

Grizzly Flats Community Services District

Board Orientation

Amended: October 2020

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A little history.....

- * Community of Grizzly Flats was founded in the 1850's.
- * In 1966 Grizzly Park Water Company was formed to provide water to the newly developed "Grizzly Park" subdivision.
- * October 27, 1987, the El Dorado County Board of Supervisors created Grizzly Flats Community Services District with Resolution 387-87. GFCSD acquired the water rights and facilities from the Water Company.

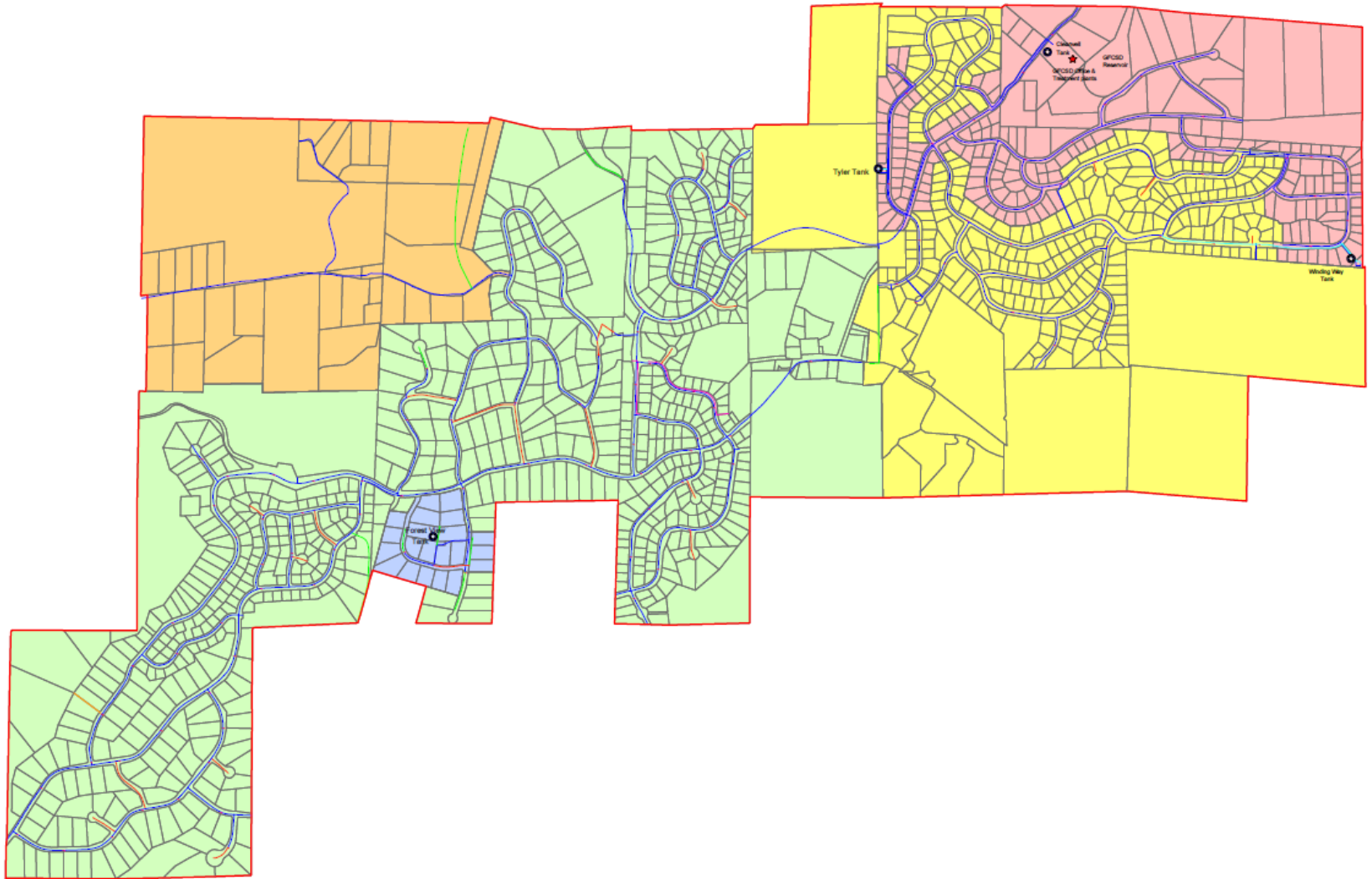
Our Service Area

* Our service area includes:

- 1220 parcels of land (down from 1225 in 2017) which is approx. 1,115 acres.
- 621 meter connections.
- 150 fire hydrants.
- A population of 1089 (2010 census) plus an elementary school, post office, church, volunteer fire station and U.S. Forest Service Station.



GRIZZLY FLAT COMMUNITY SERVICES DISTRICT WATER NETWORK



Who runs the place?

* **The District has a five member Board of Directors who set policy:**

- Sherry McKillop, Board Chair (Term of office: 12/04/20 - 12/06/24)
- Bob Chigazola, Director (Term of Office: 12/04/20 – 12/02/22)
- Art Davidson, Director (Term of office: 12/04/20 - 12/02/22)
- Lynn Hannblom, Director (Term of Office: 12/04/20 – 12/02/22)
- Kent Malonson, Director (Term of office: 12/04/20 - 12/06/24)

* **The District has staff who run the day-to-day operations:**

- Jodi Lauther, General Manager
- Kim Gustafson, Office Facilitator & Board Secretary
- Ken Hooley, Maintenance Technician
- Andy Vicars, Maintenance Technician
- H2O Urban Solutions – contractor who operates the water system (Scott Myers, Tony Ouellette, Adam Silver, Ethan Markes).
- District Treasurer – Patti Jobe (*volunteer – not a board member*)

Mission Statement



The mission of the Grizzly Flats Community Services District is to maintain the highest ethical standards for its Board members and employees while providing quality water in a fiscally responsible manner for the community of Grizzly Flats.

Jurisdiction



Grizzly Flats Community Services District is responsible for providing treated water for domestic use and fire protection to the residents within its service area.

Water Supply

- * The District obtains its water supply through diversion of stream flows from North Canyon and Big Canyon Creeks, which are tributaries to the North Fork of the Cosumnes River.
- * Flows are diverted through the Eagle Ditch pipeline which brings the water down to our raw water reservoir. The pipeline is about 3 miles long.
- * Diversions are pursuant to water rights dating back to the 1850's.
- * The system is sensitive to low rainfall years and has been susceptible to failure in late fall in years of low stream flows.

Diversions



North Canyon diversion



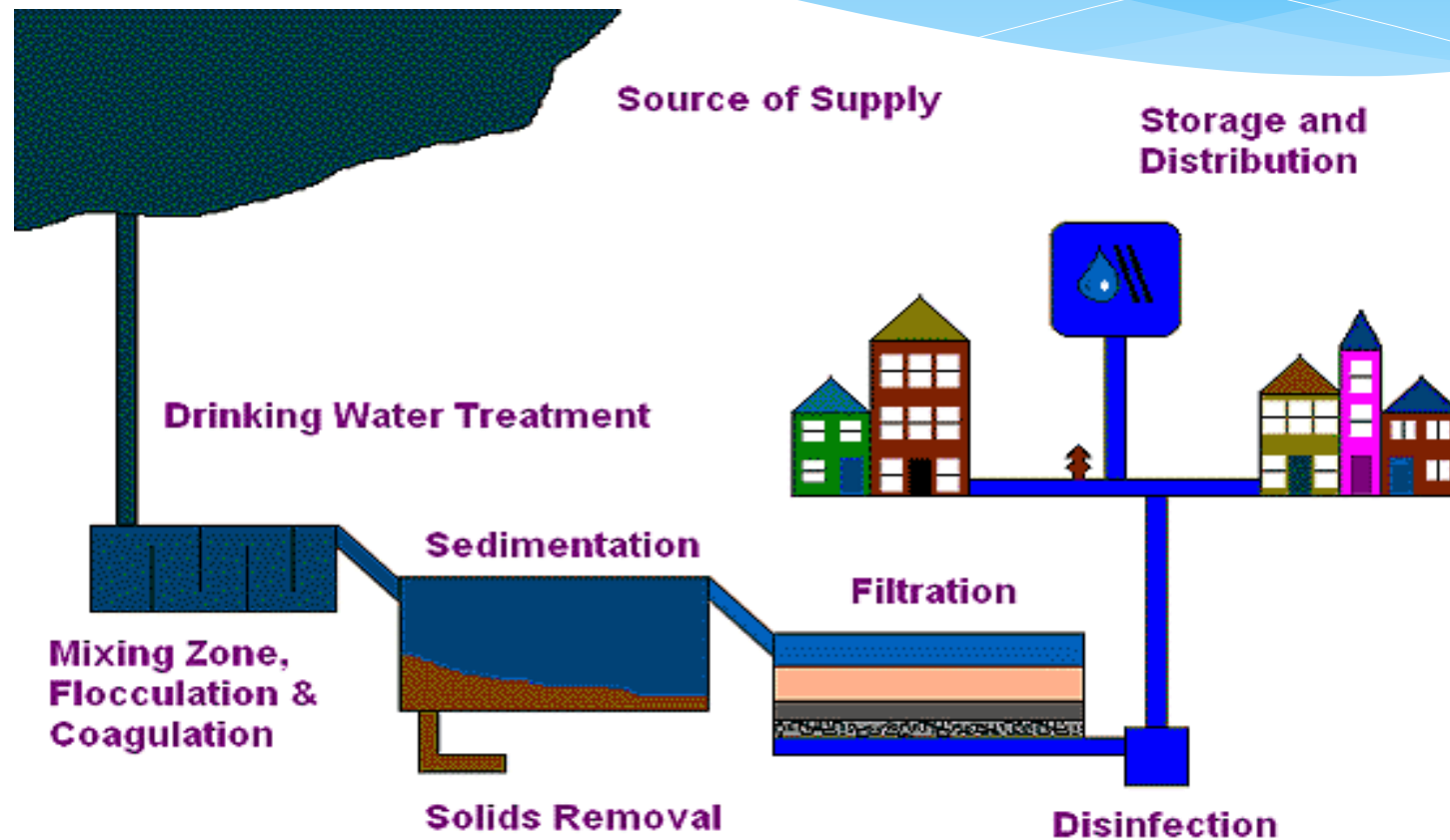
Big Canyon diversion



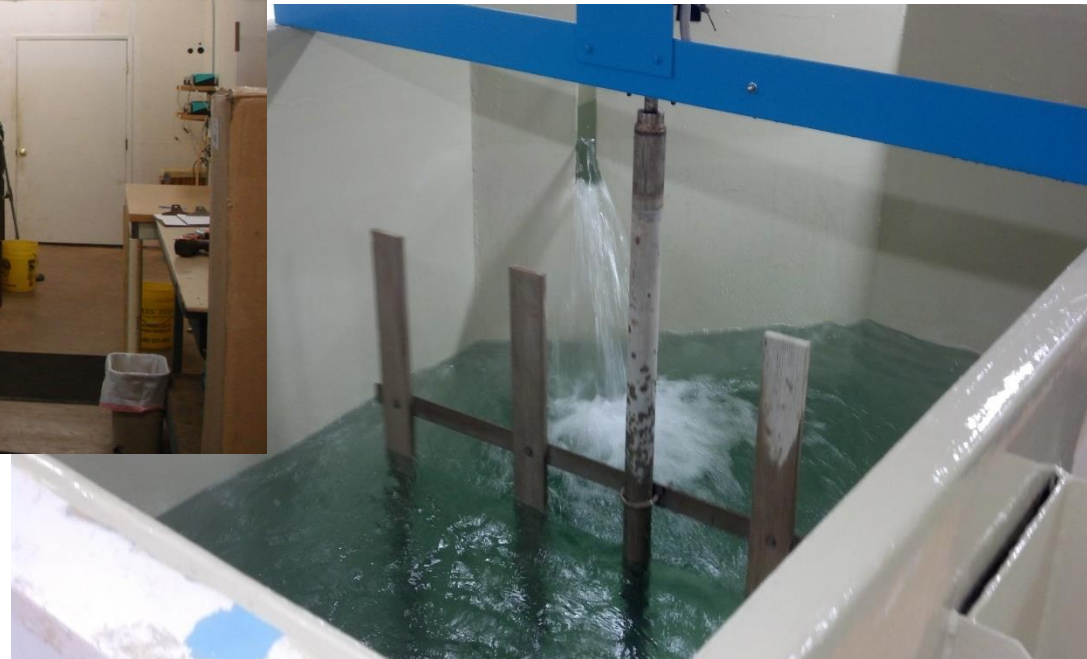
Water System

- * Eagle Ditch fills the raw water reservoir which serves as the headworks to the water treatment facility.
- * Water is sent through one of two treatment plant filters and is treated to meet State and Federal drinking water standards.
- * Water is distributed to customers through the piped distribution system. Most of the system is gravity fed, but due to the varying terrain, pumping is required in limited areas to maintain adequate service pressures.

Water System (cont.)



GFCSD's Treatment Plants



Water Production

- * Production varies depending on the season.
 - Summer (July – September) can see production peak at over 5 million gallons per month (180,000 – 200,000 gpd).
 - Winter (December – February) can see production drop to 2.5 million gallons per month (70,000 – 80,000 gpd).
 - Conservation, leaks in the system, flushing and other maintenance procedures can affect those production numbers.

What is a Special District?

Grizzly Flats Community Services District is an “Independent Special District”.

- * Special Districts are created by their constituents to meet specific service needs for their communities. They can perform a single function or a variety of functions depending on the need. They provide only the services their residents desire within a designated, limited boundary set by the Local Agency Formation Commission (LAFCO).
- * An independent special district is governed by its own board of directors who are elected by voters (or appointed in some cases) in their district.
- * We are also considered an “enterprise district”, which means we operate like a business; we charge customers for the services we provide.

What is a Special District? (cont.)

- * Who are special district's accountable to?
 - The voters who elect our board members.
 - The customers who use our services.
 - State Controller's Office - financial reports must be submitted each year.
 - Special districts are considered “public agencies” and must follow state laws pertaining to public meetings, bonded debt, record keeping, elections and more.

Benefits to the Community

- * We are focused on one job - - **provide quality water to our community.**
- * As a small public agency, we get to think outside the box to save our customers money.
 - Use community volunteers for tasks other Districts have to pay staff to do (meter reading, billing, filing, front desk help, etc.).
 - Use our relationships with our neighbors (Leoni Meadows, U.S. Forest Service, Walt Tyler Elementary, E.I.D., etc.)
 - A small community can utilize its close knit relationships to foster cooperation and get things done!

Qualifications to be a Board Member

Who can serve as a board member for Grizzly Flats Community Services District?

Your primary home must be within the District's boundaries and you must be a registered voter in the District.

*California Government Code Section 61040 (b) and
California Government Code Section 1770*

GFCSD Board of Directors

Basis of Authority

- * The Board of Directors is the governing body of the District. **The Board shall act only at its meetings.** All meetings are to be properly noticed in accordance with The Brown Act.
 - Board members need to be extremely careful how District business is discussed and when it is discussed.
 - Email (especially “reply all”), community events, phone calls, discussions on social media sites, etc. can all be a violation of the Brown Act if not handled correctly.
 - No more than two Board members can discuss District business outside of a meeting. If three or more members of the Board are discussing District business, it is considered a meeting!

Authority of Individual Board members

Individual Board members, except when authorized by the Board, shall have no independent power to act for the District, or the Board, or to direct employees of the District.

As individuals, Board members may not commit the District to any policy, act, or expenditure.

What does this mean? A Board member is considered a member of the public except when they are sitting as “The Board”. This is to protect both you and the District from liability issues.

GFCSD Board of Directors Elections

- * GFCSD's Board of Directors are elected by registered voters within the District's boundaries.
- * The District has even year elections for selected seats on the Board.
- * Directors are usually elected to a four year term unless otherwise stated.
- * Elections are organized and published through the El Dorado County Elections Department.
- * Individuals who are elected to the Board of Directors shall take office at Noon on the 1st Friday in December following the election.

GFCSD Board of Directors Appointments

Occasionally, a Board member is unable to fulfill their term. When that occurs, the remaining Board members may fill the vacant seat by appointment. The Board votes at a public meeting to appoint an individual to the remaining term or to the next general election.

GFCSD Board of Directors Board Meetings

- * Regular board meetings held the 2nd Thursday of each month.
 - ✓ Start at 6:30 PM at the District office.*
 - ✓ Meetings last 1 – 3 hours, depending on the length of the agenda.
 - ✓ A meal is provided if the meeting is expected to last longer than 4 hours.
 - ✓ There must be a quorum to have a meeting – at least 3 of the 5 board members must be present.
 - ✓ Meeting dates and times may be changed by the Board to accommodate schedules and District operations.

**Due to COVID-19, board meetings have temporarily been moved to the Grizzly Flats Community Church Lodge (5061 Sciaroni Rd). The Board is welcome to attend in person but due to the limited indoor space, a teleconference option is offered to the public.*

GFCSD Board of Directors

Board Meetings (cont.)

* Other types of meetings

- **Special meetings** – may be called by the Board Chair, General Manager or a majority of the Board for any reason. Meetings require a 24 hour notice.
- **Emergency meeting** – may be called in the event of an emergency situation; a crippling disaster or threat of disaster which severely impairs public health, safety, or both as determined by the General Manager or Board Chair. A 1 hour notification is required.
- Adjourned meetings, public hearings & workshops, annual organizational meetings, budget sessions, etc. may also be scheduled as necessary.

GFCSD Board of Directors Board Attendance

- * Directors shall attend **all** meetings of the Board unless there is good cause for absence. Directors who will be absent for a meeting shall notify the General Manager as soon as possible.
- * One of the most important responsibilities of being a Board Member is to actively participate in the District.

GFCSD Board of Directors Meeting Agendas

- Setting of the Agenda
 - ✓ Anyone can request an item be placed on the agenda. Agenda request forms are available from the Board Secretary.
 - ✓ The Board Secretary and General Manager set the agenda.
 - ✓ A draft agenda is sent out to the Board two weeks prior to the regular meeting, which allows for all board members to add items if they wish.
 - ✓ The agenda is finalized 4 days prior to the meeting and posted for the public 72 hours prior to the meeting.

GFCSD Board of Directors

The Ralph M. Brown Act

- * California Government Code, sections 54950 and following.
- * Meeting agendas serve as the public's notice of the District's business and we adhere to a strict preparation and distribution process.
- * Open and transparent government is very important!

GFCSD Board of Directors Notice & Distribution

- * Notice Requirements and distribution of agenda & packets:
 - The Brown Act requires a minimum of 72 hours notice for regular meetings and 24 hour notice for special meetings. “Notice” means a posted agenda in an area that is available to the public 24 hours per day.
 - The finalized agenda is sent out via email to:
 - ✓ The Board & staff
 - ✓ The District’s legal counsel
 - ✓ Anyone who has submitted a written request to be added to the email agenda distribution list. Requests must be renewed each year.

GFCSD Board of Directors Agenda Packets

Using the finalized agenda, the Board Secretary and General Manager create the agenda packets for each meeting. Packets contain all documents related to agenda items. Packets are distributed on the Tuesday before each meeting.

Board members are expected to review the documents prior to the meeting, then be prepared to take action at the meeting. Packets can range from 20 – 150 pages depending on the length of the agenda.

GFCSD Board of Directors

Public Comment

- * Public comment is part of every meeting of the Board. We are a public agency doing the public's business.
- * Items on the agenda – any member of the public may address the Board on any item on the agenda at the time that item is being considered. The Board Chair will ask for public comment before a vote is taken.
- * Items not on the agenda – any member of the public may address the Board on any item of interest to the public within the jurisdiction of the District, subject to time limits during the “Public Comment” period. However, no action shall be taken by the Board on any item that is not listed on the agenda.

GFCSD Board of Directors Minutes & Recordings

- * An audio recording of all meetings is made. Recordings are kept for the Board Secretary's convenience. These recordings are not the official minutes of GFCSD meetings.
- * Written minutes are prepared by the Board Secretary. They are used to document the actions of the Board. Minutes from meetings are submitted to the Board for approval at the next regular meeting. Once approved, minutes are available to the public on the District's website or through the Public Records Request process.

GFCSD Board of Directors

Board Actions & Decisions

- * The Board makes decisions and takes action using motions (Robert's Rules of Order).
- * Action items shall be brought before and considered by the Board by a motion and a 2nd. Any Board member can make a motion or a 2nd.
- * A majority vote is needed to pass most motions. Votes are recorded in the meeting's minutes.

GFCSD Board of Directors

What makes an effective board?

* **Characteristics of an effective board:**

- They operate in an organizational environment of trust, honesty and openness. No secrets, no surprises.
- All board members are perceived to be equally legitimate – no matter how different or difficult an individual may be.
- They treat all staff and community members with dignity and respect, even in the face of criticism and opposition.
- They exhibit creative thinking, know how to handle failure as well as success, encourage risk taking and create a climate of support for excellence.
- They do their homework, work hard, and commit the time and energy required to be effective.
- They keep the needs of their community as their primary focus. They do not represent a specific group or agenda. They do not get distracted by day-to-day issues in the District. They stay focused on the District's strategic goals.
- They tend to immediately turn to solutions rather than finding blame.

GFCSD Board of Directors

Three Realities

1. You campaign as an individual, but serve as a member of a team.
2. You do not have the authority as an individual to fix problems you perceive in the District. Be careful what you promise the public.
3. Your success as a board member is inextricably tied to the success of your board.

GFCSD Board of Directors

Four Stages of Learning as described by Abraham Maslow

Unconscious
Incompetence

*We don't know
that we don't
know.*

Conscious
Incompetence

*We know that we
don't know.*

Conscious
Competence

*We work at what
we don't know.*

Unconscious
Competence

*We don't have to
think about
knowing it.*

How do those four stages of learning relate to being a board member?

It is important to always keep an open mind. You may have your mind made up, but new information may come to light that may effect your decision. We are a group of individuals from all different backgrounds who look at things in a unique way. Our Board works well because people can voice differing opinions. All opinions are respected and all view points are valid.

Often, someone else's viewpoint or information you weren't aware of comes to light during the discussion at our meetings and influences your decision.

GFCSD Board of Directors Committees

As a Board member, you will be asked to participate in committees. Committees research topics and make recommendations to the full Board of Directors.

Remember, only the full Board can make decisions for the District.

GFCSD Board of Directors Committees (cont.)

* Standing Committees

- Budget & Finance
- Personnel & Policy Review
- Water Operations
- Capital Improvement Projects (CIP) Planning & Engineering

* Ad Hoc Committees

- Ad hoc committees are temporary advisory committees composed of no more than 2 board members. The committee serves a limited purpose and is dissolved once its specific task is completed.

GFCSD Board of Directors

Board Conduct

Conflict of Interest

Public officials are required to conduct the public's business free of prohibited conflicts of interest. GFCSD's policies and procedures are consistent with the laws set forth in California Government Code, section 87100 and following, and provisions of the Fair Political Practices Act and Fair Political Practices Commission (FPPC) regulations.

Form 700 is required for all Board members when taking office, leaving office and annually while in office. This form is required by all individuals who make or participate in making governmental decisions that could affect their personal economic interests. The form requires you to disclose certain personal economic interests. **All information on the form is public and can be obtained by anyone.**

GFCSD Board of Directors

Board Conduct (cont.)

Ethics Policy

The Board of Directors are committed to providing excellence in legislative leadership that results in the provision of the highest quality of services to its constituents and to comply with state laws.

Ethics training is required by state law for Board members within 6 months after taking office and every two years thereafter.

“When a man assumes a public trust, he should consider himself as public property.” - Thomas Jefferson

GFCSD Board of Directors

Board Conduct (cont.)

Fair & Equal Treatment

Board members, in the performance of their official duties and responsibilities will not discriminate against or harass any person on the basis of race, religion, color, creed, age, marital status, national origin, ancestry, gender, sexual orientation, medical condition or disability.

A Board member will not grant any special consideration, treatment or advantage to any person or group beyond that which is available to every other person or group in similar circumstances.

GFCSD Board of Directors

Board Conduct (cont.)

Proper Use & Safeguarding District Property & Resources

Except as specifically authorized, a Board member will not use or permit the use of District owned vehicles, equipment, telephones, materials or property for personal benefit or profit. A Board member will not ask or require a District employee to perform services for their personal benefit. Each board member must protect and properly use any District asset within his/her control, including information recorded on paper or in electronic form. All customer information and closed session items are confidential.

GFCSD Board of Directors

Board Conduct (cont.)

Training, Education & Conferences

Members of the board are encouraged to attend educational conferences and professional meetings when the purposes of such activities are to improve District operation. Attendance shall be approved by the Board of Directors at a meeting prior to incurring any reimbursable costs.

Required Trainings for Board Members

- * Ethics Training – two hours of training in general ethics principles and ethics law relevant to public service within 6 months of election or appointment and at least once every 2 years thereafter (CA Gov Code, sections 53234 – 53235.2)
- * Harassment Prevention Training – two hours of training every 2 years (CA Assembly Bill 1825).

GFCSD Board of Directors Board Compensation

GFCSD Board members serve as volunteers. There is no compensation for attending meetings or other District events.

Reimbursements of certain expenses (trainings, conferences, etc.) may be made, with prior approval from the General Manager and/or Board of Directors.

GFCSD Operations

The Board

Role of the Board of Directors:

- Make and approve policies – establish structure.
- Set the direction of the District – ensure the values, beliefs, and desires of the community are captured in all documents that focus and drive district efforts.
- Establish strategic goals and objectives.
- Ensure accountability
- Inform the community and speak out on behalf of the District's programs.
- Review and approve annual budgets and keep watch on the general financial well being of the District. This means making decisions on spending, wages for employees, CIP projects and much more!
- Your job is not to micro-manage operations, but to provide support.

Through your behavior and actions, you have the responsibility to support the General Manager and staff as they carry out the directions of the Board.

GFCSD Operations General Manager

Role of the General Manager:

- The one and only employee of the Board.
- Encouraged to make recommendations and be an active part in moving the District forward.
- Maintains and implements, strategies and directives that are approved by the Board. That includes planning of short, medium and long term work programs.
- Has exclusive management and control of operations of the District and provides day-to-day leadership for the District.
- Has authority over and directs all employees, including hiring, disciplinary action and termination. Delegates authority as needed.

GFCSD Operations

District Staff

Role of District Staff:

- Responsible for the daily operations of the District.
- Administrative (Jodi & Kim) – customer service, monthly billing and payment reminders, process customer payments, greet customers in the office, answer phones, file, organize documents, act as Board Secretary (agendas and minutes), book keeping, vendor payments, payroll, interacting with various other agencies.
- Operations & Maintenance (Jodi, H2Ou staff, Kenny & Andy) – managing the water treatment and distribution systems, chemicals, storage tanks, fixing leaks, completing required reporting to state agencies, grounds keeping, equipment maintenance, CIP projects as approved by the Board.

How is the District funded?

- * Grizzly Flats CSD is funded solely by the community it serves through water rates, property assessments and miscellaneous fees and charges (late fees, meter installation fees, service calls, etc.).
- * We are **not** funded by any other governmental agency. We **do not** receive any portion of the property tax paid by property owners in our District. We are not affiliated in any way with El Dorado Irrigation District (EID).

How is the District funded? (cont.)

* **Operations & Maintenance (O&M) & Asset Management**

- Day-to-day operations of the District.
- Funded with water rates, miscellaneous fees and interest income.

* **Capital Improvement Projects (CIP)**

- Major improvements to the water system or purchases of fixed assets.
- Funded with annual standby charge (collected on the property tax bill), miscellaneous fees, Capital Connection fees and interest income.

2020/2021 Budget Operations & Maintenance (O&M)

Income	\$583,543
Expenses	\$584,471
Reserve Funding	\$ (928)
Net (Income – Expenses - Reserves)	\$ 0

In 2016, GFCSD performed a Cost of Service Study. We adopted a new rate structure and rate adjustments through 2020/21 fiscal year. This study is required by state law and shows the expenses of a district and what water rates need to be in order to maintain operations. The current basic water rate is \$68.97 per month and our volumetric charge is \$1.20 per hundred cubic feet. Water rates need to be evaluated every five years or so to ensure the District is charging customers enough to cover the District's operating costs. Small shifts in expenses can have a huge impact on our small budget. We expect to perform a new Cost of Services Study within the next year.

The Board must stay vigilant about the District's O&M budget. Although it is not the popular thing to do, the Board is responsible for setting water rates. If water rate increases are necessary, the Board adheres to state law and follows Prop 218 which requires public notifications, public hearing and presentations to allow the public to comment and protest. **Board members should be ready to actively participate in educating the public if/when rate increases are necessary.**

		Adopted (by Fiscal Year)				
	Previous Rate	2016/17	2017/18	2018/19	2019/20	2020/21
Basic Rate (per month)	\$60.37	\$59.30	\$61.58	\$63.95	\$66.41	\$68.97
Volumetric Rate (per hcf)*	+ Chart A	\$1.15	\$1.16	\$1.17	\$1.19	\$1.20

2020/2021 Budget Asset Management

The Asset Management (AM) program was created by the Board in 2010 to help stabilize the O&M budget. It is a reserve account designated for the replacement of O&M equipment.

We transfer \$1,800/month (\$21,600/year) of O&M funds into this reserve account.

Projects planned for 2020/21 include:

- * Repainting District Buildings
- * Paving Temporary Patches (once issues with D.O.T. permit conditions are resolved)
- * Pump Purchases for Tyler and Winding Way Pump Stations

2020/2021 Budget Capital Improvement Projects

CIP budget:

Income	\$ 103,860
Expenses (including depreciation)	\$ 181,146
Reserve Funding	<u>\$ 12,000</u>
Net (Income – Expenses - Reserves)	- \$ 89,206

Income for this account is very limited. It is mostly made up from the Standby Charge (\$48 per year) paid by every parcel within the District's boundaries. Grant income and Cost Sharing dollars are also included, but can vary greatly from year to year. For budget purposes, Standby Charges are estimated to be \$58,800 this year.

Expenses include debt service (WSIP loan payment of \$41,186), continuing work on the District's "Water Master Plan" and depreciation (a bookkeeping requirement set by the auditor, not a cash expense). The District's annual depreciation is \$89,960.

2020/2021 Budget Debt Service

“Debt service” is what those in our industry call loans.

Our debt service is paid using the Standby Assessment collected from parcel owners within our District’s boundaries. 70% of the Standby is designated for debt service.

1225 parcels* x \$48 = \$58,800

Debt service = \$41,186

- In August 2020, we were notified that several lots in our District had merged. This changed the number of parcels in our District from 1225 to 1220. We don’t change the budget after it has been adopted, so you’ll notice some discrepancy in parcel counts.

2020/2021 Budget Debt Service (cont.)

U.S. Department of Agriculture (USDA) Loan

- * Water System Improvement Project (WSIP) which included the reservoir liner, 6 new fire hydrants, installation of new water lines to make our system more reliable, and other small projects.
 - Interest Rate – 3%
 - Annual payment - \$41,186 (*70% of Standby Assessment*).
 - Current loan balance - \$836,000

When the loan was made it was done with a debt instrument called a bond and the bond requires that the loan payment be made in two annual installments (one annual principal payment and two semi annual interest payments). Altering the payments will not save the District money due to how the bond was set up for the original loan.

Upcoming Grant Opportunities

Water Master Plan

A “Water Master Plan” is being created by H2O Urban Solutions, Inc. that evaluates our entire system, identifies issues that need to be addressed, and will propose solutions to those issues. That document will be used to request grant funding when it becomes available. We hope to address several deficiencies in our system if we receive funding including extensive corrosion in our Clearwell tank, improvements to our water treatment plants, aging infrastructure (water mains, valves, hydrants, etc.) and water diversions.



Clearwell Tank





In 2016, heavy water flows damaged our Eagle Ditch pipeline and diversions. We hope to rebuild/redesign our diversion if we are awarded grant funding in the future.

Long range planning for GFCSD water supply

Long range planning for the water supply

Part of the District's long range planning focuses on ensuring there is enough water to eventually serve all 1220 parcels within our District boundaries. That means looking at alternative such as wells and off-site storage if/when they are needed.

Off-site storage has been studied and the cost has been prohibitive; approximately \$20 million for a new reservoir. New ideas and creative funding opportunities come available and we always try to take advantage of those when we can.

Water Supply & Demand Study

The “Water Supply & Demand Study” was updated by NEXGEN in August 2017. In the past, data was estimated because actual water diversion data wasn’t available. In 2017, a more accurate picture of our water usage was used based on over 10 years of metered data at customer homes along with 3 years of metered data at our water diversions.

The study used a range of customer usage based on a “normal” year and a drought year and then estimated how many meters the District could serve under either a safe or firm yield with our current water supply.

- * Safe Yield – defined as the yield that fully meets demand without deficiency even during the most hydrologically critical season for the historical period of record analyzed.
- * Firm Yield – defined as the water supply that fully meets demand 95 out of 100 years based on the historical record.

Scenario	Current Total Active Meters	Projected Total Meters (drought year usage)	Projected Total Meters (normal year usage)
Safe Yield (170 ac-ft/year)	608	1,288	895
Firm Yield (208 ac-ft/year)	608	1,568	1,089

A thankless job.....

- * Serving as a Board member for a small entity like GFCSD can be a thankless job. There are many important decisions to be made but not much glory or personal accolades.
- * We appreciate those community members who choose to volunteer their time and support the staff who are working hard each day to keep the District operating.
- * Water is one of the area's most important resources and it's important that we work to ensure that the community of Grizzly Flats has a well managed water supply, now and in the future.



Grizzly Reservoir