

**Grizzly Flats Community Services District
Minutes of the Regular Meeting of the Board
July 10, 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: Larry Bain, Barbara Brenner, Kim Gustafson, Steve Hupner, Mel Kelley, Jodi Lauther, Leo Rainwater and Lyle Tomlin

SALUTE TO THE FLAG was led by Director Legrand.

B. APPROVAL OF THE AGENDA- Director Updike made a motion to approve the agenda as presented. Director MacDonald 2nd 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 – There were no public comments.

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 June 12, 2015.**

Director Ball made a motion to approve the Consent Calendar as amended. 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. PRESENTATION

1. **Introduction to the District's new Auditor, Larry Bain, CPA** – Larry Bain introduced himself to the Board and mentioned that his office is located in El Dorado Hills. His primary focus has been governmental audits for small enterprise Districts. It was mentioned that the District's audit is scheduled to start on August 17, 2015.
2. **Introduction to the District's new General Counsel, Barbara Brenner of Churchwell White LLP** – Barbara Brenner introduced herself to the Board and told them that she has been performing Legal work for over 25 years. In the past, her focus was on Environmental Natural Resources and Municipal work.
3. **Discussion with Legal Counsel regarding the legality of Board members establishing an Ad Hoc committee to discuss developing a cooperative agreement with a 501(c)3 corporation to potentially create a meeting facility at/near the Grizzly Pond site** – Barbara Brenner said that she listened to the Board's discussion during the June 12, 2015 regular meeting, relative to the tabled motion to form a committee. She said that District staff should limit their time and resources to water only. If the Board would like to develop the Grizzly Pond site, they would need to go to the El Dorado Local Agency Formation Commission (LAFCO) to expand our services to include parks and recreation. Director MacDonald said that per the District's insurance carrier Special District Risk Management Authority (SDRMA), creating a new meeting facility at/near the Grizzly Pond site would not create an additional liability issue as it would be just adding additional office space. Barbara asked if the Board had collectively decided that the District needs additional office space, and found out that they had not. She said that the District can work with a 501(c)3 corporation, but that the issue is taking on a community facility to help the community when their rates are paid for water service. She recommended that the Board decide whether or not they will require more office space. Additionally, she said that staff should confirm whether or not there were restrictions with originally receiving the pond as a gift. If the Board decides to get rid of the property, she said that we

cannot gift it, but rather can lease the lot or sell it for fair market value. Director Legrand said that the Board will discuss whether or not they require additional meeting space at the next regular Board meeting scheduled for August 14, 2015. If it is decided that additional space is needed, the next step would be to discuss what other options the District has available.

4. **Discuss tabled motion from June 12, 2015 to form an Ad Hoc committee to investigate developing a cooperative agreement with a 501(c)3 corporation to potentially create a meeting facility at/near the Grizzly Pond site** – Director Updike pulled his motion, for a more updated one later on.

- F. 2015/2016 BUDGET SESSION – Review and consider adoption of the proposed budget for the 2015/2016 fiscal year for Operation and Maintenance (O&M), Asset Management and Capital Improvement Projects (CIP)** – Jodi Lauther said that she took the membership with Association of California Water Agencies (ACWA) out of the budget, and increased the Health Reimbursement Account (HRA) plan to \$650 per month, and 3 years accrual as approved by the Board during the June 12, 2015 regular meeting. Director Legrand requested that page 3, item “(1) ii. Merit Increases” be revised to say that “...At the time of that evaluation, the General Manager determines if that employee has earned a wage increase based on their job performance if they have not reached the top of their pay scale.” Director Updike then requested that page 5, item “(3) O&M Budget Summary” be revised so that the wording mentions that it is important that we do a cost of services study as expenses continue to rise. Jodi then said that a reserve amount of \$1,000 per month will be set aside for hydrant replacements. Overall, the Operations and Maintenance (O&M) total expenses will amount to \$451,405. She then went on to say that the Capital Improvement Project (CIP) account is funded by the District’s standby charges. Other income received for this account includes the Department of Water Resources Proposition 84 Drought Grant 2014 funding in the amount of \$507,911. Jodi then said that there have been discussions about the El Dorado County Water Agency (EDCWA) funding the District’s Supervisory Control and Data Acquisition (SCADA) project, so \$60,000 was budgeted for this item. She noted that alternative funding is being investigated for SCADA, and that we will not move forward with the project until funding has been secured. Director MacDonald requested that page 19 be updated so that the “*” items are updated to include the corresponding note number instead of an asterisk.

Director MacDonald made a motion to approve the budget for the 2015/2016 fiscal year for Operation and Maintenance (O&M), Asset Management and Capital Improvements Projects (CIP) as amended. 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.

G. OFFICE & FINANCE / Jodi Lauther, General Manager

Monthly review of Office Operations

1. **Review updated Action List and Proposed Grant Projects** – Jodi Lauther referred the Board to the Action List starting on page 9 of the packet, and said that the items with the check marks have been completed. Additionally, she referred the Board to the Possible Grant Projects list on page 12 of the packet. She said that this list will be presented to other agencies when grant funding possibilities arise. She then referred the Board to pages 13 and 14 of the packet, relative to the “2015 California Financing Coordinating Committee (CFCC) Funding Fairs” schedule. She said that she will plan to participate in the funding fair scheduled to take place in Sacramento on September 23, 2015.
2. **Report on the Department of Water Resources’ (DWR) 2015 Grant Solicitation public meeting on June 22, 2015** – Jodi Lauther said that she participated in this meeting via webinar. During the meeting, she learned that although funding is available, our District does not qualify as a disadvantaged community for this grant. Additionally, she discovered that it is too late for us to be included in this solicitation, as the deadline was May 2015. Since the El Dorado County Water Agency (EDCWA) did not participate in this grant solicitation, we were not informed of the opportunity in time. Jodi said that going forward, Janet Cohen of Cosumnes, American River, Bear & Yuba (CABY) will contact us directly about grant funding opportunities.
3. **Report on the California Department of Fish and Wildlife (CDFW) Proposition 1 Draft Grant Solicitation public meeting** – Director Updike recommended that staff check with Janet Cohen of CABY to find out how we would apply for this grant, as it would require going onto Forest Service lands. Additionally, it was recommended that staff check with the Sierra Nevada Conservancy to see if additional grant funding opportunities are available through their office. During the California Department of Fish and Wildlife (CDFW) Proposition 1 Draft Grant Solicitation public meeting, it was mentioned that qualified projects will require

National Environmental Policy Act (NEPA) and California Environmental Quality Act (CEQA) documents. Federal projects are not available to receive funding through this opportunity, and all projects must be run through the California Conservation Corps (CCC) first to see if they could perform the tasks themselves. Director Ball mentioned that Jim Jones had sent some encouraging information to him, relative to HR 2647 "Resilient Federal Forest Act of 2015". He said that letters of support were distributed in attempts of obtaining engagement on the issue of headwater management legislation.

4. **Voting for California Special District Association's (CSDA's) 2015 Board Election** – Kim Gustafson said that the Board should select one out of the three candidates to fill California Special District Association's (CSDA's) Seat A.

Director Ball made a motion to select for Noelle Mattock for Seat A on the California Special District Association (CSDA). 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.

****Break from 11:21 AM to 11:36 AM****

Monthly review of Financial Operations

1. **Present the financial reports & spending issued for June 2015** – Jodi Lauther said that the June 2015 financial reports don't contain the final numbers, as adjustments will most likely be made for some accounts following the audit. She then said that the May EDCAT reports were received from the County. She referred the Board to the Balance Sheet on page 26 of the packet. She said that item 12200 "CIP Funds in the County Treasury" is a negative number because the El Dorado County sent us a check before reporting all income on the monthly EDCAT reports. Jodi then went on to say that there was a payroll overlap, causing negative numbers under item 22000 "Personnel Payables". She then referred the Board to the Budget vs. Actual O&M sheet on page 28, and said that item 40600 "New Meter Installation Fee" should show \$793, which comes out of the water user fees. 86% of the Operations & Maintenance (O&M) budget has been spent, although that amount is subject to change. She then presented the Budget vs. Actual sheet for the Capital Improvement Projects (CIP) account on page 31 and said that 66.7% of that budget had been spent.

Director Updike made a motion to approve the financial reports and spending for June 2015 as presented. Director MacDonald 2nd the motion. There was no further discussion. Director Legrand called for a vote. The motion passed with all directors present voting aye.

****Lunch from 11:46 AM to 12:18 PM****

K. COMMITTEE REPORTS (*Moved up on the agenda to accommodate Steve Hupner's schedule*)

1. Operations Committee (Directors Legrand & Updike, and Leo Rainwater)

- a. **Update from the Operations Committee meeting held on June 12, 2015 to discuss the possibility of adding a drafting hydrant at the reservoir** – Leo Rainwater said that during the Grizzly Flats Fire Safe Council's Wildfire Tabletop exercise in April, 2015, there was a scenario where the hydrant system went down and a metal tipped hose was thrown into the District's reservoir to draft water, which could potentially tear the liner. One possible remedy would be to purchase a floating strainer that would not come into contact with the liner. The cost to purchase this equipment would be \$3,500-4,000. The committee discussed locating the drafting hydrant at the back side of the reservoir, where an area can be prepped to allow Cal Fire access to use their pumper truck. The equipment could also provide dual purpose, as it could allow staff to drain the reservoir as required every five to seven years with only one pump, instead of having to set multiple water pumps directly upon the liner. Steve Hupner requested that staff prepare a presentation for the Grizzly Flats Fire Safe Council to include a couple of paragraphs, pictures and details about the multiple benefits which could be provided by the recommended equipment, so that the council could consider cost sharing during their meeting on August 1, 2015.
- b. **Update on the possibility of receiving cost share assistance from the Grizzly Flats Fire Safe Council to replace District hydrants** – Andre Legrand said that this item does not fall under the Grizzly Flats Fire Safe Council's mission statement, and is therefore not eligible for cost share assistance.

H. OPERATIONS / Leo Rainwater, Water System Manager

Monthly review of plant and field operations

1. **Report from generator training which took place on Monday, June 29, 2015** - Leo Rainwater said that Director Ball and Mel Kelley participated in the training on June 29, 2015. One recommendation that was made was for staff to add rechargeable flashlights to the generator sites, and larger reflective labels as well. It was decided that the generator refresher trainings should take place every 6 months.

2. **Present the GFCSD System Report for June 2015** – Leo Rainwater said that due to the warmer weather, chemical usage was up to 47.48 gallons of 12.8% average concentration Sodium Hypochlorite from 46.35 gallons of 13.18% in May, 2015, and 3.5 gallons of 8809 from 3.0 gallons in May, 2015. Leo then said that the annual water rights reporting for the reservoir permit was submitted by Jeff Meyer of ECorp on May 27, 2015, and that Jodi Lauther submitted paperwork for the Grizzly Pond license on June 11, 2015. He then went on to say that North Canyon’s diversion level was at 6.9” of water going into the pipe, and Big Canyon’s diversion level was at 2.7” of water going into the pipe at the end of June. The butterfly valve at the reservoir was increased to 1.5 notches, and the reservoir is continuing to spill. Leo said that although both treatment plants ran well last month, but Plant 1 experienced a minor problem maintaining flow after backwash. The issue is a ladder logic programming issue, which staff hopes to resolve in the future. There were two leaky gaskets on the District’s side of the meter, and one leak caused by a realtor who broke our service line before the meter when pulling up on a vine. Additionally, there were four customer leaks. Three were leaking toilets, and one was a leaking hose bib. The leak on Woodview Court is smaller now, and staff plans to perform repair work the week of July 13-17, 2015. Leo went on to say that Ken Hooley has been doing a great job cleaning the District’s yard and performing maintenance on the Terex backhoe, while the remaining operations staff calibrated meters. He then stated that four hydrants were flushed and exercised, and that it was decided that flushing be temporarily suspended until after the conservation period. Staff checked the Grizzly Pond site two to three times a week, and noted that the water level has dropped significantly. During their visits, staff completed weed eating and spread wood chips at the site. A total of .28” of rain was received in June, bringing our fiscal year total to 32.76”. The daily production average for June was 92,460 gallons. Leo went on to say that in May, 40 acre-feet was diverted, and 27 acre-feet went into the reservoir, leaving 13 acre-feet unaccounted for. Kim Gustafson then presented the administration report to the Board. She mentioned that 588 bills were mailed out in June, and that 88 penalties were assessed, with one shut-off. The Operations staff was busy completing 33 work orders in June, and a total of 45 payments were made through the Official Payments system.

3. **Report on the solar panel relocation for the District’s stream gages** – Leo Rainwater said that he received a few calls back for the solar panel relocation for the District’s stream gages. One of the tree climbers expressed concern about opening up the trees to a beetle infestation when climbing them with spikes. Otherwise, Leo is still waiting to receive two alternate quotes for the project. It was recommended that staff check with Jeff Meyer of ECorp to see if they can recommend anyone to perform the work.

GENERAL BUSINESS ITEMS

I. DROUGHT MEASURES INFRASTRUCTURE PROJECT

1. **Update on the progress of the Prop 84 Drought Grant from DWR and project components**
 - a. **Backwash Tank Replacement (D&A and Farr Construction/dba Resource Development Co.)** – Jodi Lauther said that a pre-construction meeting was held on June 22, 2015, and that site work began immediately after the meeting. On July 1, 2015, a construction update meeting was held, wherein no issues were reported. She then said that the second crew will begin fabricating the actual tank next week.
 - b. **Cathodic Protection System Installation (Corrpro Companies, Inc.)** - Jodi Lauther said that a pre-construction meeting was held on June 29, 2015, and that site work began on the Clearwell tank that same day. All of the cathodic system installations have been completed as of today, July 10, 2015. During the saw cutting, a 12% chlorine solution was utilized, and courtesy Bac-T samples were taken to ensure that there was no bacteriological contamination.

- i. **Discuss and consider approval of change order dated July 6, 2015 from Corrosion Protection Solutions (David Kashifi)** – Jodi Lauther said that a change order had been submitted by David Kashifi of Cathodic Protection Solutions, Inc. This change order resulted from staff requesting his attendance at the Pre-bid Meeting, which was not originally included within his scope of work. He had originally budgeted for three visits, but was here four times instead. In result, his change order is requesting reimbursement in the amount of \$1,234.80, which would increase the total project amount by an additional \$834.80 (to be paid with grant funding). Jodi recommended that the Board approve the change order as presented, as staff had requested that he make the additional trip to the office.

Director MacDonald made a motion to approve the change order as presented, increasing the contract amount to \$10,035; an increase of \$834.80. Director Sullivan 2nd the motion. There was no further discussion. Director Legrand called for a vote. The motion passed with four Directors present voting aye (Director Legrand, Director MacDonald, Director Sullivan and Director Updike). Director Ball voted no.

- c. **Meter Replacements, Air Release Valves (ARVs), and Leak Detection Program** – Jodi Lauther mentioned that these projects are currently on hold, pending the final agreement. She said that in approximately two weeks, we will find out how funding will be dispersed.
- d. **SCADA System (working on obtaining alternative funding)** – Jodi Lauther said that we are attempting to obtain alternate funding for this project.

J. WATER SUPPLY, DROUGHT AND CONSERVATION

1. **Discuss condition of the District's water supply, water demand, drought conditions and related communications** – Jodi Lauther said we have officially entered into the State's conservation mandate reporting period, which will run from June to November, 2015. Additionally, she said that the conservation rate for June 2015 was 31% over the same period in 2013. She said that a few letters were received from the State Water Resources Control Board. One was a letter dated June 12, 2015 curtailing water diversions in the Sacramento-San Joaquin watersheds and Delta with a Pre-1914 appropriative claim commencing during or after 1903. The other was a letter dated June 26, 2015 curtailing water diversions in the Upper San Joaquin River Watershed with a Pre-1914 appropriative claim. A copy of the mailing list for recipients of this letter was included in the packet on page 53. The Grizzly Flats Community Services District was not listed on that mailing list.

L. EL DORADO COUNTY WATER AGENCY (EDCWA)

1. **The next El Dorado County Water Agency meeting to be held on July 15, 2015** – Director Updike said that he is planning to attend the July 15, 2015 meeting. Jodi Lauther said she may attend as well.
2. **Report on meeting with the El Dorado County Water Agency on June 24, 2015 discussing additional cost sharing possibilities** – Jodi Lauther said that she met with Ken Payne and Joe McCaslin of the Municipal Consulting Group to discuss the District's grant list. Items upon the list which they liked included the Bulk Water Station, the Supervisory Control and Data Acquisition (SCADA) system, and updating the District's Water Supply and Demand Update with URS Corporation, Inc.

M. ANNOUNCEMENTS / DIRECTORS COMMENTS – Kim Gustafson reminded the Board of the fact that the filing period for Board candidates is underway, and that the last day to file is August 7, 2015. Director Ball said that he will not be running for the District's Board again.

Director Updike then said that the Draft Environmental Impact Statement (DEIS) for the Trestle Forest Health Project was finally released for review. He said that he will review the document on the District's behalf, and will prepare comments for the Board's review, approval and submittal.

N. ADJORNMENT- **Director Ball made a motion to adjourn. Director Updike 2nd the motion. Director Legrand called for a vote. The motion passed with all directors present voting aye. The meeting was adjourned at 2:15 PM.** The next regular meeting will be at 9:00 am on Friday, August 14, 2015 at The Grizzly Flats CSD office.

Minutes submitted by:

Kim Gustafson, Board Secretary

Approved by:

GFCSD Board Chair

Date:
