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

**General Manager: Paul Kelley**

**REGULAR MEETING: January 17<sup>th</sup> 2024 at 6:00PM: District Office Board Room**

### **MINUTES**

**1. CALL TO ORDER : 6:01pm by Chair Fickes**

**2. PLEDGE OF ALLEGIANCE: Led by Director Beaver**

**3. ROLL CALL**

**3.A – Election of Chair and Vice-Chair**

*The Board discussed the next chair, Chair Fickes suggested the Chair be rotated each year.*

*Motion by Fickes for Vice-Chair Lincoln to be Chair, Second: Director McVay – Vote: 5 - 0 Unanimous*

*Motion by Director Fickes for Director McVay to be Vice-Chair, Second: Director Johnston – Vote: 5 - 0 Unanimous*

**4. OPEN TIME/PUBLIC COMMENT:** Pursuant to Gov. code S54950, persons wishing to address the Board of Directors on matters not listed on the agenda should notify the Secretary prior to the start of the meeting. To speak at this time and for any item listed on the agenda – raise your hand, and when recognized by the Chair – proceed to the podium to address the Board.

*Members of the Public:*

*Sandy Winters – Spoke on Firewise, and agriculture needs.*

**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 12/13/23
- b. Paid Bills: 12/10/23 – 1/9/24
- c. Payroll: 12-7-23, 12-21-23, 1-4-24
- d. Activity Report: December 2023

*GM Kelley provided some background on the Consent calendar items and mentioned that the P&L/Activity report would also get answers during the 6c item.*

*Board members asked about some of the invoices they had put in the packet.*

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*GM Kelley answered those questions and reiterated the challenges related to the grant projects. The district had paid bills in December and January and has yet to receive reimbursement.*

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

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

*GM Kelley reviewed this item with the board. There is no update on the old reconciliation, the District had heard about the new USBR recap sheet that describes payments to the Bureau. The District has some credits for water purchases, but cannot take those credits in the other accounts – like the restoration charges and Trinity PUD.*

*The WIIN act has been paid off from the District to the Bureau and waiting for the letter confirming.*

b. **Standing Committee Community Membership Selection & Assignment (Discussion/Action)**

*GM Kelley covered the background on this item, the Board usually makes committee assignments at the first meeting of the year – and this is the time to do that or confirm the current assignments. The board had opened the opportunity for community members to be on the standing committees. The District had received 4 applications for the Agriculture committee and none for the other two committees.*

*GM Kelley mentions that based on the Boards direction that they will put finance, planning and steering back community membership application back on website to keep open until filled the Board agreed.*

*Chair Lincoln asked if there all are ok with the current board assignments, Director Fickes agreed, the Board unanimously reconfirmed the Board committee assignments.*

*The Chair (Lincoln) then invited each Ag Committee applicant to say a few words at the podium.*

*Dr. Harl, Dennis Possehn, Robert Wharton each spoke for a few minutes, each answered questions from the board.*

*Motion by Director Johnston to appoint the three applicants in attendance to the Ag committee, Second by Director McVay. Vote: 5 – 0 Unanimous.*

c. **Fiscal Year 24 Through Quarter 2 (July-December 2023) Actuals to Budget & Budget Adjustment (Discussion/Action)**

*GM Kelley reviewed all the elements of the 6 months or mid-year Actuals vs Budget review. The memo for this item covers all of the GM's report.*

*A few items of emphasis – the change since last time on tracking the Grant Expenses (8000) and the Grant Revenue or Reimbursements. As can be seen the \$260K difference between expenses and reimbursements is the primary cause of the unbalanced bottom line. There are also notes on the document.*

*The other item of emphasis is the Balance sheet – prior to October the Board had not seen the balance sheet and this can help show the Districts assets and liabilities as well as the balances in the accounts. As can be seen the District has stuck to its commitment by putting a portion of*

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revenues into reserves. The rate's approved in September of 2021 had a portion of the Base rate going to reserves and a portion of usage going into reserves. And these accounts now show that amount.

The Board asked questions, made comments, and discussed the Balance sheet and Actuals vs Budget. The Board also reviewed the GM's recommended modifications to the budget. The Memo spelled out the modifications – there is no net change, primarily moving some Capital/equipment expenses, PGE expenses and interest expenses that won't occur to cover increased O&M expenses, safety, and a few others.

Motion by Director Beaver to approve the recommended changes, 2<sup>nd</sup> by Director Johnston – Vote: 5 – 0 Unanimous.

(Note the modifications have been posted on the District's website)

d. Retiree Medical Plan Change actions and MOU Approval (Discussion/Action):

GM Kelley reviewed the memo on this item. This is a significant change to the retiree medical program at the District. The GM also reminded the Board and community that this issue was identified in the February 2022 MOU to be resolved in a year. And this item is the resolution of article 25.4e that called for a change.

GM Kelley reminded the board that they held an open session item at their November meeting to help educate all on this issue. There was a closed session item in December to find an offer/solution, the union met with its members at the District and it was approved by all and this item is to implement the negotiated solution.

GM Kelley also discussed that to implement these changes, he has been in discussions with CalPERS, the Union, and the District's actuarial – McCleod Watts. These changes take multiple actions by the board listed below and each will need a motion and approval.

GM Kelley then described that the current retiree medical program created a long-term liability for the District that had employees contributing their portion of the OPEB liability (\$150/pay period).

The agreed upon solution: Change the Retiree medical to a minimum employer contribution (MEC), by adopting a new resolution provided by CalPERS, amend the MOU to document the change, remove the employee contribution requirement, return the current employee's OPEB contribution to date, and implement the District's commitment to its current retirees of keeping their benefit just changing the way it's paid for.

i. Resolution 2024-01 of Rescinding Current Vesting (Discussion/Action)

GM Kelley related this was step on in the implementation making it clear that all previous vesting ordinances/resolutions were no longer in effect. And that CalPERS supplied this item, and they only do resolutions.

Motion to Approve: Fickes, 2<sup>nd</sup>: McVay – Vote: 5 – 0 Unanimous

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- ii. Resolution 2024-02 of Establishing Required Minimum as new Retiree Medical (Discussion/Action)  
*CalPERS supplied resolution instituting the new program – MEC or Required Minimum*  
*Motion to Approve: Fickes, 2<sup>nd</sup>: Beaver – Vote: 5 – 0 Unanimous*
  
- iii. Amended Memorandum of Understanding (MOU) February 2, 2024, between the Clear Creek Community Services District and Local Union 792, United Public employees of California (UPEC) for District employees. (Discussion/Action)  
*GM Kelley mentioned that the primary modification is to Article 25. There are some minor edits (fixing exhibits) and the extension of a year to 2026.*  
*The Board asked, “why not amended”? GM Kelley replied that this new MOU was an amendment of the old, but they decided that since there is a completely new Article 25, and no need for old Exhibit A, and it has a new expiration date – it was best to make it a new MOU.*  
*Motion to Approve: Fickes, 2<sup>nd</sup>: McVay – Vote: 5 – 0 Unanimous*
  
- iv. Authorize GM to use Accounts to fund the employee OPEB funds return (Discussion/Action)  
*GM Kelley discussed the memo on this item and that the final calculations were not done and requested authority to use accounts or line of credit to fund this action. This was also the Boards approval of returning the employee’s OPEB contribution. The OPEB money was already earned and had been approved in the payrolls run to date, the District had withheld pre-tax and each year forwarded it to the District’s OPEB trust (CERBT). The district had in its reserves the past years of OPEB monies but would need to calculate the amount needed more than that and potentially request reimbursement from the CERBT.*  
*Motion to Approve the use of accounts and return of the employee OPEB contributions: Fickes, 2<sup>nd</sup>: Beaver – Vote: 5 – 0 Unanimous*
  
- v. Authorize GM to implement new payments/reimbursement for retiree medical program for current district retirees and to sign agreement with a company like Mid America Trust to handle this program (Discussion/Action)  
*This item is primarily the implementation of the handling the current retirees. GM Kelley mentioned that other cities and districts that have implemented this change have used a company like MidAmerica to create HRA’s for each retiree, funded by the District, then deposited with the retiree to pay for the retiree medical premium amount the District is obligated to pay. MidAmerica has a \$75 per month fee to implement this program.*  
*Motion to Approve: Fickes, 2<sup>nd</sup>: Johnston – Vote: 5 – 0 Unanimous*

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## **7. GENERAL MANAGERS REPORT**

GM Kelley reviewed his memo on this item, he also mentioned the concern about “Grant Financing” – knowing that all want the District to get Grants to fix all our pipes, treatment plant and more. The challenge is that the District had used its reserves in the past, and currently doesn’t have sufficient reserves to implement these grants. Usually a grant project has expenses, the District pays them from reserves, the requests reimbursement from the state, when reimbursed it refills the reserves to run that cycle again. Now the District is paying from operating, and the distance of time (3 months in some cases) between paying the bills and getting reimbursed is hard on the District. The backwash ponds project may need some short-term financing for this, and the Gm is looking at solutions.

The Board mentioned a need for a Grant writer to help the GM.

GM Kelley also mentioned the need in 2024 for a CIP, and updated Water shortage plan (drought plan)

## **8. OPERATIONS REPORT**

GM Kelley reviewed the items on the Op report, offered Admin Asst. Perry a chance to review the admin items and the delinquencies work.

The Board acknowledged the LIWHAP assistance as being very helpful.

## **9. STANDING COMMITTEE REPORT –**

- a. Agriculture – Director McVay mentioned that with new community members a meeting will be held in March.
- b. Finance – GM Kelley mentioned a meeting had been held January 10<sup>th</sup> and all their items were covered in the mid-year budget to actuals review. Director McVay and Fickes reporting.
- c. Planning/Steering – No discussion mentioned.

## **10. BOARD MEMBER ITEMS**

Director McVay mentioned that the EAGSA had a 2nd round of grant and that the annual report should be paid for, the EAGSA plan had also been approved by the State after waiting for 2 years.

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

## **12. ADJOURN THE MEETING – Meeting Adjourned by Chair Lincoln at 8:16PM**

Approved: 02/21/24 Meeting



Signed:

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

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