

**Grizzly Flats Community Services District  
Minutes of the Regular Meeting of the Board  
March 10, 2022**

**A. CALL TO ORDER**

The regular meeting of the Grizzly Flats CSD Board of Directors was called to order at 9:00 AM by Director Hannblom.

**ROLL CALL OF THE BOARD**

Present: Directors Chigazola, Hannblom, Malonson and McKillop

Called-in: Tom Gould & Shawn Koorn (HDR, Inc.), Scott Myers (H2Ou) and Lindsay Pangburn (Prosio Communic.)

Absent: Director Davidson

Others: Kim Gustafson and Jodi Lauther

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

**B. APPROVAL OF THE AGENDA – Director McKillop made a motion to approve the agenda as presented. Director Chigazola 2<sup>nd</sup> the motion. There was no further discussion. A roll call vote was taken: Director Chigazola – AYE, Director Davidson – ABSENT, Director Hannblom – AYE, Director Malonson – AYE, and Director McKillop - AYE. The motion passed.**

**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 February 10, 2022.**
2. **Review Monthly System Report for February (production data, rainfall information, operations unrelated to the Caldor Fire Recovery efforts).**

Director Chigazola made a motion to approve the Consent Calendar as presented. Director McKillop 2<sup>nd</sup> the motion. There was no further discussion. A roll call vote was taken: Director Chigazola – AYE, Director Davidson – ABSENT, Director Hannblom – AYE, Director Malonson – AYE, and Director McKillop - AYE. The motion passed.

**E. PRESENTATION - TOM GOULD, HDR, INC.**

1. **Technical Memo, dated February 23, 2022 – Review of the Policy, Financial and Rate Impacts to the District of the Caldor Fire** – Tom Gould made a presentation to the Board. His firm (HDR, Inc.) was contracted by the El Dorado Water Agency to perform a two-phase study of the District's current financial position in an effort to close the \$333,600 revenue gap left after the Caldor Fire destroyed 400 of the 622 homes within the District. He noted that phase one included a high-level review with multiple options, some of which would trigger analyses and a hearing under Proposition 218. Mr. Gould referenced the District's last Cost of Services Study done in 2016 by Bartle Wells Associates. They performed a detailed rate analysis and determined that 96% of the District's costs are fixed and 4% are variable. Tom noted that if the District only billed residents whose homes survived, they would have to pay approximately \$200 per month to close the revenue gap.

**\*Director Davidson arrived @ 9:17 AM**

Jodi Lauther said that staff returned to work to extinguish flames and restore our water system for the community just 2 days after the Caldor Fire ripped through Grizzly Flats. She noted that operating funds are separate from Caldor Recovery funding. We have access to funds to rebuild but need operating funds from our customers to "keep the lights on" as there are no other sources to fund that (no grants, no property taxes, etc.). Although we have survived on reserves up to this point, we are experiencing a significant revenue loss of approximately \$30,000 each month which can't be sustained. Jodi went on to say that HDR's recent rate analysis (available on the District's website) leaves the District with few options as California's Proposition 218 restricts water districts from just raising rates or creating new rates. Jodi noted that having a water service connection on a property adds value, whether a property owner plans to rebuild or to sell that property. It was then noted that the District does

not currently have a policy to address "disconnecting" from the system, so the Board will address that at their next regular board meeting on April 14th.

- a. **Review summary from the Budget & Finance Committee meeting, which was held on March 4, 2022 to discuss draft Technical Memorandum from HDR, Inc.** - Jodi Lauther referred the Board to page 26 of the packet and noted that the District's Auditor Larry Bain is currently working on a process to capitalize personnel expenses. The Board discussed the various recovery options including existing policies and rates and requested that Jodi Lauther contact the District's attorney for clarification on a few items. A special meeting will be scheduled for 9:00 AM on March 29, 2022 so that the Board can make a decision on how to proceed. Staff will draft and distribute a customer letter to inform the public of the upcoming special meeting and proposed action.

**\*Director Chigazola left @ 10:11 AM**

#### **F. CALDOR FIRE RECOVERY**

1. **Review the most recent Caldor Fire Status Report** – Jodi Lauther said that the temporary pressure system is up and running. Scott Myers noted that the fire pump was started on March 9, 2022 after being wired in by Carnahan Electric. He also mentioned that anti-syphon devices are needed for temporary connections using hoses. It was noted that the district's insurance provided a report from an inspector that thought Tyler and Winding Way tanks may be salvageable after completing a visual inspection. However, staff felt this inspector wasn't qualified as he had no experience with bolted tanks. Staff is requesting that additional testing be completed to ensure that the structural integrity is intact. It is our belief that a more thorough "Fit-for-service" inspection be done with someone qualified to do these types of inspections. Scott discussed an upcoming bid process that will be brought before the Board to replace the Tyler and Winding Way facilities. He went on to say that the blockage was finally located in an unknown PRV on Blaze Trail which staff will remove to restore service to the one affected customer.
2. **Update on USDA-RD grant application for funding to remove hazard trees along Eagle Ditch, environmental work required for the grant and outreach to private property owners along the ditch** – Jodi Lauther noted that there are twelve property owners along Eagle Ditch pipeline that will need to grant the District right-of-way access before the work can be done. She went on to say that the environmental work must be completed before the application is approved by USDA. The environmental work is followed by a public comment period, after which the District will first contract with a registered forester to mark the trees to be removed then the project will go out to bid to qualified bidders. The project work is estimated to begin this summer.

**Director McKillop made a motion to authorize Base Camp Environmental to prepare NEPA and CEQA documentation as proposed for a not-to-exceed cost of \$10,000. Director Hannblom 2<sup>nd</sup> the motion. There was no further discussion. A roll call vote was taken: Director Chigazola – ABSENT, Director Davidson – AYE, Director Hannblom – AYE, Director Malonson – AYE, and Director McKillop - AYE. The motion passed.**

3. **Present updated financial reports, discuss any emergency actions performed in accordance with Resolution 2021-01, and approve associated expenses** – Jodi Lauther noted that a reimbursement check was recently received from the state in the amount of \$7,500, relative to the District's Caldor Fire recovery work. The Board requested that the District's legal counsel clarify if Capital Improvement Project (CIP) funding can be transferred to replenish the emergency reserves.

**Director McKillop made a motion to approve the financial reports and emergency actions which were performed in accordance with Resolution 2021-01 as presented. Director Davidson 2<sup>nd</sup> the motion. There was no further discussion. A roll call vote was taken: Director Chigazola – ABSENT, Director Davidson – AYE, Director Hannblom – AYE, Director Malonson – AYE, and Director McKillop - AYE. The motion passed.**

4. **Discuss Resolution 2021-01, Resolution of GFCSD, Declaring an emergency for the Caldor Fire, adopted on August 27, 2021, and confirm an emergency still exists in the District as described in the resolution** - Jodi Lauther requested that the Board declare if an emergency still exists due to the Caldor Fire, and if she should continue to operate under the conditions of Resolution 2021-01.

Director McKillop made a motion to confirm an emergency still exists and all terms of Resolution 2021-01 remain in place until reassessed at the next regular Board meeting in April. Director Malonson 2<sup>nd</sup> the motion. There was no further discussion. A roll call vote was taken: Director Chigazola – ABSENT, Director Davidson – AYE, Director Hannblom – AYE, Director Malonson – AYE, and Director McKillop - AYE. The motion passed.

**G. OFFICE & FINANCE / Jodi Lauther, General Manager**

**Office Operations:**

1. **ADOPT RESOLUTION 2022-03 (if the Board sees the need to continue to hold remote meetings) - Adopt Resolution 2022-03, Proclaiming a Local Emergency Persists, Re-Ratifying the Proclamation of a State of Emergency for the Caldor Fire by Governor Gavin Newsom on September 1, 2021, and Re-authorizing Remote Teleconference Meetings of the Legislative Bodies of Grizzly Flats Community Services District for the Period of March 20, 2022, to April 19, 2022 CONSISTENT WITH THE TERMS OF CA GOVT § 54953, SUBDIVISION (E), PARAGRAPH (1), SUBPARAGRAPH (B)**

Director Malonson made a motion to adopt Resolution 2022-03 as presented. Director McKillop 2<sup>nd</sup> the motion. There was no further discussion. A roll call vote was taken: Director Chigazola – ABSENT, Director Davidson – AYE, Director Hannblom – AYE, Director Malonson – AYE, and Director McKillop - AYE. The motion passed.

**H. COMMITTEE MEETINGS**

1. **Report from the Water Operations Committee that met on March 9, 2022** – Jodi Lauther said that she attended the committee meeting with Director Davidson, Director Malonson, Scott Myers (H2Ou), and Cort Abney (H2Ou). She said that they discussed the fire sprinkler requirements at great length. She and Cort Abney met with representatives from the El Dorado County Planning & Building Departments, as well as Pioneer Fire Protection District. Jodi mentioned that she is trying to get FEMA to approve replacement of customer service lines, but they are extremely resistant. The lines were not directly damaged by the Caldor Fire. FEMA believes it is a cost the property owner or their insurance must pay.

**I. ANNOUNCEMENTS / DIRECTORS COMMENTS**

1. **Reminder about Special District Risk Management Authority’s (SDRMA’s) Spring Education Day, which is scheduled to take place in Sacramento on March 22, 2022** – Kim Gustafson said that this item was placed on the agenda to confirm that Andy Vicars has been registered to attend the Safety Specialist Certification Program, Director Hannblom was registered to attend the Governance Foundations Workshop, and Sherry McKillop and Jodi Lauther have been registered to attend the keynote presentation and general sessions.

- J. **ADJORNMENT- Director McKillop made a motion to adjourn. Director Davidson 2<sup>nd</sup> the motion. There was no further discussion. A roll call vote was taken: Director Chigazola – ABSENT, Director Davidson – AYE, Director Hannblom – AYE, Director Malonson – AYE, and Director McKillop - AYE. The motion passed and the meeting was adjourned at 11:05 AM.** The next regular meeting will be held in Grizzly Flats and via teleconference starting at 9:00 AM on Thursday, April 14, 2022.

Minutes submitted by:

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*Kim Gustafson, Board Secretary*

Approved by:

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*Lynn Hannblom, Board Chair*

Date:

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