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**Board of Directors: Scott McVay - Chair**  
**Logan Johnston, Vice Chair**  
**Directors – Pam Beaver, Beverly Fickes, Terry Lincoln**

**General Manager: Paul Kelley**

**REGULAR MEETING: February 19<sup>th</sup> 2025 at 6:00PM: District Office Board Room**

### **MINUTES**

**1. CALL TO ORDER – 6PM**

**2. PLEDGE OF ALLEGIANCE – Director Beaver led**

**3. ROLL CALL – Chair McVay, Vice-Chair Johnston, Directors – Beaver, Fickes, Lincoln.**

*GM Kelley, CPO – Palmaymesa,*

**4. OPEN TIME/PUBLIC COMMENT:** *Recognized – Supervisor Kelstrom in Audience, and 5 members of the public. Chair McVay opened the public comment with a reminder about past meetings and public speaking when not recognized, or speaking on items that are on the agenda created a challenge and put GM in awkward position. Reminded all that basics of Roberts Rules of orders to be followed, and the read the “Public Comment” write up per Gov Code S54950.*

*No speakers on items not on the agenda.*

**5. CONSENT AGENDA (Action)**

The following items are expected to be routine. Any interested party may comment or request an item be removed from the consent agenda for separate discussion/action.

- a. Minutes from Meetings – Regular meeting 1/15/25, Director Fickes pointed out a few corrections and clarified a paragraph. – to be amended with corrections.
- b. Paid Bills: 1/10/25 – 2/12/25  
*Reviewed the list of bills, there were 15 pages of invoices identified by the check signing board members – flagged, including fueling, materials / shipping costs for Treatment, safety equipment of sweatshirts/gloves/safety coveralls, Davis and Axner construction (on Strawberry lane repair), and propane bill*  
*Director Fickes reviewed a few, Chair McVay asked about the others.*  
*Board discussion on the items – GM Kelley replied for some, and CPO Palmaymesa replied on the shipping costs for Treatment materials – higher primarily since items shipped from separate facilities.*
- c. Payroll: 1-16-25, 1-30-25 – No comments

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- d. Activity P&L Report: July – December 2024, January 2025  
 GM Kelley reviewed each month July – December and reminded board that the bottom line was positive for 4 months and negative for 2 months – when removing the Grant Project expenses. And then in January over a million reimbursement received from CalOES/FEMA  
 Also mentioned that it will all make sense as 6d below – when consolidated for 6 month review and then budget adjustments.  
 These Activity reports have not been on the agenda for 6 months, and this is larger packet to catch up.  
 Also – since January not reconciled – recommend it's held till March.  
**Motion: Beaver** – to approve Consent, with Minutes amendments, and activity reports through December 2024. **2<sup>nd</sup>: Johnston – Vote 5-0 Unanimous**

**6. OLD BUSINESS/NEW BUSINESS (Discussion/Action)**

- a. O.B. – USBR Account Reconciliation - (Discussion)  
 GM Kelley – Nothing new on Reconciliation, but the Bureau reported at the CVPWA Facs meeting – that they are starting the WIIN act payment reconciliation. Also reminder that new Area Manager Hadley has agreed to attend and speak at the April or May Board meeting.
- b. Creation of Ad-Hoc Committee and Appointment of two members of the Board for Contract negotiations with Centerville CSD representatives - (Discussion/Action)  
 The last meeting this Ad-Hoc was not officially formed, and the board needs to Form the committee by motion and vote, then appoint members. The Admin policy is silent on appointment members to Ad-Hoc – and there are varying ways – if the board accepts/directs – the Chair could get the appointment ability, or the board could nominate and vote to appoint to the committee – once this is decided – the GM will bring back the Admin Policies to reflect the way to handle Ad-Hoc Committees.  
**Motion: Johnson** – To create the Committee to meet with Centerville representatives for purpose to the contract renewal and limited term of “till new contract approved” or December 2027 which ever is soonest. **2<sup>nd</sup>: Lincoln. Vote 5-0 Unanimous**  
 Director Beaver mentioned that usually members volunteer and then get on the committee. GM Kelley mentioned that is how its done for Standing committees – and the Chair “appoints” based on the interests of the members.  
 Chair McVay confirmed interest by three members  
**Motion Director Lincoln:** To appoint Directors Fickes and Beaver to the Ad-Hoc Centerville committee. **2<sup>nd</sup>: Johnston. Vote 5-0 Unanimous**
- c. FY 24 Budget to Actuals & FY 24 Balance Sheet – (Discussion/Action)  
 GM Kelley reviewed the items in the packet. This report was preliminary previously and has since had the updated or/removed from the revenue. The revenue is up from the LIHWAP monies in FY24 (fall of 2023) and other sources. Remarked on the expenses very high in Distribution.  
 This report also has the OPEB fix items/expenses.  
 Chair McVay asked about the expenses, and there was dialog on how to work out ways to handle them.  
 Other Directors asked about the OPEB fix and where that shows up in the Miscellaneous.

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And asked about the Treatment division in budget, impending expenses. And the Note on the Meters GM Kelley went through that the ARPA funded meter upgrades (Transponders/Registers) was to be ordered in FY24, and then received the items through end of FY24 and into FY25 – a 50K match was needed. They all came in FY24, and it was 50K match plus sales tax to have that expense at \$74K. The Board made other comments and recognized the positive bottom line of 64K. Where does that go? GM Kelley mentioned that normally this is the public sectors “retained” earnings and it goes into fund balance for the next years use, and put into that Discretionary reserve. If not needed it can then be allocated to other reserves for projects/capital projects etc.

Board thanked the Staff for the report. – No action

- d. FY 25 6 Month (July-December) P&L Budget vs Actuals & FY 25 6 Month Balance Sheet – Budget adjustment – (Discussion/Action)

GM Kelley reviewed the Memo and the item – this is the 6 months budget to actuals. And noted that this report has the “Full Year” budget in last column to help with comparisons with 6 month actuals vs 6 month budget.

GM Kelley went through the report noting increased revenue, increased expenses, expenses not anticipated to be more than budget. Then went through the places where budget adjustments were needed.

Mostly in the cost of water (more water purchased than anticipated), and the Unfunded actuarial amount for pensions (under estimated by at least 60K)

There were a few pushes and puts on the budget to balance it out. Mostly taking about \$100K from the Discretionary reserves and spreading through expenses – still leaving over \$60K of discretionary reserves for the next 4 months.

Board discussion and questions – reviewing the elements of the actuals. Focus on the Distribution O&M and how all those leaks impact Inventory (replacing the parts needed to repair), the cost of contractors, the cost of meals and more.

**Motion Beaver** – To approve the recommended Budget adjustments and described, **2<sup>nd</sup>: Lincoln Vote 5-0**

- e. Cross Connection Control Plan implementation: HydroCorp Incorporated Agreement – (Discussion/Action)

GM Kelley reviewed the proposals from HydroCorp and the impact on the District to comply by July 1 2025 with the new state handbook. Hydrocorp will do the hazard assessment work over 2 years for approximately 40 of the District CII customers (Commercial, Industrial, Institutional) – and start that in FY26 and start billing the District in FY26, and will create a plan for the District prior to July 1 for compliance with the State – covered by the cost of the surveys/hazard assessment.

**Motion Beaver** – To authorize GM Kelley to sign both agreements with HydroCorp – first to write the CCCSD CCC Plan to be submitted to State, Second to accomplish the survey/hazard assessment of the CII over two year period. **2<sup>nd</sup>: Johnston Vote 5-0**

- f. Grant Writing Services – Jim Wadleigh Agreement (Discussion/Action)

GM Kelley introduced the item that Jim had been sent to us as potential help with grants. Mr Wadleigh provided the attached proposal for a retainer less than \$900/month. GM Kelley introduced

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Jim Wadleigh who came to the podium and made a brief presentation on his background and history and experience in many forums getting grants. He was very excited to dive in and help the District. The Directors asked a few questions for Mr. Wadleigh who answered that even solar, vehicles etc would be part of grant pursuits along with Treatment plant upgrades/repairs and maintenance and Distribution system improvements.

**Motion: Director Beaver** – To authorize GM Kelley to sign agreement with Wadleigh Management. **2<sup>nd</sup>: Fickes Vote 5-0**

g. Meter Reading/Equipment Anomalies – (Discussion/Action)

Discussion of the challenges of occasional anomalous reads after register installation.

Board directed the GM to use the process described, confirm no leaks, and review each individually to make sure the reads were not actual water through the meter, make adjustments as needed and report to the board the number handled or resolved or not resolved at a future date. This was done via Motion Beaver, 2<sup>nd</sup> Lincoln – 5-0

h. Equipment Purchase – Used Vac-Trailer – (Discussion/Action)

GM Kelley reported that the board had heard many times the need for a vac trailer. Even issued an RFP last year – all for new and coming in around 100K. The Distribution Supervisor had been here and reported the need, and a used Vac-Trailer with less than 1000 hours came to our attention. In the packet is Distribution Supervisor Morgan Rau's assessment of the need. Also identified the "Modernization" fund that has over 150K in it to fund the purchase.

**Motion Lincoln** – to purchase the Vac-Trailer identified for invoice amount \$35,392.50 and to use Reserve fund "Expansion and Modernization". **2<sup>nd</sup>: Beaver Vote 5-0**

i. Ordinance 2025-02 – Computershare Corp holding District shares in Principle to reset account access – (Discussion/Action)

GM Kelley mentioned that over time and staff changes, access to this account was not possible and they required an ordinance to get the District renewed access.

**Motion Johnston:** to approve Ordinance 2025-02 **2<sup>nd</sup> Beaver Vote 5-0**

## 7. GENERAL MANAGERS REPORT

GM Kelley reviewed his report on the grants and staff. Updated that D2 position has been offered as promotion of a current D1 to D2, and backfilling that D1 with an offer to another.

Also mentioned the Mid-Pacific Water users – and CVPWA

Then turned it to Director Fickes who had submitted Mid-Pacific Water users conference report at end of the agenda, but now was a good time review the report.

## 8. OPERATIONS REPORT

Gm Kelley reviewed the report – and mentioned the more broken out aged receivables and that its been identified that the Admin Asst has found that \$55k is over a year aged and needs to be reviewed and resolved.

Also reported that when adding up the WTP reported water made – the District is likely to reach 2900AF for water year.

Director Fickes asked about the WTP report related to the Filters and concerned about them that continue to fail. All was acknowledged and why we need grants over time and short term projects – that PACE is reviewing.

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**9. STANDING COMMITTEE REPORT –**

- a. Agriculture – March 12 2025 *Director Johnston mentioned this would be focused on Farmers Market 2025, and looking at an April 9 meeting on Gardening etc.*
- b. Finance – Report on February 12 2025 – *Meeting happened on 6c and 6d*
- c. Planning/Steering – proposed: April – TBD *Still planning*

**10. BOARD MEMBER ITEMS**

*Director Fickes reviewed the attendance at the Mid-Pacific Water Users conference during GM report. The Director also supplied a written report in the packet.*

**11. CLOSED SESSION ANNOUNCEMENT: - None**

**12. ADJOURN THE MEETING – 8:37PM**

**Approved: 03/19/2025 Meeting**



Signed:

**Secretary of the Board  
General Manager: Paul Kelley**

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