

**Grizzly Flats Community Services District
Minutes of the Regular Meeting of the Board
June 13, 2014**

A. CALL TO ORDER

The regular meeting of the Grizzly Flats CSD Board of Directors was called to order at 9:05 AM by Director Legrand.

ROLL CALL OF THE BOARD

Present: Directors Ball, Davidson, Legrand, Sullivan and Updike

Absent: None

Others: Kim Gustafson, Jodi Lauther, Leo Rainwater and Lyle Tomlin

SALUTE TO THE FLAG was led by Director Legrand.

B. APPROVAL OF THE AGENDA- Director Sullivan made a motion to approve the agenda as presented. Director Ball 2nd the motion. 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 9, 2014.**
2. **Approval of the minutes of the special meeting on June 6, 2014.**
3. **Review and approve purchase of Parcel Quest DVD for 2014/2015 Tax Roll.**

Director Sullivan made a motion to approve the Consent Calendar as presented. Director Updike 2nd the motion. There was no further discussion. Director Legrand called for a vote. The motion passed with all directors present voting aye.

E. 2014/2015 BUDGET SESSION – Discuss the proposed budget for the 2014/2015 fiscal year for Operation and Maintenance (O&M), Asset Management and Capital Improvement projects (CIP). The budget has been reviewed twice by the Budget and Finance Committee (Mel Kelley, Directors Ball, Davidson, Legrand and Jodi Lauther) who met in April and May to give input into the budget.

Jodi Lauther presented the Operations & Maintenance (O&M) income on page 1 and said that the District's water fees have been the same since 2011. She then went on to say that on page 2, the personnel costs were adjusted to include the 3% Cost of Living Adjustment (COLA) for all five employees. She said that Special District Risk Management Authority (SDRMA) may be adjusting our worker's compensation charges due to the District being double charged during an incident which occurred in 2010. Director Legrand asked if Jodi had included a 2% salary buffer for employees, and she responded to say that she had not, but that she would revise the budget to include those amounts as requested with a side note that the personnel costs include a 2% buffer for merit increases. Jodi then said that life insurance was up a bit as it covers all five employees during the next budget cycle. She mentioned that the budget is \$600 lower than last year, and that it doesn't include penalties. Director Updike pointed out that on page 7, the personnel costs should be listed in black ink, not red.

Jodi then went on to discuss Asset Management on page 10. She said that this account stabilizes the District's O&M budget. She said that \$18,450 was proposed to rebuild the outbuildings at the Winding Way, Tyler, and Forest View tanks. She said that the project to re-pipe Tyler tank has been put on hold right now, due to the fact that the system works without re-engineering it. She then said that phase 2 of the Plant 1 rehabilitation project was included to replace the media and inlet valves along with coating the inner walls of the filter basin for corrosion control for a total of \$6,200. Additionally, District staff plans to install 10 air release valves on the Eagle Ditch pipeline for a total of \$1,700. Next, she said that staff plans to take the reservoir inlet valve change out of the budget, along with the overflow valve. Alternately, staff does plan to have the driveway seal coated again for \$1,350. After contributions, the total project ending balance for Asset Management is \$43,881.33.

Jodi then went on to present the five (5) year plan listed on page 13. The Capital Improvement Projects (CIP) summary is listed on page 14, wherein the standby charges pay off the District's debt service (United States Department of Agriculture (USDA) loan.) She mentioned that the California Department of Public Health (CDPH) loan was paid off last October. Currently, the total debt service for the District is \$41,615. The new project proposed for 2014/2015 is cathodic protection, which may push out the tank re-linings listed on page 17. Leo Rainwater said that he would like to meet with the Water Operations Committee before the July 11, 2014 regular Board meeting, so that they can select a vendor to recommend to the Board. When it was mentioned that staff plans to replace the stairs leading up to the reservoir in the next year, Director Ball said that he would like to share a few recommendations with staff outside of the meeting. Jodi then stated that there are no plans to purchase equipment in the next budget cycle.

F. OFFICE & FINANCE / Jodi Lauther, General Manager

Monthly review of Office Operations

1. **Update from the GFCSD Open House held on Saturday June 7, 2014** – Jodi Lauther reported that there were 30 participants during the Greywater workshop, and 43 people took the District tour. During the open house, staff received a lot of good feedback. It was mentioned that if someone installed a pumped greywater system, they would require backflow protection.
2. **Upcoming Trestle Fuels Reduction Project Field Trip with the U.S. Forest Service** – Director Updike said that he had received an e-mail from Mark Almer of the Grizzly Flats Fire Safe Council, indicating that the field trip would take place on Wednesday, July 9, 2014. Director Ball and Director Updike will attend on behalf of the District.
3. **Discuss contract terms with Robert A. Johnson's Accountancy Corporation, their audit confirmation letter, and the District's Request for Proposal (RFP) for CPA services** – Jodi Lauther told the Board that we have one more year under contract with Robert W. Johnson, An Accounting Corporation. The Board requested that staff bring the new law about changing auditors every five years for their review during the July 11, 2014 regular Board meeting.

Director Updike made a motion to approve Robert W. Johnson, An Accounting Corporation's audit as proposed and included within the current budget. Director Sullivan 2nd the motion. There was no further discussion. Director Legrand called for a vote. The motion passed with all directors present voting aye.

Monthly review of Financial Operations

4. **Designate signers for El Dorado County and update signature sheets** – Jodi Lauther said that we need to update the signers on file with El Dorado County for District business with them. She recommended adding herself, Director Legrand, and Mel Kelley (District Treasurer) as approved signers.

Director Sullivan made a motion to approve adding Mel Kelley, Jodi Lauther and Andre Legrand as approved signatories for District business with El Dorado County. Director Updike 2nd the motion. There was no further discussion. Director Legrand called for a vote. The motion passed with all directors present voting aye.

5. **Receive and approve Annual Membership Dues Invoice for Mountain Counties Water Resources Association (MCWRA), for the period of July 1, 2014 to June 30, 2015** – Jodi Lauther presented the annual membership dues invoice from Mountain Counties Water Resources Association for the period of July 1, 2014 to June 30, 2015. Director Ball asked if we receive the same level of service from them as the rest of their constituents. Jodi Lauther said she would look into the matter to ensure that we receive the same level of service. Director Legrand recommended that we stay unified with MCWRA and their members for now.

Director Updike made a motion to approve paying the Annual Membership Dues Invoice for Mountain Counties Water Resources Association (MCWRA), for the period of July 1, 2014 to June 30, 2015 as presented. Director Sullivan 2nd the motion. There was no further discussion. Director Legrand called for a vote. The motion passed with all directors present voting aye.

6. **Receive and approve Annual Membership Dues Invoice for California Rural Water Association (CRWA), for the period of May 2014 to May 2015** – Jodi Lauther said that the District receives process training and contact hours from the California Rural Water Association (CRWA), and that the District will need to pay their annual membership dues invoice to continue receiving such opportunities.

Director Updike made a motion to approve paying the Annual Membership Dues Invoice for California Rural Water Association (CRWA), for the period of May 2014 to May 2015 as presented. Director Sullivan 2nd the motion. There was no further discussion. Director Legrand called for a vote. The motion passed with all directors present voting aye.

7. **Review and approve annual Property/Liability Package Program invoice from Special District Risk Management Authority (SDRMA)** – Jodi Lauther said that our Property/Liability Package Program invoice from Special District Risk Management Authority (SDRMA) is up approximately \$1,500, due to the fact that we added some areas such as the reservoir to our plan. She then presented the renewal invoice to the Board for their approval.

Director Sullivan made a motion to approve paying the Property/Liability Package invoice from SDRMA for program year 2014-15 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.

8. **Present the financial reports, spending and purchase orders issued for May 2014** – Jodi Lauther presented the monthly financial reports on page 20 to the Board. She pointed out that the District received \$1,000 from the Special District Risk Management Authority (SDRMA) for loss prevention reimbursements. She then mentioned that the District sold one Grizzly Pond t-shirt as reflected under item 40700 on page 20. Jodi continued to say that we ordered the Parcel Quest DVD from El Dorado County so that Kim Gustafson could process the District's tax roll. The net income for the month ending May 31, 2014 was \$11,381.33. Jodi will be mailing a \$12,500 check to Joe Vicini, Inc. today, relative to their work recently completed for the Forest View Bypass project. Leo Rainwater said that Joe Vicini's crew did a great job, and that our Bac-T samples came back absent. During the project, it was mentioned that the originally planned wharf hydrant has a dry barrel, which could freeze during cold weather. In result, it was decided that a curb stop would be installed instead at the same price to avoid potential issues. Now that the curb stop has been installed, District staff can attach different hoses when needed. Upon completion of the Forest View Bypass project, they did a successful two hour pressure test at 200 PSI.

Director Updike made a motion to approve the financial reports, spending and purchase orders issued for May 2014, and the payment to Joe Vicini, Inc. as presented. 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.

Break from 10:39 AM to 10:53 AM

G. OPERATIONS / Leo Rainwater, Water System Manager

Monthly review of plant and field operations

1. **Present the GFCSD System Report for May 2014** –Leo Rainwater reported that more chemicals were required to treat the water due to higher production and lower strength of the sodium hypochlorite. He mentioned that the diversions have dropped to 8" going into North Canyon, and 6" going into the pipe at Big Canyon. Staff had some minor issues with turbidity in Plant 1, which may occur until the media has been replaced. He then went on to say that there was one leak on Rollingwood Drive which was caused by a cracked fitting, and one leak on Edgewood Circle where a service line was broken by cedar tree roots. During the repair on Edgewood Circle, they lowered pressure to 20 PSI. Leo then went on to say that AmeriCorps came out to Grizzly Pond with a four member crew, and were able to get all of the brush cleared. Additionally, staff rebuilt the strainer box at the Grizzly Flats Fire Station. He said that production was up a little from last month, but is average for this time of year. According to Leo, there was a total of .84" of rain in May, bringing our current annual rain total to 31.25".

2. **Present April 2014 diversion data from ECorp Consulting, Inc.** – Leo Rainwater said that the monthly diversion data will be included within the District’s system report going forward. He said that in April, 59 acre-feet was diverted at North Canyon, 63 acre-feet of water was diverted at Big Canyon, and 30 acre-feet was diverted through Eagle Ditch into the reservoir. In summary, a total of 122 acre-feet was diverted and 92 acre-feet was returned to the stream (not including overflow.)

GENERAL BUSINESS ITEMS

H. WATER SUPPLY, DROUGHT AND CONSERVATION

1. **Discuss condition of the District’s water supply, drought conditions and related communications including the State Water Resources Control Board letter dated May 27, 2014 warning of potential future curtailments for senior (pre-1914) water rights holders** – Jodi Lauther said that we received a copy of a letter from the State Water Resources Control Board (SWRCB) wherein post-1914 water rights were stopped. In Outingdale, diversions were reduced to 68 gallons of water per person per day. She said there is a health and safety aspect where if there is no other source of water, post-1914 water right holders can still pull a certain amount of water. Director Updike asked if we would have to draw the reservoir down to go into a State 3 water emergency. Jodi Lauther said that the water in the reservoir is covered under a storage right which is separate from our diversion right. Since the amount of diversion could vary, we would potentially need to modify the amount of water diverted into the reservoir if mandated by the Governor’s office. Director Legrand then said that we could take Board action to go into a Stage 3 without the reservoir level being tied to it.
2. **Review and approve GFCSD Resolution No. 2014-01, supporting the updated Cosumnes, American, Bear and Yuba Rivers (CABY) Integrated Regional Water Management Plan. In order to be eligible for the impending Prop 84 “Drought” grant solicitation anticipated in July 2014, our board must adopt the updated plan** - Jodi Lauther said that the resolution template from Cosumnes, American, Bear and Yuba Rivers (CABY) has not yet been finalized, and that this item would be deferred to the July 11, 2014 regular Board meeting in result.

I. COMMITTEE REPORTS

1. **Mountain Counties Water Resources Association (GFCSD Representative: R. Ball)**
 - a. **Report from recent events:**
 - i. **California Water Commission public workshop in Auburn on May 21, 2014** – Director Ball said that this meeting was a drought discussion with the California Water Commission, and that there were no participants from the mountain regions. During this meeting, different water purveyors were presenting appeals for funding to the California Water Commission.
 - ii. **Region 3 meeting at Wedgewood Sequoia Mansion in Placerville on June 6, 2014** – Director Ball said that there were three speakers at this event from the Department of Water Resources (DWR), State Water Resources Control Board (SWRCB), and Delta Stewardship Council. During this meeting, they talked about working together. They discussed bonds and bills pending the Governor’s approval. They said that we need to store water better, and that \$9 billion in funds would be earmarked for reservoir construction.

J. EL DORADO COUNTY WATER AGENCY (EDCWA)

1. **Update on the preliminary project list for the 2014 Drought Solicitation (DWR grant funds)** – Jodi Lauther said that she sent out the final version of the District’s project list for the grant solicitation to the El Dorado County Water Agency (EDCWA). If we receive funding, it would be for a 75% grant with 25% in-house funding requirement. Currently, the Water Agency is putting a vendor pool together to help coordinate the grant projects for submittal.
2. **Discuss the regular meetings of the El Dorado County Water Agency held on May 14, 2014 and June 11, 2014** - Director Ball said that they are currently working on their budget for the 2014/2015 fiscal year, and that their funding originates from their one-tenth of 1% share of taxes collected by the El Dorado County.

K. ANNOUNCEMENTS / DIRECTORS COMMENTS

Director Sullivan reported that he will not be able to attend the July 11, 2014 regular Board meeting.

- L. ADJORNMENT- Director Updike 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 11:39 AM.** The next regular meeting will be at 9:00 am on Friday, July 11, 2014 at The Grizzly Flats CSD office.

Minutes submitted by:

Kim Gustafson, Board Secretary

Approved by:

GFCSD Board Chair

Date:
