

**Grizzly Flats Community Services District
Minutes of the Regular Meeting of the Board
November 18, 2016**

A. CALL TO ORDER

The regular meeting of the Grizzly Flats CSD Board of Directors was called to order at the Grizzly Flats CSD Office (4765 Sciaroni Rd., Grizzly Flats, CA) at 9:00 AM by Director Updike.

ROLL CALL OF THE BOARD

Present: Directors Sullivan, Sutton and Updike

Absent: Directors Legrand and McLaughlin

Others: Robert Ball, Kim Gustafson, Mel Kelley and Jodi Lauther

SALUTE TO THE FLAG was led by Director Updike.

B. APPROVAL OF THE AGENDA – Director Sullivan made a motion to approve the agenda as presented. Director Sutton 2nd the motion. There was no further discussion. Director Updike 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 special meeting on October 10, 2016.**

2. **Approval of the minutes of the regular meeting on October 14, 2016.**

Mel Kelley referenced item E on page 3 of the packet, and asked if the contracted work with H2O Urban Solutions, Inc. needs to be reported to the Department of Industrial Relations (DIR) as Larry Bain had recommended. Jodi Lauther responded to say that it does not fall under the prevailing wage laws, and therefore doesn't need to be reported to the DIR.

3. **Receive and file the Quarterly Interest Report from the Local Agency Investment Fund (LAIF).**

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

E. OFFICE & FINANCE / Jodi Lauther, General Manager

Monthly review of Office Operations

1. **Update on moving the Board member election date to November of even-numbered years** – Kim Gustafson said that if the Board decides to move their election date to November of even-numbered years, a resolution would need to be adopted prior to March 12, 2017. Additionally, she mentioned that all incumbent terms would be extended by one year. Directors McLaughlin, Sullivan, Sutton & Updike's new term end date would be December 7, 2018, while Director Legrand's new term end date would be December 4, 2020. If the Board proceeds with changing the District's election year, there will be a small cost incurred, relative to a notice about the change which would be mailed to all registered voters within the district. The total cost for the notice is estimated to be between \$200 and \$250. If the Board doesn't wish to change the election year, the District's election costs will significantly increase due to the fact that there will no longer be as many agencies pooled together to share the costs.

2. **Consider adoption of Resolution 2016-04 “Moving Board Member Election Date to November of Even-Numbered Years”**

Director Sullivan made a motion to adopt Resolution 2016-04 as presented. Director Sutton 2nd the motion. A roll call vote was taken: Director Sullivan - AYE, Director Sutton - AYE and Director Updike - AYE. The motion passed.

Monthly review of Financial Operations

3. **Present the financial reports and spending for September and October 2016** – Jodi Lauther referred the Board to page 13 of the packet for the September 2016 “Profit and Loss – O&M” sheet, and noted that the base and volumetric charges were broken down under the O & M Income section. In September, expenses included Lead & Copper testing, restocking inventory, a road patch on Wood View Court, a water pump replacement for the Ford Ranger truck, new orange volunteer shirts and payment to Larry Bain for their annual audit work. Overall, there was a net income in the amount of \$1,331.30. She then went over the September 2016 “Profit & Loss – CIP” sheet on page 15, and said that there was \$5.52 of penalties received on the standby fees, and that a Drought Measure Infrastructure Project reimbursement was received in the amount of \$8,578.76. Jodi then referred the board to the October 2016 “Profit & Loss – O&M” sheet on page 19, which reflected lower volumetric income than September. She noted that income received in October included a quarterly LAIF interest payment in the amount of \$373.35. Jodi went on to say that expenses paid in October included two payrolls, quarterly payments for the alarm service and trash disposal, restocking inventory, two months of Eagle Ditch work by ECORP Consulting, copier service for September and October, an American Water Works Association (AWWA) reference book, job postings on multiple websites and newspapers, and a payment to Darlene Serpa for bookkeeper and audit preparation assistance. Overall, there was a net income for the month of October 2016 in the amount of \$11,493.73. The October 2016 “Profit & Loss – CIP” sheet on page 21 showed that standby fee penalties in the amount of \$50.40 were received from El Dorado County. Additionally, a semi-annual loan payment was made to the United States Department of Agriculture (USDA) for the Water System Improvement Project (WSIP), and a portable meter test station was purchased. The “Balance Sheet” as of October 31, 2016 on page 25 showed the current reserve balances, and noted that there are only 4 active liens. The “Profit & Loss Budget vs. Actual – O&M” sheet on page 27 showed that 33% through the year, income was at 34.5% and spending was at 29.9%. Spending within a few budget categories is high, including chemicals, road repairs, maintenance expenses and vehicle expenses. On the “Profit & Loss Budget vs. Actual – CIP” sheet listed on page 30, the “Misc Income” category reflected Proposition 84 grant income from the Department of Water Resources and cost sharing reimbursements from the El Dorado County Water Agency. The “Profit & Loss Budget vs. Actual – AM” sheet on page 31 showed the \$3,512.58 backwash pump replacement expense, \$2,600 for the CSI Clearwell Tank Inspection, and a budgeted amount of \$1,500 relative to the treatment plant heater which should be replaced in the spring of 2017.

