

**Grizzly Flats Community Services District
Minutes of the Regular Meeting of the Board
August 11, 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, Davidson, Hannblom, Malonson and McKillop

Called-in: Rick Hall, Jodi Lauther, Scott Myers (H2Ou), Jed Shapiro, and Jeanie (last name unknown)

Absent: None

Others: Mark and Susan Almer, Kim Gustafson, Mel Kelley, Jodi Lauther, and David Manske

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 2nd the motion. There was no further discussion. A roll call vote was taken: Director Chigazola – AYE, Director Davidson – AYE, Director Hannblom – AYE, Director Malonson – AYE, and Director McKillop – AYE. The motion passed.

C. PUBLIC COMMENT – Rick Hall indicated that he felt the Caldor emergency was over and that the public should be allowed to participate in the monthly meetings in person. Jeanie stated that there were people camping by Big Canyon diversion and that they were polluting the water with garbage.

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 July 14, 2022 regular meeting and August 2, 2022 special meeting.**
- 2. Review Monthly System Report for July (production data, rainfall information, operations unrelated to the Caldor Fire Recovery efforts).**
- 3. Adopt Resolution 2022-11 (if the Board sees the need to continue to hold remote meetings) - Adopt Resolution 2022-11, 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 August 20, 2022, to September 19, 2022 CONSISTENT WITH THE TERMS OF CA GOVT § 54953, SUBDIVISION (E), PARAGRAPH (1), SUBPARAGRAPH (B) –** Rick Hall noted that the District is no longer operating in an emergency, and he didn't feel remote meetings should continue. Kim Gustafson said that there is another item further down the agenda to possibly rescind the Caldor Fire Emergency, so this resolution may not be needed.

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

E. CUSTOMER APPEAL TO THE BOARD

- 1. R. Hall – Impact of policy not to disconnect water service –** Rick Hall indicated that 20% of the homes that burned in Grizzly Flats were uninsured or underinsured, and that around 80 customers can't rebuild in result. He said that the ones who cannot rebuild are subsidizing the residents that did not lose their homes or plan on rebuilding. He went on to say that customers are being forced to sell their land, and that they are being forced to sue the District. Rick recommended that a committee of those really affected be formed to look for alternate solutions to the current rate structure. Since there are varied situations, he recommended reducing costs for those affected in different tiers. Director McKillop then indicated that the District must follow government code and Proposition 218. Director Malonson noted that the District budget is not for profit. Director Hannblom indicated that there is no benefit to rehashing this topic at this time.

F. PRESENTATION / MARK ALMER, Grizzly Flats Fire Safe Council – Mark Almer introduced himself and said that every year, the Grizzly Flats Fire Safe Council awards its Community Service Award to the person(s) in appreciation for their dedication and support to the Grizzly Flats community and the Grizzly Flats Fire Safe Council. He said that the 2022 Grizzly Flats Community Service Award is presented to Jodi Lauther and Kim Gustafson, who are both long-time residents of Grizzly Flats. He went on to say that Jodi and Kim are also long-time employees of the Grizzly Flats Community Services District; Jodi as General Manager and Kim as Office Facilitator/Board Secretary. Over the years, they have worked hard to provide safe drinking water to the community. They have both also supported the Grizzly Flats Fire Safe Council in many ways including partnering with the Council on joint mailing efforts, installation of a drafting hydrant at the raw water reservoir, helping distribute the Wildfire Awareness Manual to new customers, and Jodi participating in the biennial Wildfire Table-Top Exercise. Kim also served on the Grizzly Flats Fire Safe Council, including on its Executive Board. Despite both Jodi and Kim losing their own homes to the Caldor Fire, they continue to work tirelessly and selflessly to help repair and restore the CSD's water service to the community. He said they are very thankful for their hard work and dedication to the Community of Grizzly Flats and are very proud to present them with this very deserving award.

G. 2022/2023 BUDGET SESSION

1. **Review and consider adoption of the proposed budget for the 2022/2023 fiscal year for Operation and Maintenance (O&M), Asset Management and Capital Improvement Projects (CIP)** / Jodi Lauther said that the budget is the best guess of what expenses and income will be, and that it is not restrictive but rather used as a comparison. She also noted that the District's revenue is unstable at this time. Director McKillop referred to page 3 of the budget packet and recommended that the "meters" be changed to "services" to align better with the wording of Ordinance 88-1. Director Hannblom referred to page 3 of the packet and indicated that the salary study did not happen due to the Caldor Fire. Jodi noted that Cost of Living Adjustment's are calculation to the 10-year average increase in the Consumer Price Index, and although this year the average is 5%, District policy limits COLA adjustments to a maximum of 4%. Director Hannblom indicated that all three GFCSO employees should be given 4% COLA adjustments. Director McKillop referred to page 5 of the budget and said that there is a redundant "had" in the first paragraph that needs to be removed. Jodi then referred the Board to page 6 of the packet and said that the District's counsel reviewed the Operations Contract with H2O Urban Solutions and confirmed that it can be renewed for a term agreed upon by both parties. Following a brief discussion, Directors Hannblom and McKillop recommended updating the bottom of page 7 to read "Our O&M revenues are expected to be 41%" rather than 51%. Director Hannblom asked if funds could be transferred to the O&M reserve fund from another fund. Jodi recommended that the Board talk to the District's auditor Larry Bain about that when he comes to present the audit, and said that it will be looked at during the cost of services study. Jed Shapiro asked for the District's "plan B" since it has been operating at a loss. Rick Hall noted that the District can't operate in deficit.

Director McKillop made a motion to approve the 2022/2023 fiscal year budget as amended. Director Chigazola 2nd the motion. There was no further discussion. A roll call vote was taken: Director Chigazola – AYE, Director Davidson – AYE, Director Hannblom – AYE, Director Malonson – AYE, and Director McKillop - AYE. The motion passed.

H. CALDOR FIRE RECOVERY

1. **Review the most recent Caldor Fire Status Report** – Scott Myers (H2Ou) said that the United States Department of Agriculture (USDA) grant has been submitted to Washington D.C. for final review and they should be responding any time. He went on to say that Acuren recently completed a fit for service inspection on Tyler and Winding Way tanks, and a report of their findings should be available in late August 2022. Scott noted that the temporary booster pump failed but has since been replaced and is back in operation. Discussions with PG&E for leak damages continue as they have broken at least 49 service lines and 8 water mains during their excavation.
2. **Update on USDA-RD grant application for funding to remove hazard trees along Eagle Ditch / Lauther (discussion)**
 - a. **Review and approve Notice of Intent to File Application for the USDA Rural Development grant** – Kim Gustafson said that this item was discussed at last month's meeting, and that the Notice of Intent to File

Application had to be published in a local newsletter at least 10 days before it was presented to the Board for approval. The Notice was published listing the meeting location at the El Dorado Water Agency office (4330 Golden Center Drive, Suite C, Placerville, CA 95667) because that is where the August 2022 meeting was originally going to take place. Kim said she will let Michael Vukas know about the discrepancy and will let the Board know if further action is needed.

Director McKillop made a motion to approve the Notice of Intent to File Application as presented. Director Davidson 2nd the motion. There was no further discussion. A roll call vote was taken: Director Chigazola – AYE, Director Davidson – AYE, Director Hannblom – AYE, Director Malonson – AYE, and Director McKillop - AYE. The motion passed.

3. **Report on status of customer billing** – Kim Gustafson referred the Board to page 8 of the packet and said that the billing summary is now included within the monthly system report. In July, 531 bills were distributed for which 397 (75%) payments were received. The amount billed was \$38,467.34, and the customer payment total was \$37,813.68.

4. **Present updated Financial reports, discuss any emergency actions performed in accordance with Resolution 2021-01, and approve associated expenses** – Jodi Lauther said that Darlene was not able to come in before the Board meeting due to illness. In result, the only financials contained within the packet were the audited year-end financials.

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 Chigazola 2nd the motion. There was no further discussion. A roll call vote was taken: Director Chigazola – AYE, Director Davidson – AYE, Director Hannblom – AYE, Director Malonson – AYE, and Director McKillop - AYE. The motion passed.

5. **Discuss Resolution 2021–01, Resolution of GFCSO, 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 said that the Board has discussed whether or not to rescind the emergency resolution before, and now that the General Manager’s spending limit has been increased to \$5,000, she feels that it’s time to rescind the emergency declaration and to return to normal District procurement procedures. She went on to request that the Board adopt Resolution 2022-08 Rescinding the Emergency Declaration for the Caldor Fire.

Director McKillop made a motion to adopt Resolution 2022-08 Rescinding the Emergency Declaration for the Caldor Fire as presented. Director Chigazola 2nd the motion. There was no further discussion. A roll call vote was taken: Director Chigazola – AYE, Director Davidson – AYE, Director Hannblom – AYE, Director Malonson – AYE, and Director McKillop - AYE. The motion passed.

I. OFFICE & FINANCE / Jodi Lauther, General Manager

Office Operations:

1. **Update on the District’s audits for fiscal years ending June 30, 2021 and June 30, 2022, which took place from July 19, 2022 to July 21, 2022** – Jodi Lauther said that the District’s auditor Larry Bain completed the 2020/2021 and 2021/2022 fiscal year audits in just three days. Prior to their visit, Darlene Serpa came in to prepare the books. The final reports are expected to be received within the next few weeks. Once those are available, Larry Bain will be scheduled to present his audit findings to the Board at a regular meeting.

J. CLOSED SESSION - The Board entered into closed session at 10:47 AM to discuss:

CONFERENCE WITH LABOR NEGOTIATORS Pursuant to Section 54957.6

Agency designated representative: Jodi Lauther

Unrepresented employees: General Manager

K. REPORT FROM CLOSED SESSION – The Board returned to open session at 11:40 AM and said that the Board authorized a leave of absence for the General Manager and are appointing Kim as the Interim General Manager and directing her

to hire a temporary employee for the Office Facilitator position. The vote was unanimous.

L. ANNOUNCEMENTS / DIRECTORS COMMENTS – Director McKillop requested that a discussion about changing the regular Board meeting time be added to the September 8, 2022 regular meeting agenda. Lynn said that although she nominated Jodi Lauther for the SDRMA General Manager award, her nomination was not accepted.

M. ADJORNMENT- Director McKillop made a motion to adjourn. Director Chigazola 2nd the motion. There was no further discussion. A roll call vote was taken: Director Chigazola – AYE, Director Davidson – AYE, Director Hannblom – AYE, Director Malonson – AYE, and Director McKillop - AYE. The motion passed and the meeting was adjourned at 11:46 AM. The next regular meeting will be held in Grizzly Flats and via teleconference starting at 9:00 AM on Thursday, September 8, 2022.

Minutes submitted by:

Kim Gustafson, Board Secretary

Approved by:

Lynn Hannblom, Board Chair

Date:
