

**Grizzly Flats Community Services District  
Minutes of the Regular Meeting of the Board  
January 9, 2015**

**A. CALL TO ORDER**

The regular meeting of the Grizzly Flats CSD Board of Directors was called to order at 9:02 AM by Director Legrand.

**ROLL CALL OF THE BOARD**

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

Absent: None

Others: Art Davidson, Shiva Frentzen, Kim Gustafson, Mel Kelley, Jodi Lauther, Craig Norman, Leo Rainwater and Lyle Tomlin

**SALUTE TO THE FLAG** was led by Director Legrand.

**B. APPROVAL OF THE AGENDA- Director Ball made a motion to approve the agenda as presented. Director Updike 2<sup>nd</sup> the motion. There was no further discussion. Director Legrand called for a vote. The motion passed with all directors present voting aye.**

**C. PUBLIC COMMENT** – Craig Norman recommended that District staff look into funding possibilities with other agencies to construct a second reservoir for water storage, to which CAL FIRE would have access. Shiva Frentzen told the Board that she would champion the cause if staff could investigate and share the potential impact to our customer base. Additionally, Shiva said that she has an open door policy as the new District 2 Supervisor of the El Dorado County Board of Supervisors.

**D. PRESENTATION** – **A plaque, which was donated by a member of the public, will be presented to those who served on the District's Board of Directors during the Water System Improvement Project (WSIP).** Jodi Lauther presented a plaque to the Board, which was purchased by Craig Norman (a former GFCSD Board Director) to thank the Board members who served at the Grizzly Flats CSD during the completion of the Water System Improvement Project (WSIP). Craig mentioned that serving on the Board of Directors is a thankless job, and that he would like to express his gratitude for the accomplishments of those who donated their time and efforts to the District during the project.

**E. ANNUAL ORGANIZATIONAL MEETING**

1. **Nominate and elect Board positions for the 2015 calendar year** – Kim Gustafson referred the Board to a handout she made to simplify the procedures for electing Board officers. She said that the Board should nominate and elect the Board Chair and Vice Chair positions by board motion and vote.

**Director Updike made a motion to nominate Andre' Legrand to the Board Chair position. Director MacDonald 2<sup>nd</sup> the motion. Director Ball then made a motion to close the nominations for Board Chair, and Director Sullivan 2<sup>nd</sup> the motion. There was no further discussion. Director Legrand called for a vote. The motion passed with all directors present voting aye.**

**Director Legrand made a motion to nominate Robert Ball to the Vice Chair position. Director Updike 2<sup>nd</sup> the motion. Director Sullivan then made a motion to close the nominations for Vice Chair, and Director MacDonald 2<sup>nd</sup> the motion. There was no further discussion. Director Legrand called for a vote. The motion passed with all directors present voting aye.**

2. **Review Standing Committees and Ad-hoc Committees to determine if any changes are needed and form the Grizzly Flats Drought Measures Infrastructure Project Committee** – Kim Gustafson referred the Board to page 1 of the packet, wherein the District's current Standing Committees and Ad Hoc Committees were listed. The Board reviewed each committee to determine if they were still needed. It was decided that the "Finance & Budget Committee", the "Personnel & Policy Review Committee", the "Water Operations Committee", the "Capital Improvement Projects (CIP) Planning & Engineering Committee" and the "Alternative Energy Committee" would remain, that the "Fire/Emergency Plan Committee" would be eliminated, that the "Eagle Ditch Committee" would be moved to the "Water Operations Committee", and

that the “Emergency Relief Policy & Procedure Committee” would be moved to the “Personnel & Policy Review Committee”.

**Director Ball made a motion to approve the committee changes as discussed and to form the “Grizzly Flats Drought Measures Infrastructure Project Committee”. Director MacDonald 2<sup>nd</sup> the motion. There was no further discussion. Director Legrand called for a vote. The motion passed with all directors present voting aye.**

3. **Appoint members to committees for the 2015 calendar year** – Kim Gustafson asked for membership changes to the various committees. Director Updike requested that he be added to the “Finance & Budget Committee” in Art Davidson’s place. Director Ball then requested to be added to the “Capital Improvement Projects (CIP) Planning & Engineering Committee” in Art Davidson’s place. Finally, it was decided that Director Ball, Director Legrand, Director MacDonald and Jodi Lauther would be assigned to the “Grizzly Flats Drought Measures Infrastructure Project Committee”.

**Director Updike made a motion to approve the committee membership changes as discussed. Director Ball 2<sup>nd</sup> the motion. There was no further discussion. Director Legrand called for a vote. The motion passed with all directors present voting aye.**

4. **Adopt the “Schedule of Regular Board Meetings” for the 2015 calendar year** – Kim Gustafson referred the Board to page 2 of the packet, where the “2015 Schedule of Regular Board Meetings” was listed.

**Director Updike made a motion to adopt the “Schedule of Regular Board Meetings” for the 2015 calendar year as presented. Director MacDonald 2<sup>nd</sup> the motion. There was no further discussion. Director Legrand called for a vote. The motion passed with all directors present voting aye.**

5. **Confirm the service of Mel Kelley as the current District Treasurer and Kim Gustafson as Board Secretary for the 2015 calendar year** – Kim Gustafson said that no action is required, and that she was just confirming the fact that Mel Kelley is the current District Treasurer, and that she will continue as the District’s Board Secretary for the 2015 calendar year.

**F. 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. **Receive and file the Annual report regarding GFCSD’s compliance with the Federal Trade Commission’s Red Flag Rules in accordance with GFCSD policy.**
2. **Approval of the minutes of the regular meeting on December 12, 2014.**
3. **Approval of the minutes of the special meeting on December 22, 2014** - Shiva Frentzen recommended that the minutes of the special meeting on December 22, 2014 on page 9 of the packet be updated to read the “Minutes of the Special Meeting of the Board”, rather than the “Minutes of the Regular Meeting of the Board”.

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

**\*Break from 9:45 AM to 9:54 AM\***

**G. PRESENTATION – ANNUAL AUDIT, FOR THE YEAR ENDING JUNE 30, 2014.** Mary Cummings from Robert W. Johnson, An Accounting Corporation will present the District’s annual audit to the Board – Mary Cummings said that their recent audit resulted in a “clean opinion” for the District’s compliance. She said that the “Statement of Financial Position” was status quo for the fiscal year ending June 30, 2014, and that the District’s change in net position was a \$90,000 loss in 2013. On pages 6 and 7, the District’s cash flow statement showed a cash decrease in the amount of \$172,000 due to the District’s early payoff of their State loan. Mary then said that the District does not have much debt service, and that nothing significant came to their attention upon studying the District’s internal controls. Director Ball asked if the District was a non-profit, and Mary responded to let him know that the District is not a non-profit, but rather a local governmental special District. Shiva Frentzen mentioned that the Cameron Park CSD created their own 501(c)(3) to qualify for grant funding. The Board expressed interest into researching this option further for the District.

## **H. OFFICE & FINANCE / Jodi Lauther, General Manager**

### ***Monthly review of Office Operations***

1. **Update on the Environmental Impact Statement for the United States Department of Agriculture (USDA) Forest Service's Trestle Forest Health Project** – Kim Gustafson told the Board that Duane Nelson of the United States Department of Agriculture (USDA) Forest Service was in attendance at the last Grizzly Flats Fire Safe Council meeting on January 3, 2015, and that he said that their agency has been busy with the clean-up following the King Fire. In result, there has been a delay with regards to drafting the Trestle Forest Health Project's Environmental Impact Statement, which should now be distributed sometime in late February or March.

### ***Monthly review of Financial Operations***

2. **Present the financial reports, spending and purchase orders issued for December 2014** – Jodi Lauther presented the financial reports, spending and purchase orders issued for December 2014. She referred the Board to the Profit & Loss for the Operations & Maintenance (O&M) account listed on page 11 of the packet where it showed that staff ordered parts for inventory last month, and that the account ended with a net income of \$8,921.42. Director Ball said that Pacific Gas & Electric Company's (PG&E's) rates will be increasing by 6-8% for the next 3 years. Jodi then went on to the Profit & Loss for the Capital Improvements Project (CIP) account, and said that the District's stand-by charges are starting to come in. She mentioned that staff is tracking their time spent on Capital Improvement Projects related to the grant, so that their time can be reimbursed. Overall, there was a net income loss in the amount of \$2,579.52 for the Capital Improvement Projects account in December, 2014. One purchase order was issued in the amount of \$1,069, for epoxy to use during the Treatment Plant 1 Rehabilitation Project. She then went on to cover the balance sheet on page 18, and the Budget vs. Actual report for the Operations & Maintenance (O&M) account listed on page 20. She said that the District's total O&M expenses halfway through the fiscal year were at 39.7%. Finally, she said that the Budget vs. Actual report on page 23 for the Capital Improvement Project (CIP) account listed the District's recent loan payment for the amount of \$13,912.50.

**Director Updike made a motion to approve the financial reports, spending and purchase orders issued for December 2014 as presented. Director Sullivan 2<sup>nd</sup> the motion. There was no further discussion. Director Legrand called for a vote. The motion passed with all directors present voting aye.**

## **I. OPERATIONS / Leo Rainwater, Water System Manager**

### ***Monthly review of plant and field operations***

1. **Present the GFCSD System Report for December 2014** – Leo Rainwater said that due to the higher turbidity levels following the recent rains, chemical usage was up to 43.94 gallons of 12.35% average concentration Sodium Hypochlorite and approximately 4.5 gallons of 8809 last month. Due to the fact that preservative was not put into the sample bottle by Eaton Analytical Lab prior to testing, the District was unable to complete the Total Organic Carbon (TOC) sample per State requirements in November. The TOC sample was due by November 30, 2014, and was taken to the lab in Folsom for testing on November 17, 2014. The lab notified the District of the sample bottle issue on December 3, 2014, and staff submitted new samples to the lab on December 10, 2014. Currently, staff is waiting to see if the State Water Resources Control Board, Division of Drinking Water will issue a violation in result of the lab's error. Going forward, TOC samples will be pulled and submitted by staff at the beginning of each month, to ensure completion on time. Leo then went on to say that North Canyon diversion dropped from 9.75" to 8.25" going into the pipe, and that Big Canyon was up from 2.375" to 5.75" now going into the pipe. The butterfly valve at the reservoir remains open at one notch, and the reservoir is continuing to spill. Leo said that Treatment Plant 2 ran well last month, and that backwash remained at 50 hours. Staff is on schedule for the Filter Phase 2 of the Treatment Plant 1 Rehabilitation Project, and will sand the surfaces for recoating with epoxy next week. Additionally, the replacement media has arrived at Bob Gilmore's office and will be retrieved by staff soon. There were three leaks in the distribution system last month. Two leaks were located on the customers' sides of the meter. Jodi Lauther reported the third leak on December 30, 2014, which was a break within a 6" AC distribution main on Tyler Drive, behind the Post Office. Staff quickly repaired this leak prior to the New Year holiday, and appreciated the repair assistance received by Director Legrand. Staff checked the Grizzly Pond site one or two times a week in December, and noted that the pond level is rising as a result of the recent

rains. A total of 10.87" of rain was received in December, bringing our fiscal year total to 16.91". The daily production average for December was 83,783 gallons, which was a 24% decrease over last year's production. Due to the fact that the diversion data had not yet been received for November, the data will be presented at the next regular meeting scheduled for February 13, 2015. Kim Gustafson then presented the administration report to the Board. She mentioned that 587 bills were mailed out in December, and that 85 penalties were assessed, with no shut-offs. The Operations staff was busy completing 48 work orders in December, and a total of 41 payments were made through the Official Payments system last month.

2. **Update on District's response to the State Water Resources Control Board (SWRCB), Division of Drinking Water's Inspection Report and Findings** – Jodi Lauther reported that all required items were completed prior to December 31, 2014, and that staff took the inspection report findings and responded to each item individually. Kim Gustafson e-mailed a scanned copy of the documentation to Bruce Berger prior to mailing the originals, and received his confirmation of receipt prior to the December 31, 2014 deadline.
3. **Update on battery charging options for the District's stream gages** – Jodi Lauther said that she spoke with Jeff Meyer of ECORP Consulting, Inc. about the various options for charging the District's stream gage batteries. Jeff recommended pursuing the option of raising the solar panels higher into the tree canopies first, as the Pelton wheel option would not work when the pipe is full of water, and there is not enough flow to support a small-hydro system at the diversions. Director Updike asked if we would be able to put in more solar panels to absorb more sunlight. Jodi Lauther said that she would check with Jeff Meyer to see if this is an option for the District. In the meantime, Jeff will contact Duane Nelson at the United States Department of Agriculture (USDA) Forest Service to see if we can obtain their approval to relocate our current solar panels higher up into the tree canopy.

## **GENERAL BUSINESS ITEMS**

### **J. PROPOSITION 84 DROUGHT GRANT FROM THE DEPARTMENT OF WATER RESOURCES (DWR)**

1. **Update on the progress of the grant** – Jodi Lauther referred the Board to page 30 of the packet, to see the spreadsheet prepared by Director MacDonald to summarize the various grant expenses. She said that on January 2, 2015, a contract was signed with David Kashifi of Corrosion Protection Solutions, Inc. to design the District's Cathodic Protection system for \$8,800. If additional work is needed above and beyond that amount and the original scope of work, Jodi has the authority to approve additional expenses up to \$9,200. David Kashifi will supply the District with materials for the bid package prior to January 31, 2015. Additionally, a contract was signed with Domenichelli and Associates (D&A) for Design and Bidding Assistance with the Backwash Tank Replacement Project on January 6, 2015. D&A plans to get their geotechnical team up to the site as soon as possible, and will submit 50% plans by January 20, 2015, 90% plans by February 10, 2015 and will be ready to go out to bid by February 27, 2015. Due to the fact that it does not include construction services, the Supervisory Control and Data Acquisition (SCADA) project was pulled from the contract with D&A. Additional project components include the installation of 30 Air Release Valves (ARVs), 300 meter replacements, and a Leak Detection and Water Conservation Program. The Leak Detection and Water Conservation Program was allocated \$93,000 in the grant, and Jodi has confirmed that the El Dorado County Water Agency received separate funding for the County-wide conservation program, so the Board needs to decide if we want to form an in-house water conservation program, or if we want to be covered by the County-wide program. Staff is currently in the process of verifying whether or not we can redirect some of the funding from the conservation program to another project such as the Backwash Tank Replacement. Jodi should have clarification about this option on Monday, January 12, 2015.
2. **Adopt Resolution 2015-01 (Awarding a Contract for Engineering Services)** – Jodi Lauther said that Board needs to adopt a resolution. Since the Supervisory Control and Data Acquisition (SCADA) project is a combined project with services and construction all mixed into one proposal, William Wright (the District's legal counsel) felt it was necessary that this be taken to the Board to adopt a formal resolution identifying that this project does not meet the criteria to go out for public bid, and also that it is in our best interest to contract with Brent Stewart to get the work done. Brent Stewart is familiar with our District, he created the

plans for Carlton during the Water System Improvement Project (WSIP), has done work for us in the past, and is ready to install the system whenever we're ready. Not only does it save us time and money on bidding (saving the District \$33,000 by pulling it from the engineering proposal), but it's in our best interest to move forward this way. This resolution puts this into words and covers the District if anyone should come back and ask why we did not take this project out to bid.

**Director MacDonald made a motion to adopt Resolution 2015-01 (Awarding a Contract for Engineering Services) as presented. Director Updike 2<sup>nd</sup> the motion. There was no further discussion. Director Legrand called for a vote. The motion passed with all directors present voting aye.**

**\*Lunch from 12:07 PM to 12:46 PM\***

**K. WATER SUPPLY, DROUGHT AND CONSERVATION**

1. **Discuss condition of the District's water supply, water demand, drought conditions and related communications** – Jodi Lauther said that the District's usage in December 2014 was down 24% over last year, and that the combined average conservation from July to December totaled 16%.

**L. EL DORADO COUNTY WATER AGENCY (EDCWA)**

1. **The next regular meeting of the El Dorado County Water Agency will be held on January 14, 2015** – Jodi Lauther said that there was nothing to report due to the fact that the El Dorado County Water Agency meeting has not yet taken place.

**M. ANNOUNCEMENTS / DIRECTORS COMMENTS**

Director MacDonald asked if the District was in process of going through the Proposition 218 process, and Jodi Lauther responded to let him know that we are not at this time, although it will be discussed during the next budget cycle. Director Updike reminded the Board of the upcoming CSDA Harassment Prevention training scheduled to take place on Wednesday, January 14, 2015, which is required of all Board Directors. Director Sullivan then mentioned that he will not be in attendance at the District's next Board meeting scheduled for February 13, 2015.

**N. CLOSED SESSION** – The Board entered into closed session at 1:04 PM to discuss:

Personnel Session as allowed by the Brown Act, Section 54957. The Board will review the performance evaluation of the following position: Office Facilitator.

**O. REPORT FROM CLOSED SESSION** - The Board returned to open session at 1:42 PM. Director Legrand reported the following: There was nothing to report.

**P. ADJORNMENT- Director Ball made a motion to adjourn. Director MacDonald 2<sup>nd</sup> the motion. Director Legrand called for a vote. The motion passed with all directors present voting aye. The meeting was adjourned at 1:43 PM.** The next regular meeting will be at 9:00 am on Friday, February 13, 2015 at The Grizzly Flats CSD office.

Minutes submitted by:

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*Kim Gustafson, Board Secretary*

Approved by:

\_\_\_\_\_  
*GFCSD Board Chair*

Date:

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