Director Sutton made a motion to approve the financial reports and spending for September and October 2016 as presented. Director Sullivan 2nd the motion. There was no further discussion. Director Updike called for a vote. The motion passed with all directors present voting aye.

4. **Discuss California Special Districts Association’s (CSDA’s) annual renewal** – Jodi Lauther referred the Board to page 32 of the packet, and requested that the Board approve the annual CSDA membership renewal fee for 2017. She said that membership with this association yields many benefits and is required by the Special District Risk Management Authority, the District’s insurance carrier.

Director Sullivan made a motion to approve the annual CSDA membership renewal fee for 2017. Director Sutton 2nd the motion. There was no further discussion. Director Updike called for a vote. The motion passed with all directors present voting aye.

F. OPERATIONS / Jodi Lauther, General Manager

Monthly review of plant and field operations

1. **Present the GFCSD System Report for October 2016** – Jodi Lauther summarized the October 2016 system report for the Board. She said that daily production in October was at 83,010 gallons, and 12.12” of rain was received in October, bringing the water year total to 12.21”. Kim Gustafson then noted that penalties were down to near-normal levels, and that one more lien was released, bringing the active lien total to just four. Jodi then referred the Board to a separate handout provided by Jeremy Garrett of H2O Urban Solutions, wherein he introduced himself and noted that the transition has been going well so far.
2. **Update on South View Drive and Winding Way tank tree mortality issues** – Kim Gustafson said that although Robert Ball and Kenny Hooley trimmed up some tree limbs at the back entrance to the reservoir, there are still multiple dead trees lining South View Drive near the power lines. She went on to say that eight dead trees were dropped at the Winding Way tank, and that a debris management agreement was executed with ACRT to have all of the downed trees removed within the next few months. As a follow-up to the October 14, 2016 meeting, she noted that she spoke with Peter Crase (Recovery Program Manager at Cal OES) about tree mortality funding for special districts. Peter indicated that the District is a perfect candidate for California Disaster Assistance Act (CDAA) funding to remove trees which threaten local infrastructure. The reimbursement for eligible projects is 75% CDAA funds, and 25% local District funds. Kim said that in order to apply for funding, the Board would need to adopt resolution 2016-05, designating the District’s authorized agent for signing the application paperwork. Completion of this resolution would not obligate the District to spend any money, but would allow staff to begin the application process. Kim went on to say that she also spoke with Duane Nelson at the United States Department of Agriculture (USDA) Forest Service, who said that his agency will not fell any trees due to liability issues. He provided staff with a letter authorizing the District to remove dead trees on the Forest Service’s behalf, and said that his agency could provide slash removal crews if someone else drops the trees. If needed as part of the CDAA funding application process, Duane will also furnish the District with a letter approving removal of dead trees on USFS land that threatens Eagle Ditch pipeline.
3. **Adopt Resolution 2016-05 “California Emergency Management Agency, Designation of Applicant’s Agent Resolution for Non-State Agencies” for tree mortality funding**

Director Sutton made a motion to adopt Resolution 2016-05 “California Emergency Management Agency, Designation of Applicant’s Agent Resolution for Non-State Agencies” as presented. Director Sullivan 2nd the motion. There was no further discussion. Director Updike called for a vote. The motion passed with all directors present voting aye.

GENERAL BUSINESS ITEMS

G. DROUGHT MEASURES INFRASTRUCTURE PROJECT

1. **Update on the Quarterly Progress report submitted into Nevada Irrigation District (NID) on October 28, 2016** – Jodi Lauther said that \$364,679 has been spent on the grant to date, and that there is approximately \$143,000 worth of grant funding remaining. Projects to be completed include the leak detection program, new meter installations and air release valve (ARV) installations within the Eagle Ditch pipeline. So far, three of five reimbursements have been received.

H. WATER SUPPLY, DROUGHT AND CONSERVATION – Jodi Lauther referred the Board to pages 41 through 48 of the packet for the diversion data from ECORP. She said that the replacement sensor for the North Canyon diversion gage had been ordered and was successfully installed by Bill Slightam. While the gage was off-line, staff visited the North Canyon diversion a few times a week to document the v-notch staff gage reading. That data was then forwarded into ECORP’s attention as supplemental reporting data.

I. ACTION LIST

1. **Review the Action List** - Director Updike asked if there were any questions or comments relative to the "Action Item List". Below is a summary of the discussion:

Operational Items

2.a. Exterior of Plant 1 – It was mentioned that the H2O Urban Solutions team would be able to help with this project.

3.c. Eagle Ditch Cleanup – Robert Ball said that he and Leo Rainwater had walked the Eagle Ditch pipeline, and took notes of areas which would require cleaning. Following a brief discussion, it was decided that an Ad-Hoc Committee was needed for this item, and that a clean-up day would most likely be scheduled to occur in spring 2017.

Director Sutton made a motion to form a new Ad-Hoc committee for the purpose of inspecting and maintaining the Eagle Ditch Pipeline. Members will include Robert Ball, Don Sullivan and Doug Updike. Director Sullivan 2nd the motion. There was no further discussion. Director Updike called for a vote. The motion passed with all directors present voting aye.

Robert Ball said that the new stairs have been installed at the reservoir, but that additional work is now needed. Jodi Lauther said that there is approximately \$500 left in the project budget. Robert said that approximately 21' of handrails are needed at the top of the stair structure, and that some grading will be required around the top of the landing. Mel Kelley said he can purchase the necessary materials and make the handrails on the District's behalf.

J. COMMITTEE REPORTS

1. **Operations Committee – Report from the meeting which took place on November 8, 2016, to discuss the Clearwell Tank Inspection Report from CSI Services, Inc., procurement and installation of transfer switches at the Tyler Tank and office generators, and the committee's review of the 5 year budget plan project schedule** – Don Sutton said that it was recommended that the Clearwell tank be relined rather than replaced, which would extend the tank's life another 10-15 years. He went on to say that relining the Clearwell tank interior would take it off-line for at least four days. The committee will put a re-coating plan together for spring 2018, as the District would first need to go to bid with the project. This item will go to the Finance & Budget Committee for their review in April so that they can look at funding. Scott Myers recommended including the exterior relining as an optional item when the project goes out to bid. Then, an engineer will need to design the bid package before going out for proposal. The committee then discussed the transfer switches for the Tyler Tank and office generators. Carnahan Electric came out to review both locations, and said there is no change in cost from their original quote provided for the same work in 2014. This item will also be referred to the Finance & Budget Committee for inclusion in the 2017/2018 fiscal year budget. Finally, the committee discussed the 5 year budget plan project schedule. It was discussed that the Winding Way pump replacement should be reviewed by the Finance & Budget committee as well. Other projects discussed included the Streaming Current Controller (SCC) for Treatment Plant 1, potential needs for a Supervisory Control and Data Acquisition (SCADA) system, and issues related to the Tyler Tank auto-dialer where power outage alarms can't be acknowledged over the phone.

K. EL DORADO COUNTY WATER AGENCY (EDCWA)

1. **Update from the November 9, 2016 El Dorado County Water Agency meeting** - Director Updike said that the meeting started with a closed personnel session, which was followed by a discussion about bridging the gap from the transfer of the CalPERS plan from El Dorado County to the El Dorado County Water Agency.

L. ANNOUNCEMENTS / DIRECTORS COMMENTS

1. **Discuss drafting hydrant training for the Community Development Agency, Transportation Division (formerly DOT) and the U.S. Forest Service** - Robert Ball said that during the last Grizzly Flats Fire Safe Council meeting, Don Spear, Deputy Director, Community Development Agency requested that they be allowed to participate in a drill to pull water through the new drafting hydrant at the reservoir.

Director Updike mentioned that the Mountain Counties Water Resources Association (MCWRA) will be increasing their Board from 5 directors to 7 directors, and that they are looking for representatives from each geographical area.

M. ADJORNMENT- Director Sutton made a motion to adjourn. Director Sullivan 2nd the motion. Director Updike called for a vote. The motion passed with all directors present voting aye. The meeting was adjourned at 11:11 AM.
The next regular meeting will be at 9:00 am on Friday, December 9, 2016 at The Grizzly Flats CSD office.

Minutes submitted by:

Kim Gustafson, Board Secretary

Approved by:

Doug Updike, Vice Chair

Date:
