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

General Manager: Paul Kelley

REGULAR MEETING: November 20th 2024 at 6:00PM: District Office Board Room

MINUTES

- 1. CALL TO ORDER** – *Chair Lincoln at 6pm*
- 2. PLEDGE OF ALLEGIANCE** – *Led by Director Fickes*
- 3. ROLL CALL** – *All Directors: Chair Lincoln, Vice-Chair McVay, Directors Beaver, Fickes, Johnston*
GM Paul Kelley, Distribution Supervisor Morgan Rau and 5 in audience
- 4. OPEN TIME/PUBLIC COMMENT:** *Dennis Possehn – mentioned meeting with Community Alliance for Family farmers. And thanked the Staff for the leak fix at his property corner. And suggested the Board consider or investigate declaring an emergency for all these leaks to get funding for more pipeline funding replacement. If / when there are fires and if no water – that is bad and emergency. Director McVay – added that the Community Alliance for Fam Farms (CAFF) had a good meeting, and they helped small growers in a “farm to school” program.*

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 10/16/24
- b. Paid Bills: 10/14/24 – 11/14/24
- c. Payroll: 10-10-24, 10-24-24.
- d. Activity P&L Report: July: ~~August and September and October and November~~ (N/A)
Director Fickes noted amendment to the Minutes under section 10
GM Kelley replied to fix/edit the minute to “spoke about having four distribution staff instead of raised concerns about”, fix/edit the word “compliment” to “complement”.
GM Kelley mentioned on the Paid bills the attempt to get more descriptions in the memos for payables that include more than one payment for a vendor.
Also mentioned a few of the Grant Payments on the Payables covered by the RCAC Grant Anticipation note.

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GM Kelley then discussed the updated Activity P&L for July – heightened the mention that the change to Accrual for the Revenue and Expenses is different than previous district practice. The later item on the FY24 will cover this more. Recommended that the Board approve the consent 5.a-5.c and this July P&L as information and include in the December meeting for approval.

Motion to approve consent with minutes as amended: Director Fickes, 2nd: Director McVay Vote: 5-0 Unanimous

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

a. O.B. – USBR Account Reconciliation - (Discussion)

GM Kelley reviewed the items listed in the packet – nothing new on reconciliation of 2021, but there was a meeting on the WIIN act reconciliation. And mentioned the “healthy rivers”/Natural Flow/Voluntary agreements discussions that could impact CVP members.

b. Operations Report – Distribution Supervisor Morgan Rau (Discussion)

GM Kelley introduced Distribution Supervisor Morgan Rau,

Morgan Rau: Provided an update from the Operations report, mentioned getting more contractors listed for helping: Axner Exc. / Kelly’s / Davis Exc. / Sunrise. Even working to get them for some work to catch up or supply people for relief during large leaks.

Mentioned: 4 Large active leaks now, multiple Service Leaks need attention, 17 Isolation valves need attention/replacement / Hydrant at HopeKay.

Since July (when started) – 22 large leaks, will provide a list of the recent leaks to the Board.

Backflow testing is completed by the consultant/contractor

Director Beaver – Mentioned getting a letter of agreement of responsibility with local Fire Depts so when hydrants are turned off incorrectly and cause damage they will help cover the cost of the repairs.

GM Kelley – explained to the board of the recent incident where tree trimming company backed into our hydrant and caused damage. We will be sending a letter and invoice to the company. Also, explained situation regarding fire where hydrant was shut down incorrectly by the fire dept. causing damage and Customers to be without water. We will be sending letter and cost breakdown to CalFire for that as well.

Dir Fickes – Noticed in the OT time cards a 17-hour shift – can that be? Can we rotate people? What is the process out there?

Dist. Sup: Morgan Rau – Yes it happened and points to the need for me to be more focused on planning and use of resources. We cannot have the crew overworked and not available when needed and use other resources (like contractors) to get some rest. Explained the process of how the leaks are repaired and what it takes to complete it.

Director Beaver – You are doing good – equipment review, and staffing abilities.

Dir. McVay – Are we documenting all the elements of the leaks? And if using contractors, making sure we have scope and what they are held responsible for?

Dist. Sup Rau – Yes to both, I have Leak logs with all that information (water loss/equipment/materials and crew) and am clearer with contractors.

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Also – mentioned that meter reading is getting better (July 2 weeks, now one) – and the need to replace all the transponders and registers on those failing and the manual routes.

Dist. Sup – Rau: reviewed the current equipment – and mentioned that the Dump truck / Backhoe and Skid are needed. Could really use a Vac-Trailer.

Dir Beaver – Asked if there is any equipment we can get rid of to get a Vac-Trailer? Mentioned we should look at a lease instead of a purchase, maintenance is a challenge and issue.

Dist. Sup – Rau: Responded to Dir Beaver - No equipment that we can get rid of, we use all.

Dir McVay – mentioned that at \$600/ rental – maybe it's more cost effective to get a lease or just schedule a rental every other week to deal with the needs and rent when needed on a leak –

Public Member: Possehn: Asked why the meter reading is taking so much longer and challenging?

Dist. Sup Rau: Transponders running out of battery, manual reads have gone from hundred to many hundreds, really need to replace and update all the registers and transponders. And make sure all get read. New Software and updates.

c. District Staffing Needs and Plans – (Discussion)

GM Kelley – Reviewed the memo. The Whole staff of the District and that in August brought the change from 4.5 in Distribution to 5 was within the budget. And that the WTP Operator In Training that made WTP division at 3 was also extremely helpful (converting the 2.5 to 3).

Director Beaver: I asked for this item because we need to stay focused on efficient use of our staff and have as much money available to fix the Treatment plant needs – like Train 6 and replace pipe – which is our priority. With an additional staff member those costs take from fixing stuff. Don't believe we can afford to have more staff until the fixes are done at treatment and on pipelines. Which is what Bill has been telling us for years. We are listening and agree that repairs are priority.

Director Fickes: This was within budget, but how do we make sure it's not like 6 years ago when there were a lot of employees and salaries out of control. When does the board have a decision on staff level – do we need a cap?

Chair Lincoln – Paul brings it to our attention when he would like to hire, and we give him a “yes” or “no.”

Gm Kelley – Suggested this could be in a budget policy document... “the current staff level is xx, if more than xx is needed and more budget needed the board would need to approve.” Or something along those lines. This current action was converting a position that was ½ in each division – at max pay – to full in each division and is well within the budget. That is not counting potential OT.

Dist. Sup: Rau – Yes, it is critical we have four in the division, including me, meter reads, locates, and if someone is out or resigns work can continue. In the past when two left at once there was no one left for the work.

Public: Dennis Possehn: Comment, need to get funding for pipes.

Robert Warton: Fire is a crisis; Happy Valley can help block fire towards Redding like a fire break.

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d. FY 24 Actuals vs Budget Year End – (Discussion/Action)

GM Kelley reviewed the differences between Accrual and Cash. And that the District till March of 2024 was cash in Revenue and Accrual in expenses.

CUSI was porting number and in August the Bookkeeper found that the incompatibility of the port was the issue and spent three months fixing and reconciling. This report is still preliminary since there are items that still need to be reconciled.

Also, this report shows the challenge of tracking Grant Expenses and Reimbursements. The Reimbursement create excessive revenue and many organizations (like LAFCO) base the next years fees/dues on Revenue – so Bookkeeper is working with J Martin CPA to find a better solution Reviewed the excess revenue – mostly in Base Rate and last half of year the increase is also from “billed” amounts – Accrual vs paid. But the District did get LIHWAP monies – so there is more revenue than budgeted.

After all bottom line – as described by the memo – the \$270K is ACCRUAL excess revenue, reviewing the cash revenue – it’s about \$200K less or a net of \$64K

Dir Fickes – That is unfortunate, was hoping for more to put into fixing the stuff needed – like the Trains. The reports are confusing with the mix of Accrual.

Dir McVay - that seems about right on the actual cash excess.

More discussion of the different factors – like Dir. Johnston mentioned the 80K overage in Distribution O&M. How do we keep that under control and remember that expenses in other areas mean less to back fill this overage.

General Discussion – and plan to bring back after some updates.

GM Kelley said that it is expected that at the January meeting we could have a ½ year budget to actuals review and potential adjustments then. We will also have a report on the Treatment Plant in December.

Dir McVay – Would like to have this fiscal year we’ve been reviewing with us at that time so we can identify the challenges and see where our current budget is to help us with guidelines for the adjustments we need to make.

e. Cross Connection Control Handbook Regulations Update – (Discussion)

GM Kelley reviewed the items in the memo and packet.

Mentioned this a year ago was coming

Adopted by State July 1, 2024, and complied with by July 1, 2025

Unfunded mandate and looking at ways to comply with the Plan/Program development, outreach, and the rest.

Including – potentially through contract with consultants or City of Anderson. Maybe internal staff? Bella Vista received a quote from an out-of-state contractor and that quote came back at half a million dollars for five-year implementation.

There’s a list of items that need to be included - we will need to have an Operating Rules and Ordinances for the program. We must create a program, at some point the Board will have to add to its water service policies or do a separate ordinance. Supposed to have a designated Cross Control

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program, we will have to have hazard assessments and will have to do a survey on all our connections in the District, we must have a backflow prevention plan created by a certified backflow specialist.

Dir Johnston – What is backflow device testing do or mean?

Audience member and CPO Bill Palmaymesa – it has multiple check valves, and the testing is by a sequence of pressure points – all to avoid when a suction back to our water system occurs, there is no intrusion of outside water. And commercial – could be a soda machine, ice machine or other stuff like that should have backflow. The Schools in HV should have adequate backflow.

Dir McVay – so we must have a plan in place by July 1st of this next year.

Dir Beaver – we may have to wait for Paul to speak with City of Anderson to see if they can help us or to explore all our options then we will know how to move forward with the program.

Dir Fickes – this is a challenge, and maybe the cost of outside help more than internal – and its more cost with no revenue.

GM Kelley will try to have more information regarding the options available in December, so we know how to move forward with the program.

f. **General Manager Employment Agreement Amendment 2 – (Discussion/Action)**

GM Kelley – This is the result of the Gm employment agreement, on the website including amendment 1 from last year. After a performance review the Board authorized these changes and needs to be brought to a regular meeting in open session. There is a “red line” and clean copy. There are a few sections mentioned – compensation, benefits to track District Retiree medical, removal of sick leave cap and increase to admin leave.

Motion to approve Amendment 2 to employment agreement and authorize chair signature: Dir Johnston. 2nd: Dir Beaver = Vote 5-0: unanimous.

7. GENERAL MANAGERS REPORT

GM Kelley reviewed and mentioned the items in the memo.

Also mentioned that Application for another JPIA risk grant – this time for a walk behind concrete saw – similar to other successful grants attained by other Districts.

The development of letters with costs / claims for the Tree Trimming company that hit a warf head hydrant and the fire department for the post fire on November 6th leak on Lassen.

Dir Beaver mentioned family working for water departments and agreements with fire on protocols and costs to water infrastructure when fire departments involved.

GM Kelley – that would be the desire of the letter to the Fire Dept now and eventual letter of protocol.

Also mentioned: the Backwash ponds project and it is moving forward – still waiting for CalOES reimbursement.

CPO Bill Palmaymesa (in audience) will be at the board meeting next month – we plan to have the PACE Eng review of the WTP needs and cost estimates and other updates from WTP.

8. OPERATIONS REPORT

GM Kelley mentioned two top line items – delinquencies, the shut off notices and only 8 shut off. One of Amity’s tasks is to utilize the Lien system in CUSI to identify and reduce the number of the aged A/R’s.

Also mentioned that at the report time, the M&I and Ag was not known – its: M&I: 228, Ag: 67

WTP did have a big leak as reported last month and now has a welder repair.

Dist. Sup Morgan Rau already gave update.

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Dir McVay – do we know how much acre feet we have processed through the WTP? Looks like we are ahead of last year.

GM Kelley – we are ahead of last year partly due to a hot summer.

9. STANDING COMMITTEE REPORT –

- a. Agriculture – None till 2025, but helping host an Olive Community Group meeting December 11th
- b. Finance – Met last week and scheduled for December 10
- c. Planning/Steering – Meet in early 2025

GM Kelley mentioned that in 2025 he plans to ask for the board to appoint a “Centerville contract renewal Ad-Hoc” committee for the limited time of 2 years and to end when contract renewal.

10. BOARD MEMBER ITEMS -

BOARD ITEMS:

Dir McVay – Is interested in visiting the WTP to see how the ponds are coming along and to look at the trains to better understand what is necessary. Dir Johnston is interested as well.

GM Kelley – Discussed planning to make that happen.

Dir Beaver – Would like to move up the December Board meeting so we aren’t too close to Christmas.

GM Kelley – It’s up to the board but the challenge is figuring out what day to move it to due to other scheduled meetings. Really up to the Board. Last year we moved it up a week as well. We need to do the swearing in of Directors. If unable to be at the meeting, you can be sworn in in January.

A general discussion across the board to decide which date would work – it was decided that we will keep the current date of Wednesday, December 18th.

11. CLOSED SESSION ANNOUNCEMENT: - None

12. ADJOURN THE MEETING – 8:16pm

Approved: 12/18/24 Meeting



Signed:

Secretary of the Board
General Manager: Paul Kelley

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