

Grizzly Flats Community Services District
Notice of a Special Meeting of the Board

Date: Thursday, August 24, 2023

Time: 6:00 PM

Location: The Grizzly Flats CSD Office (4765 Sciaroni Rd., Grizzly Flats, CA)



AGENDA

A. CALL TO ORDER, ROLL CALL OF THE BOARD MEMBERS and SALUTE TO THE FLAG

B. APPROVAL OF THE AGENDA

C. PUBLIC COMMENT: Items not on the agenda - *This is an opportunity to express your views on any topic within the jurisdiction of the District in order to inform the Board. Once recognized by the Chair, you will have 3 minutes to speak. No discussion or action can be taken at this time. The Board may refer the matter to staff or determine whether the matter should be included on a future agenda.*

D. CONSENT CALENDAR / Board Chair

These items are expected to be routine business, not normally requiring much discussion.

1. Approval of the minutes of the July 13, 2023, regular meeting. {pk 1-3}
2. Review monthly System Report for July (production data, rainfall information, operations unrelated to the Caldor Fire Recovery efforts). {pk 4-6}
3. Approval of the recent purchase orders, financial reports and spending for July 2023. {pk 7-21}
4. Receive and review the El Dorado Grand Jury report dated June 30, 2023. {pk 22-36}
5. Receive and file the 2023/24 Direct Charge confirmation from El Dorado County. {pk 37-38}
6. Receive and file the Quarterly Interest Report from the Local Agency Investment Fund (LAIF). {pk 39}

Recommended Motion/Action: Approve the consent calendar as presented.

E. OFFICE & FINANCE / Gustafson, General Manager

Office Operations:

1. Update from the District's audit for fiscal year ending June 30, 2023, which took place from August 3, 2023, and August 4, 2023 / Gustafson (discussion)
2. Update on the Cost of Services Study / Gustafson (discussion)

Financial Operations:

3. Annual disclosure of Board member or employee reimbursements for individual charges over \$100 for services or products / Gustafson (discussion) {pk 40}
4. Announce FEMA's approval of the District's California Disaster Loan in the amount of \$146,301 / Gustafson (discussion/action) {pk 41}

Recommended Motion/Action: Authorize the General Manager to finalize the loan.

F. CALDOR FIRE RECOVERY

1. Review the most recent Caldor Fire Status Report / Gustafson (discussion) {pk 42-43}
2. Update on hazard tree marking for USDA grant to remove hazard trees along Eagle Ditch pipeline / Gustafson (discussion)
3. Report on status of customer billing / Gustafson (discussion)

G. CLOSED SESSION

1. CONFERENCE WITH LEGAL COUNSEL Pursuant to § 54956.9(d)(4)

Anticipated Litigation: Significant exposure to litigation: (1 case)

H. REPORT FROM CLOSED SESSION

I. ANNOUNCEMENTS / DIRECTORS COMMENTS

J. ADJOURN

-
- *In compliance with the Americans with Disabilities Act, contact Kim Gustafson at gfwater@sbcglobal.net or (530) 622-9626 if you need special assistance to participate in this meeting. Notification 48 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to this meeting. (28FR35.102-35.104 ADA Title 11).*
 - ***Our next regular Board meeting will be held in person and by teleconference on Thursday, September 14, 2023, at 6:00 PM.***

This institution is an equal opportunity provider and employer.

**Grizzly Flats Community Services District
Minutes of the Regular Meeting of the Board
July 13, 2023**

A. CALL TO ORDER

The regular meeting of the Grizzly Flats CSD Board of Directors was called to order at 6:02 P.M. by Director Hannblom.

ROLL CALL OF THE BOARD

Present: Directors Chigazola, Davidson, and Hannblom

Called-in: None

Absent: Director Malonson

Others: Kim Gustafson, Jessi Phillips, Mel Kelley and Scott Myers

SALUTE TO THE FLAG was led by Director Hannblom.

B. APPROVAL OF THE AGENDA – Director Chigazola made a motion to approve the agenda as presented. Director Davidson 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 – Mel Kelley mentioned that he has never seen a closed session scheduled in the middle of a meeting. Kim Gustafson said that although closed sessions usually take place near the end of a meeting, one of the closed session items required discussion before the budget was approved.

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 June 8, 2023, regular meeting.**
2. **Review monthly System Report for June (production data, rainfall information, operations unrelated to the Caldor Fire Recovery efforts).**
3. **Approval of the financial reports and spending for June, 2023. –** Director Davidson asked about the Underground Service Alert fee portion of the June financial report. Kim Gustafson said they recently changed the way they charge their fees, stating that there is a membership fee and a fee for every ticket. Director Hannblom requested that the Underground Service Alert charges be split between budget categories 65350 "Membership and Dues", and 65100 "Agency Admin Fees". Director Hannblom also requested that the "Profit & Loss O/M" sheet be updated to break down the budget categories by month and fiscal year to date.

Director Chigazola made a motion to approve the consent calendar as presented. Director Davidson 2nd the motion. There was no further discussion. Director Hannblom called for a vote. The motion passed with all directors present voting aye.

E. CLOSED SESSION - Time Entered: 6:12 P.M.

1. **CONFERENCE WITH LABOR NEGOTIATORS Pursuant to § 54957.6.**
Agency designated representative: Kim Gustafson
Unrepresented employee: Maintenance Technician/Distribution Operator
2. **CONFERENCE WITH LEGAL COUNSEL Pursuant to § 54956.9(d)(4)**
Anticipated Litigation: Significant exposure to litigation: (1 case)

F. REPORT FROM CLOSED SESSION - Time Returned: 7:03 P.M.

1. **CONFERENCE WITH LABOR NEGOTIATORS Pursuant to § 54957.6 -** Kim Gustafson mentioned that there was a discussion about the pay range for the District's new Maintenance Technician/Distribution Operator position, a pay adjustment to fit the existing employee within that range, and the possibility of hiring on a temporary Maintenance Technician.

2. **CONFERENCE WITH LEGAL COUNSEL Pursuant to § 54956.9(d)(4)** - Kim Gustafson says that they gave some direction to the council, but there was nothing to report.

G. 2023/2024 BUDGET SESSION

1. **Review and consider adoption of the proposed budget for the 2023/2024 fiscal year for Operation and Maintenance (O&M), Asset Management and Capital Improvement Projects (CIP)** – Kim Gustafson gave the Board copies of the 2023/2024 Budget (3rd Draft) which included changes discussed in the closed session. Director Davidson noted that on page 8 of the budget packet, the 2022/2023 expenses were low. Scott Myers said that he had not submitted all of the billing for last fiscal year.

Director Chigazola made a motion to approve the 2023/2024 Budget as presented. Director Davidson 2nd the motion. There was no further discussion. Director Hannblom called for a vote. The motion passed with all directors present voting aye.

H. OFFICE & FINANCE / Gustafson, General Manager

Office Operations:

1. **Report from CSDA's General Manager Leadership Summit which took place from June 25 – 27, 2023** - Kim Gustafson thanked the Board for the opportunity to attend the General Manager Leadership Summit. She said she learned a lot during her attendance at several breakout sessions including Managing the Never-Ending Crisis, Leadership with an Agile Mindset, and Managing a Hybrid Workplace.
2. **Board vacancy update** - Kim Gustafson thanked Director Hannblom for preparing the Board vacancy flier. She said that although it was posted on Facebook, the website, and within the June 2023 Newsletter, there has been no interest.
3. **Update on the Cost of Services Study** - Kim Gustafson says she is still submitting data for the study. The Public Relations representative is scheduled to come out to the District on July 20, 2023 to do a tour of the property in hopes of finding a potential spot to hold the public hearing.

I. CALDOR FIRE RECOVERY

1. **Review the most recent Caldor Fire Status Report** - Kim Gustafson said the Federal Emergency Management Association (FEMA) is requesting information on the Tyler and Winding Way tanks. They want to know how much conduit was burned and how much piping was lost. Scott Myers said he would get an estimate together for that request and produce a hazard mitigation plan. It was mentioned that the FEMA case manager for the Caldor fire has only attended one meeting in the last two months. Director Davidson suggested that staff contact our federal representative to help with the issue. Director Hannblom asked about the reservoir liner project and the status of the bids. Kim Gustafson said the District distributed the Request for Proposals, posted it in the Mountain Democrat, and sent out copies to the companies who have previously done work for the District to see if they are interested.
2. **Update on hazard tree marking for USDA grant to remove hazard trees along Eagle Ditch pipeline** - Kim Gustafson said she has a couple more documents she needs to submit per the Letter of Conditions. She said that Cort is digging into the data for the tree marking and preparing the project to go out to bid.
3. **Report on status of customer billing** - Kim Gustafson said that 585 customers were billed a total of \$42,678.25 in June 2023, and that 581 payments were received for a total of \$44,227.24 (104%).
4. **Authorize H2O Urban Solutions for Task Order 3 to conduct and prepare a Watershed Sanitary Survey and Drinking Water Source Assessment for compliance with SWRCB Division of Drinking Water** - Scott Myers said that he and Austin Peterson of the State Water Resources Control Board Division of Drinking Water spoke and agreed that a more thorough Watershed Sanitary Survey and Drinking Water Source Assessment should be completed following the Caldor Fire. Work would include modifying or evaluating the treatment process and collecting samples at both diversions for one year. **It was noted that this should be Task Order 4, not 3.**

Director Chigazola made a motion to authorize H2O Urban Solutions to proceed with Task Order 4 as presented. Director Davidson 2nd the motion. There was no further discussion. Director Hannblom called for a vote. The motion passed with all directors present voting aye.

5. **Authorize H2O Urban Solutions for Task Order 4 to prepare a detailed scope of work for the 3 ARPA funded projects needed for the agreements between EDWA and GFCSD by July 28, 2023** – Kim Gustafson requested that this item be removed from the agenda.
6. **Authorize H2O Urban Solutions for Task Order 5 to prepare a design build bid package and RFQ/RFP for the Clearwell, Water Treatment Plant Modifications, Pump Station improvements in association with the ARPA funding administered by EDWA** - Kim Gustafson requested that this item be removed from the agenda.

J. ANNOUNCEMENTS / DIRECTORS COMMENTS – Kim Gustafson said that she was recently informed that the District has been awarded the excellence in safety award by Special District Risk Management Authority for no Worker’s Compensation claims. SDRMA has offered to pay for travel to and from Monterey, one night lodging, and one day conference registration so that the award could be accepted in person during CSDA’s Annual Conference & Exhibitor Showcase.

K. ADJORNMENT- Director Chigazola made a motion to adjourn. Director Davidson 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 8:15 P.M. The next regular meeting will be held in Grizzly Flats starting at 6:00 PM on Thursday, August 10, 2023.

Minutes submitted by:

Kim Gustafson, Board Secretary

Approved by:

Lynn Hannblom, Board Chair

Date:



Grizzly Flats Community Services District System Report July 2023

*Kim Gustafson, General Manager
Andy Vicars (D2) GFCSD Maintenance Technician,
Ethan Markes and Michelle Derryberry, H2Ou Water System Operators*

The purpose of this System Report is to share production data and statistics with the Board of Directors for an update on our Operations and Maintenance activities as we recover from the Caldor Fire.

Water Production Report

Current Year

2023	Total Gallons	Daily Average (gallons per day)	Monthly Flushing
January	2,638,810	85,123	
February	2,102,184	75,078	
March	3,036,700	97,958	
April	2,803,200	93,440	
May	2,857,600	92,181	306,768
June	2,460,000	82,000	40,000
July	3,638,600	117,374	146,000

*July's flushing total represents water flushed for water quality purposes (126,000 gallons) and leaks (20,000 gallons).

Prior Years

2022	Total Gallons	Daily Average
January	2,386,600	76,987
February	2,568,200	91,721
March	2,668,600	86,084
April	2,817,200	93,907
May	3,574,600	115,310
June	4,251,500	141,717
July	4,529,800	146,123
August	3,443,000	111,065
September	2,932,100	97,737
October	2,727,200	87,974
November	2,027,000	67,567
December	2,925,100	94,358

2021	Total Gallons	Daily Average
January	2,752,292	88,784
February	2,375,165	84,827
March	2,838,177	91,554
April	3,306,829	110,228
May	5,310,587	171,309
June	4,824,882	160,829
July	5,951,427	191,981
August*	4,587,625	147,988
September*	2,434,469	81,149
October	4,776,800	154,090
November	3,218,100	107,270
December	2,330,600	75,181

*Due to the Caldor Fire's interruption of operations, August and September data in the above chart was estimated.

Water Treatment

- As previously reported, only one chemical feed pump was working in the Water Treatment Plant. Staff purchased six new chemical feed pumps and had three expedited for delivery. The expedited order was received, and staff installed two of the new pumps to dose the plants separately with Sodium Hypochlorite. This has improved the water quality and reduced backwash time.

PK4

Distribution System

- On July 26, 2023, staff repaired a service line leak on Golden Aspen Drive.

Rainfall

This Year (July 1 – June 30)	Amount (in inches)	Prior Years (July 1 – June 30)	Amount (in inches)
July	0.00	2012 – 2013	29.85
August		2013 – 2014	31.25
September		2014 – 2015	32.76
October		2015 – 2016	52.70
November		2016 – 2017	78.03
December		2017 – 2018	38.46
January		2018 – 2019	65.43
February		2019 – 2020	33.84
March		2020 – 2021	18.42
April		2021 – 2022	37.65
May		2022 – 2023	39.64
June		2023 – 2024 Total	0.00

Administration Report

Billing Information	Number this Month
Bills Mailed Out	589
Active Connections (on/billed each month)	591
Connections on hold (connections damaged by fire)	32
Inactive Connections (locked off/liened with no bill)	7
Current Liens	54
Liens Filed	0
Liens Released	0
New Service Installations	0
Fire Flow Letter Requests	0
1 st Tier Late Charges	82
2 nd Tier Late Charges	94

“Connections on hold” were damaged by the Caldor Fire or recovery crews and are not being billed. Two more service connections were restored after the July 2023 billing period.

Staff transferred services for eight locations in July, seven of which were vacant lots with water service connections.

Billing Summary

2023	# of Bills Sent	# Payments Received	Amount Billed	Amount Received
January	557	552	38,395.60	42,946.92 (112%)
February	563	489	42,367.98	32,992.64 (78%)
March	562	565	38,391.27	46,081.30 (120%)
April	574	539	42,610.63	39,694.43 (93%)
May	583	554	41,661.73	46,155.20 (110%)
June	585	581	42,678.25	44,227.24 (104%)
July	589	570	43,519.16	43,227.34 (99%)

2022	# of Bills Sent	# Payments Received	Amount Billed	Amount Received
January	222	206 (93%)	15,281.45	19,851.86
February	225	180 (80%)	16,473.35	15,320.98
March	234	216 (92%)	17,073.98	19,909.26
April	479	238 (50%)	30,324.68	18,922.53
May	517	329 (64%)	37,100.11	23,733.14
June	527	379 (72%)	38,350.24	35,010.72
July	531	397 (75%)	38,467.34	37,813.68
August	545	528 (97%)	39,578.18	39,827.01
September	545	502 (92%)	40,236.08	33,442.22
October	552	498 (90%)	39,615.53	36,302.27
November	556	551 (99%)	39,685.78	40,177.77
December	558	505 (91%)	45,658.22	29,758.29

Grizzly Flats Community Services District
Profit/Loss - O/M
July 2023

Jul-23 to Jul-23

Ordinary Income/Expense

Income

40000 · O & M Income

40100 · Water Charges - Basic Rate	41,416.37
40110 · Water Charges - Volumetric Rate	3,033.77
40200 · Water User Penalties	566.71
40210 · Water User Lien Fees	2,530.00
40300 · Miscellaneous Revenue	0.00
40400 · Pooled Interest	239.53
40600 · New Service Installation	0.00

Amount billed

Total 40000 · O & M Income 47,786.38 (not all collected)

45000 - Capital Income

45100 - Standby Charges	0.00
45200 - Penalties on Standby Fees	0.00
45300 - Capital Connection Fee	0.00
45600 - Pooled Interest	144.00

Total 45000 - Capital Income 144.00

Total Income 47,930.38

Expense

50000 · Personnel Costs

51000 · Salaries Expense

51100 · Field Staff	3,363.36
51200 · Admin Staff	8,770.70
51300 - Overtime	0.00
51400 - Standby Pay	0.00
51600 · Holiday Pay	626.00

Total 51000 · Salaries Expense 12,760.06

52000 · Payroll Expense

52100 · Payroll Tax	1,744.88
52300 - Workers' Comp	308.55

Total 52000 · Payroll Expense 2,053.43

53000 · Benefits Expense

53100 · Deferred Comp	0.00
53200 - HRA Medical	1,966.66
53300 - Life Insurance	0.00

Total 53000 · Benefits Expense 1,966.66

54000 - Contract Operation

0.00 H2O Urban Solutions

Total 50000 · Personnel Costs 16,780.15

Grizzly Flats Community Services District
Profit/Loss - O/M
July 2023

Jul-23 to Jul-23

60000 · Operations & Utilities Exp	
60100 - Alarm Service	0.00
60200 · Communication	268.48
60400 - Fire & Safety Supplies	40.20
60600 · PG&E	42.61
60700 · Propane	0.00
60800 · Trash Disposal	142.13
30900 - Website	0.00
Total 60000 · Operations & Utilities Exp	<u>493.42</u>
61000 · Water Treatment	
61100 · Chemicals	208.40
61200 · Equipment & Supplies	1,506.91
61300 · Testing & Lab Reports	243.00
Total 61000 · Water Treatment	<u>1,958.31</u>
62000 · Maintenance Exp	
62100 - Building	86.83
62200 - Customer Meters	0.00
62300 - Distribution System	1,733.36
62400 - Grounds	0.00
62410 - Grizzly Pond Expenses	0.00
62500 - Office Equipment	0.00
62600 · Parts & Equip.	0.00
62700 - Road Repairs	75.75
62800 · Service Contracts	8.86
62900 - Treatment Plant I & II	2,504.72
Total 62000 · Maintenance Exp	<u>4,409.52</u>
63000 · Vehicle Exp.	
63100 - Oil/Grease	0.00
63200 · Parts & Repairs	0.00
63300 - Tires & Snow Chains	0.00
63400 - Tractor Maintenance & Repairs	0.00
63500 · Fuel Purchases	0.00
Total 63000 · Vehicle Exp.	<u>0.00</u>
64000 · Employee Exp.	
64100 - Clothing	0.00
64200 - Education Certification	0.00
64400 · Transportation and Travel	241.18
Total 64000 · Employee Exp.	<u>241.18</u>

pk8

Grizzly Flats Community Services District

Profit/Loss - O/M

July 2023

Jul-23 to Jul-23

65000 · Admin Exp.	
65100 · Agency Admin. Fee	893.54
65150 · Bank Fees & Supplies	39.70
65200 - Election Cost	0.00
65250 · Janitorial & Supplies	47.60
65350 · Membership & Dues	2,305.54
65400 · Office Supplies	1,342.24
65450 · Postage	441.00
65500 · Public & Legal Notices	165.00
65550 · Software	0.00
Total 65000 · Admin Exp.	<u>5,234.62</u>

66000 - Professional Services	
66100 - Audit & Accounting	740.00
66200 - Legal	1,379.40
66400 - Liability Insurance	1,726.25
66900 - Liability Other	7,380.00
Total 6600 - Professional Services	<u>11,225.65</u>

67100 - Asset Management Program 0.00

70000 - Capital Expense	
70300 - Interest on Long Term Debt	0.00
70800 - Depreciation	8,411.92
Total 70000 - Capital Expense	<u>8,411.92</u>

Total Expense 48,754.77

Net Income -824.39

Grizzly Flats Community Services District
Check Detail
 July 6, 2023

Type	Num	Date	Name	Account	Paid Amount	Original Amount
Bill Pmt -Check	4792	07/06/2023	Petty Cash	10100 · WF-O&M Checking		-63.35
Bill	6/20/23	06/20/2023		65450 · Postage	-13.85	16.26
				61200 · Equipment & Supplies	-40.30	47.30
				52100 · Payroll Tax	-9.20	10.80
					<u>-63.35</u>	<u>74.36</u>
Bill Pmt -Check	4793	07/06/2023	49R Propane	10100 · WF-O&M Checking		-569.06
Bill	19558	06/01/2023		60700 · Propane	-569.06	569.06
					<u>-569.06</u>	<u>569.06</u>
Bill Pmt -Check	4794	07/06/2023	AA Natural Resource Management	10100 · WF-O&M Checking		-31,535.00
Bill	21722	06/21/2023		14700 · Grant Reimbursable	-3,525.00	3,525.00
Bill	21721	06/21/2023		14700 · Grant Reimbursable	-28,010.00	28,010.00
					<u>-31,535.00</u>	<u>31,535.00</u>
Bill Pmt -Check	4795	07/06/2023	Blain Stumpf Trucking	10100 · WF-O&M Checking		-998.78
Bill	202306-373	06/07/2023		62700 · Road Repairs	-998.78	998.78
					<u>-998.78</u>	<u>998.78</u>
Bill Pmt -Check	4796	07/06/2023	Darlene Serpa Accounting Support	10100 · WF-O&M Checking		-740.00
Bill	6/30/2023	06/30/2023		14800 · Caldor Fire Expenses	-740.00	740.00
					<u>-740.00</u>	<u>740.00</u>
Bill Pmt -Check	4797	07/06/2023	El Dorado County Auditor Controller	10100 · WF-O&M Checking		-552.54
Bill	2023/2024	07/06/2023		65100 · Agency Admin. Fee	-552.54	552.54
					<u>-552.54</u>	<u>552.54</u>
Bill Pmt -Check	4798	07/06/2023	El Dorado Irrigation District	10100 · WF-O&M Checking		-87.80
Bill	06262023	07/26/2023		61100 · Chemicals	-87.80	87.80
					<u>-87.80</u>	<u>87.80</u>
Bill Pmt -Check	4799	07/06/2023	Eurofins Eaton Analytical, Inc.	10100 · WF-O&M Checking		-145.00
Bill	3800026071	06/20/2023		61300 · Testing & Lab Reports	-145.00	145.00
					<u>-145.00</u>	<u>145.00</u>
Bill Pmt -Check	4800	07/06/2023	Hansford Economic Consulting LLC	10100 · WF-O&M Checking		-7,380.00
Bill	571	07/03/2023		66900 · Other	-7,380.00	7,380.00
					<u>-7,380.00</u>	<u>7,380.00</u>
Bill Pmt -Check	4801	07/06/2023	Inland Business Systems	10100 · WF-O&M Checking		-8.86
Bill	3536825	06/27/2023		62800 · Service Contracts	-8.86	8.86
					<u>-8.86</u>	<u>8.86</u>

Grizzly Flats Community Services District
Check Detail
 July 6, 2023

Bill Pmt -Check	4802	07/06/2023	Joe Vicini, Inc.	10100 · WF-O&M Checking		-5,240.00	
Bill	29289	06/19/2023		62300 · Distribution System	-5,240.00	5,240.00	
					<u>-5,240.00</u>	<u>5,240.00</u>	
Bill Pmt -Check	4803	07/06/2023	P G & E	10100 · WF-O&M Checking		-40.98	
Bill	6/15/2023	06/15/2023		60600 · PG&E	-40.98	40.98	
					<u>-40.98</u>	<u>40.98</u>	
Bill Pmt -Check	4804	07/06/2023	Signal Service Inc.	10100 · WF-O&M Checking		-237.00	
Bill	371908	06/16/2023		60100 · Alarm Service	-237.00	237.00	
					<u>-237.00</u>	<u>237.00</u>	
Bill Pmt -Check	4805	07/06/2023	Water Environmental Testing Laboratory	10100 · WF-O&M Checking		-73.00	
Bill	23-06-GF	07/05/2023		61300 · Testing & Lab Reports	-73.00	73.00	
					<u>-73.00</u>	<u>73.00</u>	
Bill Pmt -Check	4806	07/06/2023	White Benner, LLP	10100 · WF-O&M Checking		-114.00	
Bill	47934	06/19/2023		66200 · Legal	-114.00	114.00	
					<u>-114.00</u>	<u>114.00</u>	
Bill Pmt -Check	4807	07/06/2023	US Bank Corporate Payments	10100 · WF-O&M Checking		-1,610.04	
Bill	6/15/23	06/15/2023		64400 · Transportation and Travel	-286.26	286.26	
				65500 · Public & Legal Notices	-62.50	62.50	
				65400 · Office Supplies	-4.99	4.99	
				65500 · Public & Legal Notices	-15.00	15.00	
				65450 · Postage	-504.00	504.00	
				65500 · Public & Legal Notices	-22.50	22.50	
				60400 · Fire and Safety Supplies	-33.19	33.19	
				65250 · Janitorial & Supplies	-79.07	79.07	
				62100 · Building	-90.74	90.74	
				60400 · Fire and Safety Supplies	-38.49	38.49	
				62600 · Parts & Equip.	-19.94	19.94	
				65500 · Public & Legal Notices	-15.00	15.00	
				65500 · Public & Legal Notices	-22.50	22.50	
				65500 · Public & Legal Notices	-192.27	192.27	
				60200 · Communication	-159.09	159.09	
				65500 · Public & Legal Notices	-15.00	15.00	
				66900 · Other	-27.00	27.00	
				65500 · Public & Legal Notices	-22.50	22.50	
					<u>-1,610.04</u>	<u>1,610.04</u>	

Jim Gudgerson 7/6/23

Lynne Hornbl 7/6/2023

Grizzly Flats Community Services District
Check Detail
 July 18, 2023

Type	Num	Date	Name	Account	Paid Amount	Original Amount
Bill Pmt -Check	4808	07/18/2023	Shelby Falls	10100 · WF-O&M Checking		-82.75
Bill	1415	07/15/2023		40100 · Water Charges - Basic Rate	-82.75	82.75
					-82.75	82.75
Bill Pmt -Check	4809	07/18/2023	Andrew Vicars.	10100 · WF-O&M Checking		-626.66
Bill	7/17/2023	07/17/2023		22200 · Accrued HRA Medical	-576.66	576.66
Bill	7/18/2023	07/18/2023		22200 · Accrued HRA Medical	-50.00	50.00
					-626.66	626.66
Bill Pmt -Check	4810	07/18/2023	CALNET	10100 · WF-O&M Checking		-130.85
Bill	20178399	07/02/2023		60200 · Communication	-130.85	130.85
					-130.85	130.85
Bill Pmt -Check	4811	07/18/2023	El Dorado County Environ. Mgt. Dept.	10100 · WF-O&M Checking		-341.00
Bill	0129025	07/03/2023		65100 · Agency Admin. Fee	-341.00	341.00
					-341.00	341.00
Bill Pmt -Check	4812	07/18/2023	El Dorado Disposal	10100 · WF-O&M Checking		-142.13
Bill	175076036U030	07/01/2023		60800 · Trash Disposal	-142.13	142.13
					-142.13	142.13
Bill Pmt -Check	4813	07/18/2023	Joe Vicini, Inc.	10100 · WF-O&M Checking		-4,905.00
Bill	29312	07/13/2023		14800 · Caldor Fire Expenses	-3,270.00	3,270.00
				62300 · Distribution System	-1,635.00	1,635.00
					-4,905.00	4,905.00
Bill Pmt -Check	4814	07/18/2023	Kim Gustafson.	10100 · WF-O&M Checking		-1,857.68
Bill	7/7/2023	07/07/2023		22200 · Accrued HRA Medical	-1,857.68	1,857.68
					-1,857.68	1,857.68
Bill Pmt -Check	4815	07/18/2023	Pleasant Valley Ace Hardware	10100 · WF-O&M Checking		-98.36
Bill	146316-1	07/11/2023		62300 · Distribution System	-98.36	98.36
					-98.36	98.36

Kim Gustafson 7/19/23
Lynne Lamb 7/20/2023

Grizzly Flats Community Services District
Balance Sheet
As of July 31, 2023

July 31, 2023

ASSETS

Current Assets

Checking/Savings

10000 · Cash In Banks

10100 · WF-O&M Checking	808,817.75
10200 · WF- Payroll Checking	6,814.24
10400 · WF- USDA Loan Reserve	680.09

Total 10000 · Cash In Banks 816,312.08

11000 · LAIF Investments

11100 · O&M Funds

11110 · O & M Reserve Acct	93,798.94
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Total 11100 · O&M Funds 93,798.94

11800 · CIP Funds

11210 · CIP Dedicated Reserve	22,823.98
11220 · CIP Restricted Reserve	250,000.00
11240 · Hydrant Repair and Replacement	16,000.00

Total 11800 · CIP Funds 288,823.98

Total 11000 · LAIF Investments 382,622.92

12000 · Cash in County Treasury

12200 · CIP Funds	0.00
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Total 12000 · Cash in County Treasury 0.00

13000 · Petty Cash Fund 100.00

Total Checking/Savings 1,199,035.00

Other Current Assets

14500 · Other Receivable 0.00

14700 · Grant Reimbursable 78,253.88

14800 · Caldor Fire Expenses 776,497.15

14900 · A/R- Water User Fees 115,565.83

15000 · Prepaid Expenses

15100 · Insurance	18,988.76
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15200 · Worker's Comp	2,776.99
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Total 15000 · Prepaid Expenses 21,765.75

Total Other Current Assets 992,082.61

Total Current Assets 2,191,117.61

Fixed Assets

16000 · Capital Assets

16100 · Land 237,405.00

16200 · Water Plant 3,546,527.91

16300 · Vehicles 68,275.01

16400 · Equipment 269,188.21

16900 · Accumulated Depreciation -1,952,032.40

Total 16000 · Capital Assets 2,169,363.73

17000 · Work In Progress

17700 · Water Master Plan (H2Ou) 29,135.00

Total 17000 · Work In Progress 29,135.00

Total Fixed Assets 2,198,498.73

TOTAL ASSETS 4,389,616.34

H2O & BaseCamp Enviro

- Tree Removal

Amount owed by customers. Includes regular monthly billing of

\$47,906

Grizzly Flats Community Services District
Balance Sheet
As of July 31, 2023

July 31, 2023

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

20000 · Accounts Payable 10,549.26

Total Accounts Payable 10,549.26

Other Current Liabilities

21400 - Other Payables or Expense 6,588.20 Credit Card Duplicate
Paid & County
Overpayment

22000 · Personnel Payables

22100 · Federal & State Payroll Taxes 0.00

22200 · Accrued HRA Medical 54,029.35

22300 · Accrued Vacation 4,807.59

Total 22000 · Personnel Payables 65,425.14

23500 - Other Liability 70,000.00 H2O Urban Solutions

24800 · Caldor Fire Recovery 1,238,480.33 Amount received for Caldor
Fire damages - Insurance,
FEMA, Cal OES

Total Other Current Liabilities 1,373,905.47

Total Current Liabilities 1,384,454.73

Long Term Liabilities

20200 · USDA Loan 786,000.00

Total Long Term Liabilities 786,000.00

Total Liabilities 2,170,454.73

Equity

167 · Retained Earnings - Old Acct 244,791.03

30000 · Reserves-Retained Earnings 1,311,763.01

30100 · Reserves- CIP Restricted 540,875.62

30300 · Reserves - Asset Management 80,548.45

30400 · Reserves - USDA Loan Reserve 42,007.89

Net Income -824.39

Total Equity 2,219,161.61

TOTAL LIABILITIES & EQUITY 4,389,616.34

3:56 PM

08/03/23

Accrual Basis

Grizzly Flats Community Services District Transactions by Account

As of July 31, 2023

Type	Date	Num	Name	Memo	Cir	Split	Amount	Balance
14800 · Caldor Fire Expenses								773,151.40
Bill	07/10/2023	18608	El Dorado County Admin & Finance			20000 · A...	75.75	773,227.15
Bill	07/13/2023	29312	Joe Vicini, Inc.			20000 · A...	3,270.00	776,497.15
Total 14800 · Caldor Fire Expenses							3,345.75	776,497.15
TOTAL							3,345.75	776,497.15

PK15

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08/03/23
Accrual Basis

**Grizzly Flats Community Services District
Transactions by Account
As of July 31, 2023**

Type	Date	Num	Name	Memo	Clr	Split	Amount	Balance
24800 · Caldor Fire Recovery								
Deposit	07/06/2023	64-662521		Project 660345 Cat B - Emergency Protective Measures		10100 ...	13,382.70	1,064,505.28
Deposit	07/06/2023	64-696805		Project 660345 - 2022 Emergency Protective Measures		10100 ...	160,592.35	1,077,887.98
Total 24800 · Caldor Fire Recovery							173,975.05	1,238,480.33
TOTAL							173,975.05	1,238,480.33

PK16



Grizzly Flats Community Services District

PO Box 250
Grizzly Flats, CA 95636-0250

Phone # (530) 622-9626 gfbill@sbcglobal.net
Fax # (530) 622-4806 www.grizzlyflatscsd.com

Purchase Order

Date	P.O. No.
7/7/2023	215380

Vendor
Supreme Supply Company, Inc. Anthracite Filter Media Company 6326 West Boulevard Los Angeles, CA 90043-3803

Ship To
Grizzly Flats Community Services Distric PO Box 250 / 4765 Sciaroni Rd. Grizzly Flats, CA 95636-02501

Item	Description	Qty	Rate	Amount
Parts	Anthracite Filter Media #1-1/2 (0.85-0.95mm) Packaged in One Cubic Foot Bags, 52 lbs.	50	26.90	1,345.00
Shipping	Freight Charges to 95636, 1 Pallet @ 2,650 lbs.	1	530.45	530.45
Total does not include sales tax				
Total				\$1,875.45

PK17



ANTHRACITE
Filter Media Company

Anthracite Filter Media Company

6326 West Boulevard, Los Angeles, CA 90043-3803
(310) 258-9116 (800) 722-0407 Fax: (310) 258-9111
E-Mail: Sales@AnthraciteFilter.com

To: GRIZZLY FLATS COMMUNITY SERVICE
4765 SCIARONI ROAD
GRIZZLEY FLATS, CA 95636

Quotation No.

23843

Please indicate this number
when ordering.

Attn: KIM GUSTAFSON

Here is our quotation on the goods named, subject to the conditions noted:

Delivery	Price firm for	Terms	F.O.B.	Ship Via	Date
IN STOCK	30 DAYS	TO BE ARRANGED	INGLEWOOD, CA	LTL TRUCK PPD/ADD	6/19/2023

Item	Qty	Unit	Description	Price	Amount
A0112	50	BAG	ANTHRACITE FILTER MEDIA #1-1/2 (0.85-0.95MM) PACKAGED IN ONE CUBIC FOOT BAGS, 52 LBS FREIGHT CHARGES TO 95636 1 PALLET @ 2,650 LBS	26.90	1,345.00
FREIGHT...	1	LOT		530.45	530.45
Plus sales tax, if applicable.					

Submitted by: J. Carlos Baez

Sales Tax (7.75%)	\$0.00
Total	\$1,875.45

PK18



Grizzly Flats Community Services District

PO Box 250
Grizzly Flats, CA 95636-0250

Phone # (530) 622-9626 gfbill@sbcglobal.net
Fax # (530) 622-4806 www.grizzlyflatscsd.com

Purchase Order

Date	P.O. No.
7/14/2023	215381

Vendor
MISCOwater 5976 W. Las Positas Blvd., #226 Pleasanton, CA 94588

Ship To
Grizzly Flats Community Services Distric PO Box 250 / 4765 Sciaroni Rd. Grizzly Flats, CA 95636-02501

Item	Description	Qty	Rate	Amount
Parts	Qdos 20 Universal+ 24VDC/115VAC (4) Relay Pump 20l/hr 7bar, 100 PSI ReNu Pumphead to the Right (1) - Material #0M0.185R.GRA	6	4,345.00	26,070.00
Parts	Qdos Pod w/ 125ml Calibration Column Enclosure w/ hooks, gauge, cal column and PRV - Material #WM.1235	1	3,045.00	3,045.00
Parts	Primary/Backup Qdos Pod Enclosure w/ hooks, gauges, 125ml cal columns and PRVs - Material #WM.1237	1	7,385.00	7,385.00
Parts	ReNu 20 SEBS PFPE Pumphead 7bar 100psi - Material #0M3.1800.PFP	1	375.00	375.00
Parts	Interface tubing 5m length 10mm ID 16mm OD PVC Tubing - Material #0M9.2225.VAD	10	60.00	600.00
Parts	JACO Adapters Polypropylene Compression Fitting - 16mm OD x 1/2" MNPT - Material #10-10-8-P-PG	12	5.00	60.00
Pricing does not include sales tax or freight charges.				
Total				\$37,535.00

pk19



February 14, 2023

Scott Myers
Urban H2O

Subj: MISCOwater Quote #MP021023C
Ref: Watson Marlow Qdos 20 Pumps & Parts

Scott,

It is our pleasure to submit the following quotation for Watson Marlow Qdos 20 Pumps & Parts for your review.

Qty	Material #	Description	Unit Price	Total
6	OM0.185R.GRA	Qdos 20 Universal+ 24VDC/115VAC (4) Relay pump 20l/hr 7bar, 100 PSI ReNu pumphead to the right (1)	\$4,345.00	\$26,070.00
1	WM.1235	Qdos Pod w/ 125ml Calibration Column Enclosure w/ hooks, gauge, cal column and PRV	\$3,045.00	\$3,045.00
1	WM.1237	Primary/Backup Qdos Pod Enclosure w/ hooks, gauges, 125ml cal columns and PRVs	\$7,385.00	\$7,385.00
1	OM3.1800.PFP	ReNu 20 SEBS PFPE pumphead 7bar 100psi	\$375.00	\$375.00
10	OM9.2225.VAD	Interface tubing 5m length 10mm ID 16mm OD PVC tubing	\$60.00	\$600.00
12	10-10-8-P-PG	JACO Adapters Polypropylene Compression Fitting - 16mm OD x 1/2" MNPT	\$5.00	\$60.00
TOTAL				\$37,535.00

Notes:

- Payment terms: Net 30 days, upon credit approval
- F.O.B.: Wilmington, MA
- Freight: Prepay and add
- Delivery: 2-3 weeks from receipt of order
- MISCOwater Terms and Conditions are attached
- Pricing does not include sales tax

5976 W. LAS POSITAS BLVD., #226
PLEASANTON, CA 94588
PH:(925) 225-1900 / FAX:(925) 225-9200
www.miscowater.com

PK20

Purchase order to be addressed as follows:

MISCOwater
5976 W. Las Positas Blvd., #226
Pleasanton, CA 94588

Please let me know if you have any questions.

Thank you,
Sean Coholan

5976 W. LAS POSITAS BLVD., #226
PLEASANTON, CA 94588
PH:(925) 225-1900 / FAX:(925) 225-9200
www.miscowater.com

pk21



EL DORADO COUNTY
GRAND JURY 2022-2023



How Will Grizzly Flats Water District Survive?
Case #22-23 GJ04

June 30, 2023

pk22

GLOSSARY

BOS	El Dorado County Board of Supervisors
CalOES	California Office of Emergency Services
FEMA	Federal Emergency Management Agency
GFCSD	Grizzly Flats Community Services District
Grand Jury	2022-2023 El Dorado County Civil Grand Jury
LAFCO	Local Agency Formation Commission
MSR/SOI	"Municipal Service Review and Sphere of Influence Update," September 28, 2022 (LAFCO)

DEFINITIONS

Proposition 218	Proposition 218 gave taxpayers the right to vote on all local taxes and requires taxpayer approval of property related assessments and fees.
Ordinance 88-1	Grizzly Flats Community Services District "CONDITIONS FOR WATER SERVICE ORDINANCE No. 88-1"
Standby Assessment	"Standby Assessment" is a monthly charge per parcel that is placed in the same ledger as the Capital Connection Fee and dedicated to capital improvements, since those improvements also improve system reliability for all users.
Volumetric Rate	\$1.20 per hundred cubic feet (748 gallons). http://grizzlyflatscsd.com/wp-content/uploads/2011/12/New_Customer_Information_GFCSD_July_20201.pdf
Water Service Rate	Following Proposition 218 requirements (California Constitution Articles XIII C and XIII D); the Board of Directors shall establish residential and commercial water rates. Those rates will be determined by a Cost of Services Study. The water service rate will include both a base rate and a volumetric rate. The base rate is charged to all customers who have a service connection and is determined by the GFCSD's fixed costs (currently \$68.97 monthly). The volumetric rate is the charge for the actual amount of water used and is determined by the GFCSD's variable costs.

