

**Grizzly Flats Community Services District
Minutes of the Special Meeting of the Board
September 7, 2023**

A. CALL TO ORDER

The special meeting of the Grizzly Flats CSD Board of Directors was called to order at 5:33 P.M. by Director Hannblom.

ROLL CALL OF THE BOARD

Present: Directors Chigazola, Davidson, Hannblom, and Malonson

Called-in: D. Davies, M. Collins, and G. La Morte

Absent: None

Others: Kim Gustafson, Catherine Hansford, Jessi Phillips, and Schaelene Rollins

SALUTE TO THE FLAG was led by Director Hannblom.

B. APPROVAL OF THE AGENDA – Director Malonson made a motion to approve the agenda as presented. Director Chigazola 2nd the motion. There was no further discussion. Director Hannblom called for a vote. The motion passed with all directors present voting aye.

C. PUBLIC COMMENT – There were no public comments.

D. REVIEW PROGRESS OF THE COST OF SERVICES STUDY

1. **Findings and Calculated Rates – HEC (Catherine Hansford) and Schaelene Rollins will present the findings of the rate study and schedule to adopt new water charges. The Board should spend some time discussing the information presented since the financial projections need to be as accurate as possible to ensure that rates adequately cover the District's expenses / Gustafson (discussion) –** Kim Gustafson started out by thanking Catherine Hansford and Schaelene Rollins for all the hard work they have put into the Cost of Services Study. Catherine Hansford mentioned that in California, smaller districts tend to do a rate study every five years and that Grizzly Flats CSD's last rate study was performed in 2016. The purpose of a rate study is to analyze a district's income and expenses to ensure that the service rates match the cost of providing the service. Catherine mentioned that costs typically increase by 5-8% annually for large districts, smaller for districts such as ours. She also mentioned that the district is in a unique situation and that it needs sufficient cash flow to cover recovery activities which will then be submitted for reimbursement. Catherine said it's standard practice to have a rate structure that charges more for larger service connections.

Within the rate study, Catherine proposed two alternative rate structures; one which maintains the District's current rate structure including the \$4 per month stand-by fee, and one that replaces the stand-by fee with a Special Tax. Scenario A would maintain the current rate structure, but since larger connections have greater capacity to use the water service, they would be charged a higher rate. Catherine noted that the District needs to collect the monthly base charge from all connected lots, even if they do not have water usage. Construction water would be available for use at the identified volumetric rate. She noted that Ordinance 88-1 should be updated to state the service connection process due to the recent changes in policy.

Scenario B would replace the District's stand-by fee with a Special Tax. Special taxes must be placed on a ballot for approval by 2/3 of the registered voters within the District boundary. Catherine noted that special taxes can also be increased by a percentage over time without having to go to the public for reapproval.

Mike Collins requested that the Board consider the impact to customers who lost their homes in the Caldor fire.

The Board indicated that they would like to discuss the rate study more during the September 14, 2023 regular meeting.

2. **Rate Structure Options – Discuss the proposed rate structures suggested by HEC and consider the option of implementing a Special Tax** – The Board indicated that this item should be tabled pending further discussion.

E. ADJORNMENT- Director Chigazola made a motion to adjourn. Director Malonson 2nd the motion. There was no further discussion. Director Hannblom called for a vote. The motion passed with all directors present voting aye and the meeting was adjourned at 7:29 P.M. The next regular meeting will be held in Grizzly Flats starting at 6:00 PM on Thursday, September 14, 2023.

Minutes submitted by:

Kim Gustafson, Board Secretary

Approved by:

Lynn Hannblom, Board Chair

Date:
