



5880 Oak Street, Anderson, CA 96007
Phone: (530) 357-2121 Fax: (530) 357-3723

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

General Manager: Paul Kelley

**SPECIAL MEETING: May 3rd 2023 at 6:00PM: District Office Board Room
For Planning and Steering Committee Items**

MINUTES

- 1. CALL TO ORDER- by Chair Fickes @ 6pm**
- 2. PLEDGE OF ALLEGIANCE- Led by Director McVay**
- 3. ROLL CALL- Chair Beverly Fickes, Vice Chair Terry Lincoln, Director Scott McVay, Director Pam Beaver, Director Irwin Fust, General Manager Paul Kelley, Administrative Assistant Kayla Faulks**
- 4. OPEN TIME/PUBLIC COMMENT:**
 - a. Community Member/Volunteer Emily Rankin explained how she worked on the policies that will be gone over during the meeting. She recommended combining all the policies into one document with an index. She mentioned some other policies she worked on after the agenda was created for this meeting.
- 5. CONSENT – NONE**
- 6. OLD BUSINESS/NEW BUSINESS (Discussion/Action)-** General Manager Paul Kelley mentioned that a couple of these policies were taken to the planning and Steering committee meeting 6 weeks ago and they had directed the staff to update the admin policy and bring it back for review. Also looked at the reserve policy as well as others that needed to be looked at/updated. So, he explained that's why we have the General Administrative Policy, Reserve policy, Vehicle Policy, Water Theft policy, and Fraud Policy. He continued to explain that they found a copy of Bella Vista's policy manual. And in that policy manual, they have an index. Within their manual they have their general policies, their water service, their agriculture, their land, visions, annexation, they've got their all the other, they're basically all in one place. He mentioned that eventually he thought there would be some real value having them all in one place.

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a. Policies and Procedures:

i. General Administrative Policies – Update (Discussion)

1. General Manager Paul Kelley- Thanked our volunteer for how she formatted the heading on the policies. He asked for the Board to provide feedback on updates and information they would like to see. He mentioned that the board of directors' section was updated with the additional training that are required. Added in the date on which the form 700's is due. Removed the personnel committee, added some things to the committee responsibility. The expense reimbursement section had been updated. Additional items had been added to the personnel files section. He explained that in the old policies there was a record retention schedule that was removed at some point, so it was added back into the policy. He stated that it basically followed the record retention schedule JPIA recommends, which is basically to keep everything forever. Director Fust commented saying that he thought the state of California has a list of what needs to be retained and for how long? General Manager Paul Kelley stated that to his understanding they do have guidelines for the minimal, but the District is currently using JPIA's record retention schedule.
2. Page 1 recommendations and questions from the Board: Director Fust began with his recommendations. Under the Board of Directors section, #8 needed to include voting for the appointment of EAGSA representative. He commented that he liked the fact that it identified that the Board does not act in an administrative capacity. Chair Fickes asked if the last paragraph needed to include a salary package for General Manager. General Manager Paul Kelley answered that would be included in the performance evaluation process. He also suggested that we include that the board is responsible for hiring the General Manager.
3. Page 2 recommendations and questions from the Board: Director Fust mentioned that it should state that the form 700 needs to be filed annually by April 1st of each year and it should be indicated that it not only is filed annually, but also when assuming office and leaving office. He also mentioned that he was a little confused about #3 in the Committee Responsibility section. He said he wasn't sure he fully understands the language that was developed for the planning and steering. He thought it was going to be more than just looking at the administrative policies such as planning for the future development of things that's going to happen in this district. Community Member Emily Rankin asked Director Fust if he thought achieving daily operations and goals satisfies that. He responded saying he was more thinking about future operations. General Manager Paul Kelley said that one edit would be the plans should be concerned with formulation of future capital

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planning and policy for ranging and realizing or achieving daily operational goals. Director Lincoln mentioned that he thought that maybe the goals should be under the Board of Directors on page 1 rather than under the planning and steering committee responsibilities on page 2. General Manager Paul Kelley suggested that under the Board of Directors that “planning for future policies and procedures. And add something in there that says, “setting district goals.” Director Fickes made the final suggestion for #3 section under the committee responsibility section to say, “the Board standing, planning and steering committee shall be concerned with the formulation and oversight of plans and policies for arranging, realizing, and achieving CSD daily operations.” Director Lincoln suggested that the word “manager” needs to be changed to “supervisor” because it refers to the department supervisors. Director McVay wanted to clarify the role of the agricultural committee and help customers with compliance. He mentioned that he thought the staff were to be assigned the compliance piece and reporting. General Manager Paul Kelley stated that yes, the customers fill out their own crop reports that get sent out to them, and the staff handles the crop reporting with the Bureau. But this would be a great opportunity for the Agricultural Committee to have a committee meeting to promote agriculture and do a workshop on how to fill out those customer crop reports. Director Fust agreed that was a great idea. Director McVay asked to include the word “sustaining” to go with promoting agriculture. Chair Fickes preferred it to say “preserving” not sustaining. Director McVay then moved on to express his concern that something was missing from the finance standing committee section. Listed already was preparation, oversight of an annual budget, oversight of the reserve accounts, major expenditures but he felt like there's something missing. Chair Fickes agreed and said that she thought that something needed to be mentioned in that section about quarterly reviewing the general ledger and balancing it. She then asked Director McVay and Paul if it was a quarterly duty or was it a monthly duty. Because she believed the audits that the District has had in the past said that the general ledger needed to be balanced monthly. Director McVay responded saying that she was correct, it gets balanced monthly. He added that bank statements should be included in that monthly review. Director Lincoln said he felt that was getting into the Bookkeeper and the General Manager’s jobs, and the Finance Committee should provide oversight. He continued to suggest that since they should already be doing it, the Committee or Board can be presented with a quarterly report and that should be good enough. Chair Fickes then asked that the ordinance be found because she was confident that in the ordinance it stated that the Finance Committee review the general ledger quarterly. General Manager Paul Kelley

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stated that in his opinion it can be said in the policy that the finance committee will be reviewing quarterly report and the Bookkeeper Accountant could provide things like bank statements and everything that backed up the quarterly. Community Member/Volunteer Emily Rankin added that she added further into the policy about reconciliation, that the person who is doing the checks should not be the person that is balancing those bank statements. She continued to explain that it should always be a separate individual. Now, that hasn't always happened here. However, when the previously contracted Bookkeeper came in the other day, she did tell Kayla that she used to balance those statements. So, the checks were processed here by one person and then she balanced those statements and that needed to be something that the District needed to get back in to doing. Director McVay questioned when there is a prop 218 process that the finance committee needed to be involved in that. And if so, then he thought it needed to be recognized in the finance committee section. General Manager Paul Kelley said that in his opinion customer water rates worked because on an annual basis you're really looking at the cost of the water received and that the District is purchasing. Depending on the source and your usage rate. Based on that, every five years, you then do your water rates, but that also does your base rate. So, in his perspective he thought it was covered. Director Beaver asked if reading the brown act is considered completing the training. The other directors all said yes, but there was a video provided by JPIA. However, the video was lacking and advised she would be better off just reading it. Director Beaver just wanted to be sure that since all the other training courses were documented with a certificate of completion, that there wasn't for the Brown Act training. Chair Fickes had one comment and it was about the Committee structure, #2. She asked if we did or didn't want to add Personnel to the Finance Committee. She said the reason she asked that was because in some manual or ordinance, it said the MOU would be negotiated by the general manager and a member of the Personnel Committee. General Manager Paul Kelley stated that he thought it's best if we felt that it's better to keep what we have in the committee structure and change whatever we had in the past that said that the personnel committee was the one that made the negotiations for the MOU. He mentioned it made sense back then when there wasn't a contracted General Manager.

4. Page 3 recommendations and questions from the Board: General Manager Paul Kelley started by saying that Ordinance 2004-07 was referenced on that page in regards to ethics and whistleblower, but it was outdated and needed to be updated with changes and a new ordinance number. Chair Fickes recommended taking out the ordinance reference all together and just adding

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ethics and whistleblower policy. Chair Fickes said there was a concern with the accounts payable management and the overview it talked about purchase orders, but she also thought it should mention the procurement policy because that's where we got ourselves in trouble. Director McVay asked that "taking advantage of discounts for vendors" be added to avoid penalty fees. He mentioned that when signing accounts payable checks, he noticed a few late fees on them.

5. Page 4 recommendations and questions from the Board: Chair Fickes asked that in the expense reimbursement and travel and entertainment section that the ordinance 2000-05 gets put that on the list to update. She also asked that the second sentence from the bottom be changed to "properly reviewed", instead of saying properly checked prior to signing the check.
6. Page 5 recommendations and questions from the Board: Chair Fickes asked that the term petty cash or impressed funds be consistent throughout that section as they are the same thing, but in the policy, it switched back and forth between those two words. It was also requested that the maximum amount to get reimbursed/taken from the petty cash drawer for supplies or parts was \$300.
7. Page 6 recommendations and questions from the Board: General Manager Paul Kelley started off by pointing out that in the payroll administration the pay date/processing time has changed to match the MOU. He also stated that the Administrative Assistant would be explaining what is kept in the personnel files. Director McVay asked about the Employee Manual and why it was needed if there was an MOU and are we paying someone to create that manual. General Manager Paul Kelley explained that the MOU should not serve as an Employee Handbook. An Employee Handbook is to have procedures and policies related to employment. He continued to explain that it's important that the employee receive a copy of that so that for two reasons, one that they know but also then you have a way to keep the employee accountable when there's documentation of bad behavior or whatever that you can document where it was given to them. And with California law, you need to have that exact documentation of where it is. So yes, so we do have RGS, who provides HR, and they have a template that they use to create the handbook. There will be a signed acknowledgement of receipt that the employees will sign, and it will be kept in the personnel file. Administrative Assistant Kayla Faulks explained that in the personnel files the following items were kept; signed offer of employment, signed job descriptions, signed acknowledgment of the MOU, benefit enrollment applications, union due enrollment or waiver, evaluations, and write ups or disciplinary actions. Director Lincoln asked what the Social Security Windfall

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Provisions Agreement was. General Manager Paul Kelley answered stating that the District does not currently participate in Social Security, so this form is kept in personnel files as an acknowledgement that the employee is aware the District does not participate. He also mentioned that is something on the list to look at and get the District participating so that the employees can still pay for their Social Security. Other items discussed that are in the personnel files are the I-9 forms (eventually moved to a separate binder and not in personnel files), performance evaluations, signed job descriptions, signed employment offer letter, and w4 tax forms. Chair Fickes asked about exit interviews. Administrative Assistant Kayla Faulks explained that a “separation documents” folder is kept in the personnel file that has the employees final check copy, an acknowledgement that the final check was received, as well as their copy of their final timecard and the exit interview (if one is completed).

8. Page 7 recommendations and questions from the Board: Chair Fickes preferred it said Accountant instead of Bookkeeper. General Manager Paul Kelley said that the position is Bookkeeper/Accountant.
9. Page 8 recommendations and questions from the Board: Director Fust questioned where it said under general checking account, it talked about excess funds in the account are transferred to short term investments when feasible. He asked if there was an investment account of that investment policy. General Manager Paul Kelley said not that he was aware of. Chair Fickes asked about what was added under bank account reconciliation, the last line underneath the bank account reconciliation, the bank account reconciliation should be done by a person other than the employee entering the invoices and processing the checks. She asked if that person is another staff member or if it can be a board member. Community Member/Volunteer Emily Rankin suggested it be the Administrative Assistant. General Manager Paul Kelley recommended a modification that the reconciliation should be reviewed by another person other than the employee. He explained that we do not have enough people or time to delegate the reconciliation to another person. But if it was reviewed by someone else that should be efficient enough. Director Lincoln agreed that a good review from the General Manager or the Administrative Assistant would catch anything.
10. The discussion about the General Administrative Policy wrapped up and Chair Fickes stated that the policy would be brought to the Board at the May 17th meeting.
 - ii. Reserve Fund Policy – Update from 2008 (Discussion)
 - I. Did not discuss it until later in the meeting as it was not fully completed and needed more updating. It was saved for the last item that was discussed.

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2. Community Member/Volunteer Emily Rankin explained what had happened to the document and why it was brought to them not finished. She explained that Paul went into word. He made some notations, and red line edits. He wasn't in the office to ask questions or to give any direction or whatever. So, she explained she made edits as she interpreted them and added questions in the comment section of the document for him to answer. It was not reviewed any further. It was suggested that the introduction of the District be taken out of the reserve policy. Chair Fickes asked it to be consistent with the spelling of aging on page 2. General Manager Paul Kelley mentioned that some of the names of the reserves in the policies should be changed/updated.
- iii. Vehicle Policy- Update from 2021 (Discussion) – Meeting break for 5 minutes at 7:41pm.
 1. Director McVay asked if there were mileage logs that are being kept and are they being reviewed by supervisors. General Manager Paul Kelley said yes there are mileage logs being kept and it should be added to the policy somewhere. He also mentioned that a weekly vehicle inspection form for maintenance is being kept. The Bookkeeper is checking those logs and matching them to the fuel receipts. General Manager Paul Kelley clarified that when the employee is on-call they leave their personal vehicle at the office and take the on-call truck home. Director McVay asked about the driver's license report pulling. Administrative Assistant mentioned that she would ask Roberto how often and how it is being done. General Manager Paul Kelley said it was being done by the Distribution Supervisor in the past. Chair Fickes asked that it say in the policy that the DMV checks are done annually not periodically. Director Pam Beaver asked if it was necessary for the on-call employee to take a vehicle home every night. General Manager Paul Kelley said that it's been the District practice. They are required to be within 30 minutes of the District when they're on-call. So alternatively, we would probably have to reimburse them their costs to arrive at the District when they're on call to pick up the District vehicle to go respond to some sort of emergency instead of going directly to that emergency. Director Lincoln said he would like to see on the mileage log the start mileage and the end mileage once they are done with the project, they used the truck for. Community Member Kaitlin Patrick stated that for government vehicles her employees have to actually put an address when writing down the mileage. A start location and end location. Chair Fickes asked where the truck keys are kept and if they get locked in a cabinet. General Manager Paul Kelley stated that spare keys are locked in the cabinet, but the others are hung on key hooks. Chair Fickes asked if an employee responds to an emergency call in their own vehicle if the District reimbursed them. General Manager Paul Kelley

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responded saying that he didn't think so and that he didn't think that was in the MOU. Chair Fickes said she had some concerns with accident reporting. She said it needed to be clearer that an accident must be reported the same day the accident occurred. Director McVay asked if he could request that it be reported to the supervisor immediately. Community Member Kaitlin Patrick added that motor vehicle accidents needed to be reported to DMV as well because most insurance companies will not report it to DMV.

iv. Water Theft Policy- Update from 2017 (Discussion)

- I. General Manager Paul Kelley said that an old Water Theft Policy from 2015 had violation fees and the full recitation of a California Penal Code. He mentioned the penal code was taken out because he didn't feel it was necessary to be in the policy. He suggested that we do research to find out what other districts are charging and possibly make changes to ours. Director McVay mentioned that he liked that it had the different fines listed. And the fact that the violator would also have to pay for an estimate around the water that was stolen, and it does not relieve the potential criminal charges either, which he thought was appropriate. Director Lincoln questioned if we have the authority to fine someone or are we just giving them a penalty. General Manager Paul Kelley answered that we need to modify #4 to say that, in addition to penalties there will be an estimate of how many units were taken. He also mentioned that we needed to change the rate to the industrial rate not the domestic rate for the water usage. The fine would be issued by the courts not by the District.

v. Fraud Policy- Update from 2017(Discussion)

- I. Director Lincoln commented saying he thought this policy should also be applied to the Directors. Chair Fickes said that since it referenced the ethics ordinance which covers the directors that it should be fine. General Manager Paul Kelley suggested that Directors be added to the introduction section to satisfy Director Lincoln comment. Chair Fickes wanted to clean up the first paragraph in the policies and principles section. It said, to achieve this, the CCSD will comply with requirements of public government agency accounting. She continued to say that it could be a little clearer to what agency accounting we're referring to. State, County, or federal? General Manager Paul Kelley stated if the word "public" was taken out that should fix the confusion because it would mean all government agencies. Chair Fickes mentioned that on page 3 it talked about the CCCSD will cooperate fully with an external investigating body. She asked if that meant like with audits or grand jury or something of that nature. She was acknowledged that she was correct. Chair Fickes said that she thought that excessive overtime is profiting from an official position and is considered fraud. Director Beaver suggested

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putting that exact wording in the policy. Chair Fickes suggested that not only should it be said that the General Manager enforces anti-fraud policies, that the supervisors should be included in that as well. Director Lincoln suggested that you add Directors in that section as well. Chair Fickes asked for clarification on who the appointed investigator would be. Director McVay suggested it be the Shop Steward since he deals directly with the Union. General Manager Paul Kelley mentioned that all scenarios needed to be addressed so if it was the General Manager committing fraud then it would be taken to the Finance Committee.

2. It was addressed that a new ordinance would have to go with this new fraud policy as the old ordinance 2008-05 to adopt the new edits.

vi. Other Policies- none

b. Plans

i. Capital Improvement Plan (Discussion)

1. General Manager Paul Kelley gave background from the introduction to this at the last planning and steering meeting. They had an assessment of the District with what's needed in the future by the director. Plus, talked about the need in the District to have a capital improvement plan. He mentioned he put down some notes about how they're done and why they're done. It's to manage the infrastructure and assets to best serve the customer's long term. They are also asset management plans. You can help identify short and long term needs financially. He mentioned the \$10.81 base fees would be part of the capital improvement plan. He continued to explain that you have your CIP planning process, so schedule start at mid and end approval. You also have funding strategies in there. So, you have a combination, usually of grants, rates, bonds, maybe some other things to the revenue bonds and then you have your different categories of improvements and project prioritizations. And some major project initiatives you also have sort of your recommendations and funding and timing. Then you have some benchmark elements to it. So, you have ways in which it can be controlled and how you would report to both the Planning and Steering Committee and the Board. Chair Fickes asked if Paul had a timeline for preparing the CIP. He answered that there wasn't a timeline just yet, but he and the staff would work on getting it done. Director Fust asked what Paul's goal was for the CIP to be drafted. General Manager Paul Kelley said his goal would be to have the CIP before the board in the early part of next year because he thought that folded into the next thing that's big for the district, which is Prop 218 and rates.

7. ADJOURN THE MEETING- @ 9:12pm

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