

**Grizzly Flats Community Services District
Minutes of the Regular Meeting of the Board
June 14, 2013**

A. CALL TO ORDER

The regular meeting of the Grizzly Flats CSD Board of Directors was called to order at 9:06 AM by Director Legrand.

ROLL CALL OF THE BOARD

Present: Directors Legrand, Ball, Davidson, and Englefield

Absent: Strauss

Others: Jodi Lauther, John Garrow, Kim Gustafson, Mel Kelley, Leo Rainwater, and Lyle Tomlin

SALUTE TO THE FLAG was led by Director Legrand.

B. APPROVAL OF THE AGENDA- Director Englefield made a motion to approve the agenda as presented. Director Ball 2nd the motion. Director Ball noted that item J.8. "Receive and approve Annual Membership Dues Invoice for Mountain Counties Water Resources Association (MCWRA), for the period of July 1, 2013 to June 30, 2013" should be corrected to read "June 30, 2014." There was no further discussion. The motion passed with all Directors present voting aye.

C. PUBLIC COMMENT- There was no public comment.

D. CONSENT CALENDAR- These items are expected to be routine business not normally requiring discussion. Action by the Board was taken at one time with one motion.

1. Approval of the Minutes of the regular meeting on May 10, 2013.
2. Receive and file the GFCSD System Report for May 2013.
3. Receive and file the US Bank/Cal Card Quarterly Incentive Payment dated May 15, 2013.
4. Receive and file Final Payment #12 – last payment from United States Department of Agriculture (USDA) (\$71,031.00) was issued per our contract on September 17, 2012 (Water System Improvement Project), now that all USDA conditions have been met. Deposit was made into District's Construction Acct (Wells Fargo) and will be transferred to Local Agency Investment Fund (LAIF).
5. Review and authorize the General Manager to sign the "Understanding of Services" letter from Robert W. Johnson Accounting dated May 28, 2013 which outlines the services and objectives of the annual audit.
6. Receive and file letter to LAFCO regarding Director Englefield's candidacy for Special District Representative.

Director Englefield made a motion to approve the Consent Calendar as amended. Director Ball 2nd the motion. Director Davidson asked if item 4 on the consent calendar represented our last payment to USDA, and Jodi Lauther informed him that it was. Director Davidson also inquired if the District has given any thought to changing auditors. Following some discussion, it was mentioned that we may distribute a Request for Proposals (RFPs) next year for new auditors. Director Legrand called for a vote. The motion passed with all directors present voting aye.

E. CUSTOMER APPEAL TO THE BOARD

1. **J. Garrow – 48 hour connection for home inspections/appraisals at a minimal fee** – John Garrow asked if the Board would consider a procedure whereby a realtor could pay \$75.00 to \$100.00 for a 48 hour water connection on disconnected services to complete physical inspections during escrow. He mentioned that such a policy would enable the District to get paid on outstanding lien balances sooner, as the homes could close escrow faster. Director Legrand stated that such a policy is standard at other agencies. The Board requested that Jodi Lauther develop a policy for the Board's review and/or approval at the next Board meeting scheduled to take place on Friday, July 12, 2013. Director Ball asked if the house would be covered by insurance during the temporary 48 hour connection, and was told that we could have the realtor's sign a release of liability form to protect the District.

Additionally, John Garrow expressed interest in running for the District's Board of Directors.

F. 2013/2014 BUDGET SESSION

1. Review and discuss the proposed 2013/2014 budgets for the coming fiscal year:

- a. **Operation and Maintenance (O&M) budget** – Jodi Lauther reported that employee costs increased in the O&M budget due to the fact that the Water System Improvement Project (WSIP) and CIP projects are mostly over, and that the costs were no longer listed under those items. Director Legrand asked if temporary employee costs were taken into consideration for Kim Gustafson's upcoming replacement while she's on maternity leave, and Jodi confirmed that they were.

Jodi Lauther also informed the Board that our Worker's Compensation rates through Special District Risk Management Authority (SDRMA) will be increasing this next year due to an employee claim which occurred within the last three years. Mel Kelley asked if SDRMA monitors training for District employees, and Jodi replied that they do.

Director Legrand noted some incorrect dates printed on pages 29 and 30, and requested that Jodi correct the "2012/2013 Proposed Budget" column to read "2013/2014 Proposed Budget," and the "Difference (12/13-11/12)" column to read "Difference 12/13-11/14)."

- b. **Asset Management budget** – Jodi Lauther stated that we are estimating our ending balance for the 2012/2013 fiscal year at \$29,456, and that upon processing our \$1,800 monthly transfers, we will have contributions amounting to \$21,600 for the year. Additionally, we are working on a PG&E grant to replace the lighting which will amount to \$1,514, and we expect some cost sharing from the El Dorado County Water Agency. If you subtract our estimated spending upon completion of our anticipated projects, our 2014 ending balance should be approximately \$25,000.

Jodi Lauther said that our anticipated projects include "Asset Management – 7" to replace the light fixtures, wherein the numbers were adjusted a bit so that we will have to pay \$56 out of pocket. However, considering the fact that our energy savings is estimated to be \$1,609, she still feels it's a good project to move forward with. "Asset Management – 8" is for the new radios to comply with the narrow banding rules at a cost of \$3,500 for the equipment, installation, and software. Mel Kelley asked who would be completing the installation and programming for \$950, and Jodi said that would be Phill Dayton who is a licensed programmer. "Asset Management – 9" is the replacement of the office and treatment plant roof. Jodi mentioned that there are two options for this project. Option 1 would be to have District staff (Ken Hooley & Nick Chapman) perform the work for approximately \$5,500. If they complete the work, this one week project would probably be completed this fall, and should not impact our daily operations. Additionally, Leo mentioned that staff planned to install the front porch overhang while the roofing work was being completed. Option 2 would be to have a licensed contractor perform the work for approximately \$15,000. If a licensed contractor performs the work, it would fall under the "prevailing wage" laws. The Board decided to proceed with option 1, and to have Director Davidson involved with the current roof removal and with material planning for the installation. "Asset Management 10-13" is to rebuild outbuildings, as they are in really bad shape. Materials will be purchased from Diamond-Pacific, and District staff (Ken Hooley and Nick Chapman) will perform the repairs. "Asset Management – 14" is the re-piping at Tyler Tank, which is rusting out and extremely inefficient. We received a piping engineering quote for \$8,650 from Psomas Engineering, and the El Dorado County Water Agency will cover 50% of that cost at \$4,325. Director Legrand offered to assist Leo with construction work at Tyler Tank once it has been engineered. Director Ball recommended that Leo contact Russell Mechanical, Inc. to get a quote on design/engineer work for a considerable cost savings. "Asset Management – 15" is replacement of the 30 horsepower pump at Tyler Tank, which is 40 years old and inefficient. If we replace the pump, we can purchase a more efficient pump which may be able to run off the 25k generator we have during fire emergencies. Staff would like to complete this project along with the re-piping at Tyler Tank. Anticipated project totals for the year are \$32,470.

- c. **Capital Improvement Projects (CIP) budget** – Jodi reported that total CIP income for the 2013/2014 fiscal year is estimated at \$90,374. A large portion of our standby fees go to paying off the debt service consisting of our two loans. The first loan is the California Department of Public Health (CDPH) loan which currently has a balance of \$162,499.43, for which we will make a total payment of \$16,618.94. The second loan is the United States Department of Agriculture (USDA) loan which currently has a balance of \$941,000, for which we will make a total payment of approximately \$42,000. **The Board requested that Jodi Lauther bring the loan pay-off amounts back for their review at the next meeting scheduled to take place on July 12, 2013.** Mel Kelley recommended that the Board designate a minimum CIP balance to not drop below when completing projects.

Lyle Tomlin mentioned that he doesn't plan to receive water from our District, and that he shouldn't have to pay our standby fee.

CIP Projects for the 2013/2014 fiscal year include "CIP-1" which is the continuation of the Water Rights Compliance Evaluation with ECORP, including the gage installation and the annual maintenance and reporting which is covered under a 70% cost share from the El Dorado County Water Agency (EDCWA). Currently, they are assisting us with our reporting to the State. The second project is "CIP-2" which is the water tank coating evaluations by CSI Services, which are scheduled to take place on July 1-2, 2013. They will check all of the tanks out, and provide us with reports relative to the types of coatings we will need. This item is covered under a 50% cost share with the El Dorado County Water Agency (EDCWA.) New projects for the 2013/2014 fiscal year include the stream gage installations for a total cost of \$31,750. **Director Legrand requested that the title for project "CIP-7 Stream Gages" be changed to "Diversion gages" to avoid confusion with the optional stream gages.** Director Davidson asked what the maintenance charges are for the "diversion gages" and was informed that the total is \$6,400 for the year. Maintenance items include battery replacement, solar panels maintenance, and making sure that the data is collected accurately. Project "CIP-8" relates to corrosion issues within the Treatment Plants, for which the cost is unknown and won't be available until CSI Services completes their tank inspections. Project "CIP-9" refers to the Forest View bypass for which there is a 50% cost share with the El Dorado County Water Agency (EDCWA) for the engineering cost of \$2,800. The construction estimate from Psomas Engineering for this project is estimated at \$6,500. Projects "CIP-10" through "CIP-13" refer to the drain and overflow work at the Forest View, Tyler, Winding Way, and Clearwell tanks, which we are attempting to incorporate with the corrosion work resulting from the CSI Services tank coating evaluations. "CIP-14" refers to the hydrant flow meter. Leo rainwater stated that we have no way to measure the amount of water we flush, nor the amount of water people take from the hydrants in our system. Purchasing a flow meter for \$1,100 would help the District with our water loss ratio and reporting by proving our beneficial use. **Another project District staff would like to pursue next year and will add to our action item list is reactivating the dead ends within our system.** Project "CIP-15" relates to the push rod camera with an estimated cost of \$9,500. Leo Rainwater reported that a push rod camera demo was recently done with the water running in Eagle Ditch, wherein they noted a 2/3 air gap in the pipeline 200 feet down of North Canyon's splitter box. (An air release valve will need to be installed at that location.) Parts have already been purchased to install a "Y" every 300 feet down the pipeline, for inspection purposes. Jodi Lauther reported that we are planning to spend more money than we take in, netting a loss of approximately \$121,132. Director Legrand requested that we take another look at our 5-year plan and our projects, to see if anything can be pushed back. **A committee meeting with Director Ball, Director Davidson, Mel Kelley, and Jodi Lauther to review the 5-year plan was scheduled to take place after the "Special Meeting" at the District office on Friday, July 5, 2013.**

- d. **Personnel Expenses & Benefits review** – Jodi Lauther reported that after review, the committee recommended no change to the current level of employee compensation. **A special meeting to review employee evaluations in closed session has been scheduled to take place at the District office at 9:00 AM on Friday, July 5, 2013.**

G. OPERATIONS / Leo Rainwater, Water System Manager

Monthly review of plant and field operations

1. **Update on tank ladders** – Leo Rainwater reported that the tank ladders have been installed. Leo has been looking into Occupational Safety and Health Administration (OSHA) regulations relative to handrail and landing requirements, and said that there is no specifically designed criteria for tank safety. He would like to add a landing to Tyler Tank even though there isn't any hand rail or landing requirement. The District will need to purchase harnesses, tie-offs, and connection points. John at Superior Tank has offered Leo free technical assistance relative to providing calculations on force requirements. The Board recommended that District staff purchase signage for the ladders. Leo mentioned that we will need to purchase more expanded metal at the bottom of the cage, which Mel Kelley may have to offer the District.
2. **Update on Forest View Well refurbishment** – Leo Rainwater reported that we have had discussions with Maria Pang and Richard Hinrichs at the California Department of Public Health (CDPH) and Sara Rogers at Domenichelli and Associates, Inc., and Pat Dunn of Dunn Environmental about how we could proceed with the Forest View Well refurbishment. In Leo's opinion, the cost is too high to proceed. He stated that Pat Dunn's and Sara Rogers' recommendations were to pull the pump and rehabilitate the well in hopes of falling within 10 mcl's, to use the well in an emergency situation for a maximum of 15 days per year. In hopes of the well being permitted, Domenichelli and Associates, Inc. would like to proceed with task #4 "Treatment Options and RFP Preparation" at a cost of \$10,590, and to add treatment to rehabilitate the well for approximately \$40,000 to \$50,000. Staff is not recommending further tasks on the project at this time, and that we officially abandon the well.

Director Ball made a motion to stop further progress with the Domenichelli and Associates, Inc. contract, to go no further on permitting the Forest View Well, and to get costs to proceed with legally abandoning the well. Director Davidson 2nd the motion. There was no further discussion. Director Legrand called for a vote. The motion passed with all directors present voting aye.

3. **Review 2012 Consumer Confidence Report and distribution changes** – Leo Rainwater reported that the District prepared this year's report in-house, and that we no longer need to mail out hard copies to all of our customers. Instead, we will post a copy of the 2012 Consumer Confidence Report on the District's website, and mail the link out to our customers on an insert with our June, 2013 water statements. Doing so will save the District money on printing, employee, and postage charges.
4. **Review and approve revisions to Ordinance 88-2 (Cross-Connection Control Program) and associated fee schedule** – Leo Rainwater reported that he did not receive any recommended changes for Ordinance 88-2 (Cross-Connection Control Program,) and that we are now looking for Board approval for the document. Kim Gustafson noted that associated fees for the Ordinance have been incorporated into the District's "Schedule of Charges," the only new fee being for "Cross-Connection Control Program 2nd Notifications" wherein the charge has been calculated at \$10.75 per notification to cover costs of printing, postage, and staff time. If customers become threatening during inspections, a "Community Assistance Officer" can be requested.

Director Englefield made a motion to approve the revisions to Ordinance 88-w (Cross-Connection Control Program) and associated fee schedule as presented. Director Davidson 2nd the motion. There was no further discussion. Director Legrand called for a vote. The motion passed with all directors present voting aye.

H. CONSERVATION

1. **Discuss current state of the District's water supply and reservoir level** - Leo Rainwater reported that currently there was 5" of water going into the pipe at Big Canyon (as compared to it being full plus four inches in 2012, full plus six inches in 2011, and full plus two inches in 2010) and that there was 8" of water going into North Canyon (as compared to it being full plus ten inches in 2012, full plus 8 inches in 2011, and full plus two inches in 2010.) We are approximately 40% lower this year than last year. Jodi Lauther said that we are only open one notch and spilling at the reservoir, and although we are still doing alright at the moment, we did send out a note to customers in the last newsletter warning of potential conservation needs later in the year. Additionally, it was mentioned that we added another 7" to the reservoir, which is the equivalent of 1.34 acre-foot more storage.

I. WATER RIGHTS COMPLIANCE EVALUATION (ECORP)

1. **Review the final Water Rights Compliance Evaluation report from Jeff Meyer (ECORP) as well as an updated gage proposal (3 pipe gages and one staff gage, equipment and installation cost \$31,750)** - Jodi Lauther reported that a few minor changes were made to the report including spelling corrections, an adjustment to the water savings from the reservoir lining project to 35 acre-feet per year, and some adjustments to the diversion gage proposal. The revised report will go to the State with our reporting.

Director Englefield made a motion to approve the Water Rights Compliance Evaluation Report as it stands and to authorize moving forward with the installation of gages as outlined in the revised gage proposal. Director Ball 2nd the motion. There was no further discussion. Director Legrand called for a vote. The motion passed with all directors present voting aye.

2. **Review e-mail to the U.S. Forest Service proposing their installation of stream gages to monitor results from the Trestle Forest Health Project #28654 (formally known as the Tony Project)** – Jodi Lauther reported that she e-mailed the U.S. Forest Service to propose their installation of stream gages to monitor results from the Trestle Forest Health Project, and that Tim Howard has forwarded her message into Duane Nelson’s attention for his response.

Lunch from 11:57 AM – 12:50 PM.

J. OFFICE & FINANCE / Jodi Lauther, General Manager

Monthly review of Office Operations

1. **Review “Action List”** – Jodi Lauther presented the current updates for our “Action List” to the Board. Director Legrand will assist Leo in scanning documents at the California Department of Public Health (CDPH) in Director Englefield’s place.
2. **Review posting for a Temporary Office Position** – Kim Gustafson reported that a notice has been posted at the post office and on the District’s website, to recruit a temporary replacement for her while she is out of the office on maternity leave. Additionally, she mentioned that the deadline to apply is July 1, 2013, and that the hope is to start cross-training in July so that the temporary replacement can fill in for her when she is out for Doctor’s appointments.
3. **Announce Board Orientation** – Jodi Lauther reported that a Board Orientation has been scheduled to take place at the District office on Friday, July 19th at 10:00 AM.
4. **Voting for Special District Risk Management Authority’s (SDRMA’s) 2013 Board of Directors Election** – Jodi Lauther reported that the Board should take action to select four candidates for SDRMA’s Board of Directors.

Director Ball made a motion to vote for David Aranda, John Woolley, Muril Clift, and Jean Bracy, and to approve Resolution 2013-4 as presented. Director Englefield 2nd the motion. Director Legrand called for a vote. The motion passed with all directors present voting aye.

5. **Remove Director Englefield from the District’s accounts (El Dorado County, El Dorado Savings Bank, Local Agency Investment Fund, and Wells Fargo Bank)** – Jodi Lauther recommended that the Board take action to authorize her to remove Director Englefield from the District’s accounts.

Director Ball made a motion to authorize Jodi Lauther to remove Director Englefield from the District’s accounts. Director Davidson 2nd the motion. Director Legrand called for a vote. The motion passed with three directors present voting aye. Director Englefield recused himself from the vote.

Monthly review of Financial Operations

6. **Receive and approve financial reports and spending for May 2013** - Jodi Lauther reported that the last reimbursement from the United States Department of Agriculture (USDA) made in June was not reflected upon the May, 2013 financial reports. **The Board requested that Jodi correct the percentage for “Tank Improvements” under item 70600.**

Director Englefield made a motion to approve the financial reports and spending for May 2013 as amended.

Director Davidson 2nd the motion. Director Legrand called for a vote. The motion passed with all directors present voting aye.

7. **Review and approve annual Parcel Quest DVD for 2013/2014 Tax Roll** - Jodi Lauther said that we will need Board approval to purchase the annual Parcel Quest DVD for the 2013/2014 tax roll. Director Englefield recommended that Kim Gustafson look into Breeden Estates to ensure that they are charged if appropriate. Additionally, he recommended that District staff revisit the Breeden Estate request for water service to allow them hook-up access.

Director Davidson made a motion to approve purchasing the Parcel Quest DVD for the 2013/2014 Tax Roll. Director Englefield 2nd the motion. Director Legrand called for a vote. The motion passed with all directors present voting aye.

8. **Receive and approve Annual Membership Dues Invoice for Mountain Counties Water Resources Association (MCWRA), for the period of July 1, 2013 to June 30, 2014** - Jodi Lauther presented MCWRA's annual membership dues invoice to the Board for approval.

Director Ball made a motion to approve the Mountain Counties Water Resources Association (MCWRA) membership dues as presented. Director Davidson 2nd the motion. Director Legrand called for a vote. The motion passed with all directors present voting aye.

K. COMMITTEE REPORTS

1. Budget & Finance Committee

- a. **Discuss meeting held on May 23, 2013; reviewed the history of the current Capital Connection fee and Meter Installation fee, how it has been calculated in the past and if adjustments need to be recommended. Next committee meeting: Monday, June 17, 2013** – Jodi Lauther reported that the committee met to discuss new infrastructure, current and ongoing projects. It was mentioned that discounting new customer connections passes charges onto the current rate payers. Jodi also stated that the next committee meeting was scheduled to take place at the District office at 9:00 AM on Monday, June 17, 2013.

2. Grizzly Pond Committee

- a. **Update on Grizzly Pond improvement survey** – Kim Gustafson reported that surveys have been coming in, and that a summary of the results would be presented to the Board during the July 12, 2013 meeting.
- b. **Discuss California Conservation Corps clean-up quote for Grizzly Pond** – Jodi Lauther stated that hiring the California Conservation Corps (CCC) to clean up the pond lot would cost \$1,800, which is too much for the District to pay. In result, a “Grizzly Pond Clean-Up Day” has been scheduled for volunteers to weed eat and rake starting at 8:00 AM on Saturday, June 29, 2013. This event will have a safety office (Leo Rainwater) onsite.

3. Solar Committee

- a. **Update on Sierra Business Council's rebate for light fixture replacements** - Leo Rainwater said that the work for the light fixture replacements will be done in-house, and that the District will need to pay \$56.00 out of pocket to complete the project.
- b. **WaterSMART grant funding update** - Director Ball reported that the District was not selected to receive the WaterSMART grant funds.

4. Mountain Counties Water Resources Association

- a. **Update on Sierra Business Council's pump and main inspection** - Leo Rainwater reported that grant funds for this project will not be awarded until 2015, but that he is in the process of scheduling a site visit for Sierra Business Council (SBC) to come review our system.

- b. **Confirm the GFCSD representative (Director Ball) and select an alternate representative for MCWRA** – Kim Gustafson reported that we will need to designate a new primary representative for the Mountain Counties Water Resources Association (MCWRA,) and an alternate representative to back him up when he is unavailable.

Director Englefield made a motion to designate Director Ball as the District’s primary MCWRA representative, and Director Legrand as our alternate representative. Director Davidson 2nd the motion. Director Legrand called for a vote. The motion passed with all directors present voting aye.

L. EL DORADO COUNTY WATER AGENCY (EDCWA) / Richard Englefield, Board member

- 1. Director Englefield reported that the El Dorado County Water and Power Authority did not have a quorum to approve their budget, but that the El Dorado County Water Agency successfully approved their own. The Water Agency is currently wrapping up negotiations with Environmental Impact Report (EIR) protestors to confirm 40,000 or 30,000 acre-foot original origin for the County’s water rights.
- 2. Confirm the GFCSD Board member who will represent the west slope purveyors (replacing Director Englefield when he resigns from the GFCSD Board) / Gustafson (discussion/action)

Director Englefield made a motion to designate Director Ball as our new representative for the El Dorado County Water Agency Board of Directors. Director Davidson 2nd the motion. Director Legrand called for a vote. The motion passed with all directors present voting aye.

M. ANNOUNCEMENTS / DIRECTORS COMMENTS

Director Englefield stated “I resign, thank you very much.”

Director Ball asked how many people are paying the stand-by fee with no service connection to our water system. Jodi Lauther replied that there were a few cases. Director Ball asked if we receive a lot of complaints about such people having to pay the stand-by fee, and the response was no.

Director Legrand recommended that the Directors review their 700 forms carefully. Additionally, Director Legrand asked Leo Rainwater when he will be ready to do the pad for the carport. Leo said he would be ready within four weeks.

N. ADJORNMENT- Director Englefield made a motion to adjourn. Director Davidson 2nd the motion. Director Legrand called for a vote. The motion passed with all directors present voting aye. The meeting was adjourned at 2:26 PM. The next regular meeting will be at 9:00 am on Friday, July 12, 2013 at The Grizzly Flats CSD office.

Minutes submitted by:

Kim Gustafson, Board Secretary

Approved by:

GFCSD Board Chair

Date:
