mr. Fust agreed and suggested to put that on next week's meeting. Mr. Born agreed and stated that it will be on the Agenda. Mr. Fust asked the Board members how they felt about a Community Committee? Director Miller stated that he would present a pre-process at the next meeting at it will include this element. Director Bassham stated that she thinks it's necessary. Director Engel agreed and stated let's get the Community involved.

**QUESTIONS and/or PUBLIC COMMENTS:** Audience Sandy Winters stated that PG&E is collecting a fee for DWR for a wildfire fee now. It was on her bill.

**ADJOURNMENT:** 8:12 PM

Submitted by,

\_\_\_\_\_  
Christy Roberts

\_\_\_\_\_  
Johanna Trenerry, Chairwoman

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Irwin Fust, Vice Chairman

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

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Mark Engel, Director

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

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