PK23



How Will Grizzly Flats Water District Survive?

El Dorado County 2022-2023 Grand Jury
Case #22-23 GJ04

pk24



SUMMARY

A catastrophic fire in August 2021 devastated Grizzly Flats in El Dorado County (EDC). Homes, businesses, and vital services were destroyed. Infrastructure was seriously damaged and the limited financial resources available to help rebuild are difficult to secure. The cost to remove dead and dying trees along with rebuilding will run into millions of dollars. Outside funding will be necessary to rebuild Grizzly Flats.

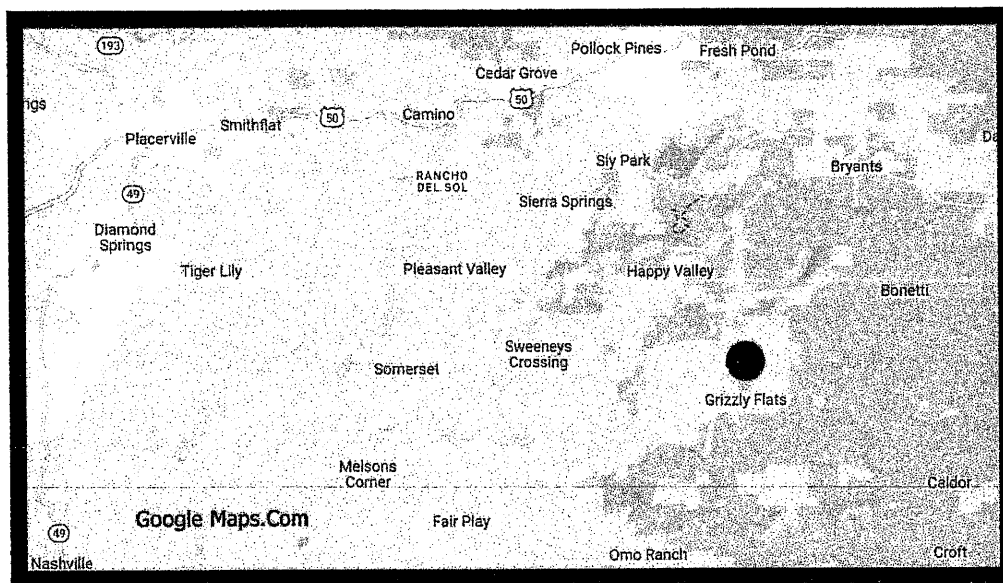
The lack of a contingency plan after the Caldor Fire emergency impacted the communications between GFCSD and EDC, State, and Federal agencies.

The EDC Civil Grand Jury (Grand Jury) investigated the Grizzly Flats Community Services District (GFCSD) due to complaints made to the Grand Jury and articles published in the local newspaper. Residents, whose homes were destroyed by fire and no longer residing on their respective parcels, were still receiving monthly water service bills per their terms of service.

The Grand Jury found that Grizzly Flats water, volumetric, and service rates are guided by Ordinance No. 88-1, known as "Conditions for Water Service" adopted by the GFCSD in September of 1988. Additionally, rates are governed under California law by Proposition 218, which makes it illegal for GFCSD to alter the terms of service without approval of the parcel owners.

The GFCSD is currently losing \$11,000 monthly due to a loss of overall revenue from customers and will need to increase water rates to support continued operations and to remain solvent.

BACKGROUND



History

Grizzly Flats is located 27 miles southeast of Placerville, between the North and Middle Forks of the Cosumnes River. Positioned in rough and wooded terrain at an elevation of nearly 4,000 feet, Grizzly Flats grew due to the quartz and hydraulic gold mining along the Cosumnes River.

Grizzly Flats has a long history. The name Grizzly Flats came about when L. L. "Buck" Ramsey arrived in 1850 to prospect for gold. While eating the evening meal, Buck and his fellow prospectors were surprised by the arrival of a grizzly bear. After this encounter, the men named their camp Grizzly Flats.

The Grizzly Flats streams were mined during the California Gold Rush. There was substantial activity using both lode and placer mining techniques for well over 100 years. Lode mining is accomplished by tunneling and placer mining uses the panning system. Mining activities increased during the 1930s.



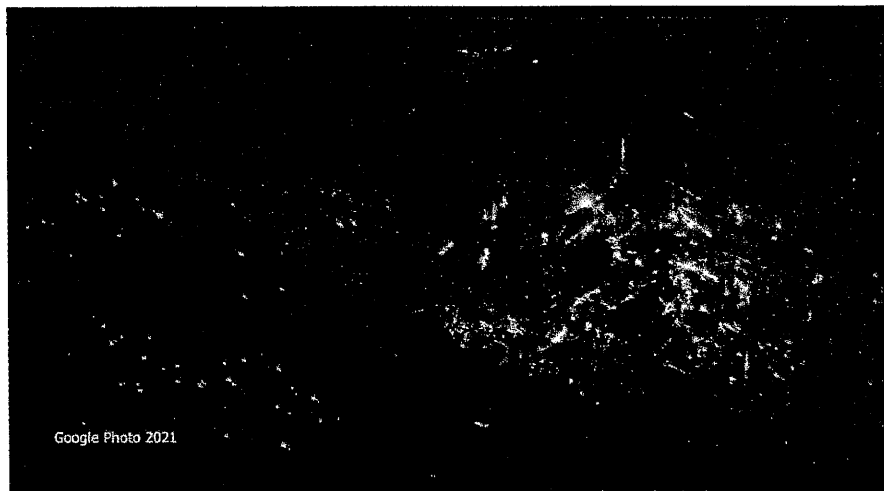
Due to the discovery of gold, the area grew quickly, and the first post office opened on August 31, 1855. While many men came for gold, they stayed for the logging. Grizzly Flats was central to a prosperous logging industry also known as "green gold". By 1857, there were two sawmills in operation. Mountain School was built in 1858 and by 1880, there was a population of 837. The water system in Grizzly Flats is one of the earliest established water services in the State of California.

Grizzly Flats Water Services

The water system was at one time a privately-owned company, Grizzly Park Water Company. The district obtains its water supply by the diversion of stream flows from North Canyon and Big Canyon Creeks, tributaries to the North Fork Cosumnes River. Surface water flows are diverted through the Eagle Ditch pipeline and are pursuant to water rights dating back to the 1850s. In 1987, ownership of the Grizzly Park Water Company was transferred to the newly formed GFCSD, which became responsible for operations.

Present

Prior to the Caldor Fire, the 2010 United States Census reported that Grizzly Flats had a population of 1,066. The population density was 160.8 inhabitants per square mile, defining this as a sparsely populated area.



On Saturday, August 14, 2021, the Caldor Fire started east of Omo Ranch and south of Grizzly Flats. The fire was not fully contained until Thursday, October 21, 2021. Ultimately, the Caldor Fire burned 221,835 acres in the El Dorado National Forest and other areas of the Sierra Nevada in El Dorado County. In total, the fire destroyed 1,003 structures and damaged 81 more along the US Highway 50 corridor. Two-thirds of the GFCSD structures on developed parcels were destroyed by the fire including the local post office, elementary school, library, fire department, and community church.



The Caldor Fire inflicted extensive damage to the GFCSD water collection, processing, and delivery infrastructure. The GFCSD officials and employees reacted quickly to this disaster, despite the extremely dangerous conditions, and were able to persevere and continue to deliver water services to Grizzly Flats. The treatment plant was saved, potable water was being produced, and water to fight the fire remained available.

While several GFCSD employees were dealing with the loss of their own homes and property, the dedicated people of GFCSD continued to manage water operations to the best of their abilities. Repairs began immediately and continue as of the date of this report.

METHODOLOGY

Interviews

- Interviewed elected EDC officials;
- Interviewed an official of the El Dorado County Water Agency;
- Interviewed employees and officials of GFCSD; and
- Attended GFCSD Board meetings remotely.

Documents Reviewed

- Historical data on Grizzly Park Water Company;
- Background on formation of GFCSD water services;
- GFCSD financial data for the past five years;
- The September 2022 “Municipal Service Review and Sphere of Influence Update” (MSR/SOI);
- District Emergency Procedures (GFCSD), updated 1/9/20;
- GFCSD “Conditions for Water Service Ordinance No. 88-1” ([Ordinance 88-1 Updated May 12 20221.pdf \(grizzlyflatscsd.com\)](#)); and
- GFCSD Board Minutes and Agendas (10/2021-3/2023).

Location Inspections

- Conducted site visit of Grizzly Flats water facilities and surroundings (April 2023).

DISCUSSION

GFCSD contains 1,220 total parcels, 598 of which are undeveloped. Prior to the Caldor Fire, 622 developed parcels were paying for water service.

During the period of the Grand Jury’s investigation, 465 of the 622 developed parcels continued paying for water service. Of the remaining 157 parcels lost during the fire, 98 parcels are being billed for water service, but the parcel owners are not paying. Fifty-nine (59) parcels are not being billed due to lost water connections (i.e., burned, broken, or buried water meters). These damaged connections are scheduled to be repaired by October 2023, at which time, billing will be reinstated.

During our investigation, the grand jury learned that many of the 98 parcel owners with an active water connection complained about receiving bills for a water service that is not being used at a burned-out property. In many cases, with no plans to rebuild, the parcel owners may never use water services again.

Water Rates

Terms for water service are fixed by local ordinance "Conditions for Water Service Ordinance No. 88-1" adopted by the GFCSD parcel owners in September of 1988. Upon purchase of a parcel, the title holder on a property within the district "...is directly liable for satisfying all obligations to the district as established by Ordinance 88-1." Once a water connection is established for a parcel, the GFCSD policy does not allow the parcel owner to disconnect from water services. Changing Ordinance 88-1 will require a new Proposition 218. It is important to note that water bills are attached to the individual parcels, not the owners. Ultimately, past-due bills continue to accrue on a tax lien filed against the property for future collection.

There is a GFCSD policy to transfer service liens to the County tax roll every July 1. According to GFCSD, penalties are charged prior to a tax lien being filed. Water billing statements are dated on the last day of each month and shall be due on the 15th of the following month. A five-day grace period is allowed. Bills are considered past due on the 21st. If an account balance exceeds \$5.00 on the 21st of the following month, a 10% late charge is assessed for that account. If there are more than two months of unpaid charges on the customer's account, they receive a second-tier late charge for the 10% of the current balance and 1% of the past due balance. Upon parcel transfer of ownership, the tax lien can be satisfied, and any outstanding fees owed to GFCSD will be collected at that time if included in the purchase and sale escrow. GFCSD should make arrangements with the Assessor's office to be notified when a parcel changes ownership so the new address can be updated. Currently the GFCSD is notified of an ownership change every six (6) months.

Water Fees

GFCSD has the singular responsibility to provide water services to Grizzly Flats parcel owners. Parcel water fees are governed by the State under the "Community Services District Law (Government Code Section 61000 – 61850)." Rates may be neither lowered nor raised without a new ordinance as required by Proposition 218. Presently, there are 598 undeveloped parcels.

There are three ways the GFCSD produces revenues: water standby/availability fees, monthly connection fees and a volumetric rate based on water usage.

Under the California Government Code, GFCSD has set the water standby or availability fee not to exceed \$48 per year or four dollars (\$4) per month. This fee is levied on all 1,220 parcels whether developed or undeveloped. These fees are not unusual and provide the base revenue for capital improvement water projects and cannot be changed because of the above government code section.

Prior to the Caldor Fire, 622 developed parcels of the total 1,220 parcels in the community were paying the minimum connection rate of \$68.97 monthly and an additional volumetric rate based on water usage.

From the September 2022 MSR/SOI, the total rate and fee income for FY 2019 water services generated approximately \$550,000 annually, which supported water district operations. The GFCSD staff consisted of six employees: an office facilitator; an Assistant General Manager; a General Manager and three field technicians. The GFCSD was structured to break even (MSR/SOI, page 43-44). Now, after the fire, the finances of the district are in peril due to fewer billable parcels. The GFCSD is currently losing about \$11,000 per month, which represents approximately 24% of their annual revenue. Information from the Board indicates that the GFCSD will face insolvency by August 2027.

To avoid insolvency, the rates must be increased by following the process outlined in Proposition 218. The GFCSD initiated the process by hiring a consultant in March 2023. The requirements to successfully complete the proposition process are expensive, time-consuming, and will take well into 2024 to be completed, and approved by rate payers.

Water Infrastructure

The fire destroyed approximately 646 residences in Grizzly Flats (ABC 10 News, November 4, 2021). The GFCSD infrastructure was damaged by

heat and falling trees. The local utility company created a Community Wildfire Safety Program in September 2021, which includes burying power lines underground. GFCSD had a dated map of the underground water delivery infrastructure. As a result of burying the power lines, the local utility company inadvertently cut or damaged some existing water lines and pipes to properties. This has become an additional burden on GFCSD to repair the damage.



Any rebuilding in Grizzly Flats must meet State requirements for new construction. Residential sprinkler systems are one of the newer requirements. This will require larger diameter pipes from the GFCSD main water line to the residences (typically ½” increasing to 1”), without decreasing water pressure, and adding expense to the parcel. Additionally, there is a requirement for solar panels on every new or rebuilt structure. These new requirements further impact the cost of rebuilding burned out structures. The County has asked the State to waive these requirements, but no decision was reached before this report was published.

Communications

Prior to the Caldor Fire, the GFCSD employees followed the District Emergency Procedure Policy. The Grand Jury discovered gaps in this plan. It does not address a disaster such as the Caldor Fire. The Grand Jury found that there was no contingency plan implemented which resulted in a disconnect in communication. This negatively impacted effective communication and coordination between GFCSD and the EDC Board of Supervisors, the El Dorado Water Agency, FEMA, and CalOES. This gap further resulted in the delay of receiving critical disaster funding until the El Dorado Water Agency stepped in to assist in the process.

Outside Funding Resources

The Grand Jury discovered that the GFCSD lacked the resources to pursue available funding sources, such as State and federal grants, community charities, disaster relief funds, and any future opportunities. At the time of this report's publication, the Grand Jury is aware that GFCSD is likely to be receiving funding from outside sources within the coming fiscal year. Although future funding may be obtained by the GFCSD, this does not alter any of the Grand Jury's recommendations.

Conclusion

The Caldor Fire has fundamentally changed the Grizzly Flats community. GFCSD is likely to have fewer customers going forward for years and may never return to the level of operations that existed before the fire. The GFCSD based its revenue on the assumption that 622 parcels would be paying the monthly base rate plus volumetric usage. The loss of volumetric revenue results in approximately \$11,000 less revenue each month and the GFCSD is headed toward insolvency. The GFCSD must take into consideration the loss of two thirds of developed parcels that are no longer using water and must reconfigure rates in accordance with the requirements of Proposition 218 to survive. How GFCSD will upgrade the water service infrastructure to meet current residential and commercial building requirements for new structures' sprinkler system remains an open issue.

FINDINGS

- F1 The absence of a contingency plan resulted in delays in communication between the GFCSD and EDC, State, and Federal agencies which delayed emergency funding.
- F2 GFCSD is notified of a change in ownership of a parcel by the Assessor's Office every six (6) months.
- F3 A tax lien is placed on the parcel if the water service bill goes unpaid.
- F4 Every parcel with a water connection, as defined within the GFCSD Ordinance 88-1, will be billed for water service.
- F5 With the loss of two thirds of GFCSD structures, the existing water service rate is inadequate to meet the current revenue needs for the GFCSD.
- F6 Without an increase in revenue, the GFCSD will face insolvency by August 2027.
- F7 Damage to water lines by the local utility company while undergrounding electrical lines could have been minimized if an up-to-date subdivision parcel map of the water infrastructure existed.
- F8 The GFCSD lacked the resources to pursue available funding sources.
- F9 There is no published contingency plan in the event that the GFCSD becomes insolvent.

RECOMMENDATIONS

- R1 The GFCSD Board should develop a post Caldor Fire contingency plan to facilitate coordination and communication with the EDC Board of Supervisors, the El Dorado Water Agency, FEMA, CalOES and other agencies, as needed. This should be accomplished by December 31, 2023.

- R2 GFCSD Board should request the Assessor's office provide an update on sales of Grizzly Flats parcels to GFCSD quarterly. This should be accomplished by December 31, 2023.
- R3 In order to avoid insolvency, the GFCSD should pursue a new rate structure and approve it pursuant to the Proposition 218 process. This should be accomplished by June 30, 2024.
- R4 Once the Proposition 218 process is complete and a new rate structure is in place, the GFCSD should hire a licensed civil engineering firm to create an accurate water service infrastructure map. This should be accomplished by June 30, 2024.
- R5 The EDC Board of Supervisors should assign a dedicated resource for a six-month period to seek out and apply for grants from local, State and Federal sources, in assistance to the GFCSD. This should be accomplished by June 30, 2024.
- R6 The EDC BOS should develop, in conjunction with the GFCSD, a contingency plan should the GFCSD become insolvent. This should be accomplished by December 31, 2023.

REQUEST FOR RESPONSES

The following responses are required pursuant to Penal Code §933 and §933.05:

From the following individuals:

- GFCSD Board Chairperson
 - Findings: F1, F2, F3, F4, F5, F6, F7, F8, F9
 - Recommendations: R1, R2, R3, R4

From the following governing body:

- El Dorado County Board of Supervisors
 - Findings: F9
 - Recommendations: R5, R6

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County of El Dorado
OFFICE OF AUDITOR-CONTROLLER

360 FAIR LANE
PLACERVILLE, CALIFORNIA 95667
Phone: (530) 621-5487 FAX: (530) 295-2535

JOE HARN, CPA
Auditor-Controller

TSUNG-KUEI HSU
Assistant Auditor-Controller

Date: July 20, 2023
To: Grizzly Flats CSD
Attn: Kim Gustafson
Via email @ gfwater@sbcglobal.net

From: Marsha Tover, Property Tax Division
RE: 2023/24 Direct Charge Levy Enrollment Confirmation-Reject Memo
For Direct Charge Tax Code 74301

The District's Annual Certification of Levy and Data Transmission form dated 07/19/2023 has been received and processed with the following results.

- Checked box: The submitted direct charge levies for the tax code processed successfully.
- Checked box: The direct charge levies for the tax code will be enrolled on the 2023/24 secured tax roll.
- Unchecked box: The direct charge levies will be enrolled on the 2023/24 unsecured tax roll.
- Unchecked box: The data upload for the tax code was rejected in its entirety for one or more of the following reasons:
 - Duplicated ANs on the data upload file for the same direct charge tax code.
 - Invalid ANs. This may include invalid ANs for the current tax year which were valid last year.
 - \$0 amount(s).
 - Amount(s) not divisible into two equal installments (amount ending in odd cent).
 - Total amount on the data upload file doesn't equal the total amount as shown on the Annual Certification of Levy and Data Submission form.
 - Invalid direct charge tax code.
 - AN appears to be outside of district's boundary.
 - Total number of records on the data upload file doesn't equal the total number of records as shown on the Annual Certification of Levy and Data Submission form.
 - Record(s) in the wrong format.
 - Format not consistent throughout entire data upload file.
 - Unreadable record(s).
 - Other:

cc: direct charge tax code annual file

Handwritten signature/initials: AK37

Direct Charge Levy
Annual Certification of Levy and Data Submission Form
DEADLINE IS 5PM WEDNESDAY, AUGUST 10, 2023

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Any error will cause the entire data submission to fail. These include:

- Incorrect overall file format (4 data formats are available)
- File format errors on individual records/lines
- Invalid ANs
- Duplicate ANs
- Levy amount with an odd cent (.01, .03, .05, etc.)
- \$0 amount

Any data resubmissions completely overwrite the entire tax code's previously submitted data for the same tax year.

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Direct Charge Tax Code: **74301**
 Direct Charge Tax Bill Description: **CSD Standby Chrg: Grizzly Flat CSD Dated 1990**
 District Name: **Grizzly Flats CSD**
 District Email Address: **gfwater@sbcglobal.net**
 Property Tax Division Staff Information: **Marsha Tover 530/621-5472 marsha.tover@edcgov.us**
 For Tax year: **2023/2024 (July 1, 2023 through June 30, 2024)**

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The undersigned hereby: attests that the direct charge levies have been verified for accuracy and approved by the district; agrees to the cost recovery for direct charges enrolled; and agrees to the statutory and procedural terms for collection on the tax roll.

Check One:

- Only one direct charge tax code # on the file
 Multiple direct charge tax code #s on the file

Check One:

- 1st Submission for tax roll for the tax year
 Resubmission for tax roll for the tax year

Check One:

- Data file is for secured tax roll
 Data file is for unsecured tax roll

7/19/23
 Date Submitted to Prop Tax Staff

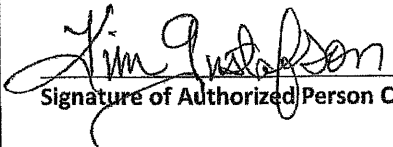
AM
 PM

1220
 Number of Records
(If not agree to data file, then all levies rejected)

\$ 58,560
 Total Amount
(If not agree to data file, then all levies rejected)

GFCSO General Manager
 Title of Authorized Person Certifying this Form

Kim Gustafson
 Print Name of Authorized Person Certifying this Form


 Signature of Authorized Person Certifying this Form

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Date Received _____ Date Loaded _____ Loaded By _____ Date Sent Confirm-Reject Memo _____

Notes: _____

Successfully Processed
 All Records Rejected

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California State Treasurer
Fiona Ma, CPA



Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

August 22, 2023

[LAIF Home](#)
[PMIA Average Monthly Yields](#)

GRIZZLY FLATS COMMUNITY SERVICES
DISTRICT
OFFICE MANAGER
P.O. BOX 250
GRIZZLY FLATS, CA 95636

Tran Type Definitions

Account Number: 16-09-002

July 2023 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Web Confirm Number	Authorized Caller	Amount
7/14/2023	7/19/2023	QRD	1734393	N/A	SYSTEM	2,980.72

Account Summary

Total Deposit:	2,980.72	Beginning Balance:	379,642.20
Total Withdrawal:	0.00	Ending Balance:	382,622.92

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Grizzly Flats Community Services District

4765 Sciaroni Road / P.O. Box 250
Grizzly Flats, CA 95636
Ph: 530/622-9626 Fax: 530/622-4806
www.grizzlyflatscsd.com



August 24, 2023

Annual disclosure of board member or employee reimbursements for individual charges over \$100 for services or products Preceding fiscal year: July 1, 2022 – June 30, 2023

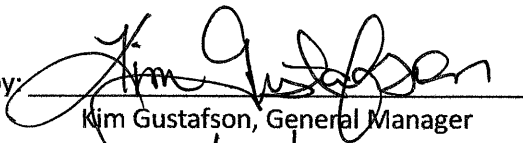
California Government Code Section 53065.5 reads:

Each special district, as defined by subdivision (a) of Section 56036, shall, at least annually, disclose any reimbursement paid by the district within the immediately preceding fiscal year of at least one hundred dollars (\$100) for each individual charge for services or product received. "Individual charge" includes, but is not limited to, one meal, lodging for one day, transportation, or a registration fee paid to any employee or member of the governing body of the district. The disclosure requirement shall be fulfilled by including the reimbursement information in a document published or printed at least annually by a date determined by that district and shall be made available for public inspection.

The following reimbursements over \$100 were issued:

Date	Name	Amount of Reimbursement	Reason:
7/12/2022	Jodi Lauther	\$174.08	Communications Reimbursement – Verizon hotspot for office use while AT&T was unavailable. Device could only be purchased through employee's personal account, and this reimbursement pertains to hotspot charges for the period of January 2022 to June 2022.
8/17/2022	Jodi Lauther	\$3,676.53	Parts Reimbursement – employee paid for purchase of Grundfos pressure system pump on a personal credit card to expedite the delivery.
8/17/2022	Andrew Vicars	\$255.79 – Bookkeeper reimbursed full purchase cost. Will notify employee of \$95.79 overpayment.	Boot Allowance – reimbursed employee for purchase of work boots per GFCSO Policy 5.12 (Safety Footwear Policy) which reimburses the employee up to \$160 for boots meeting OSHA guidelines. Last allowance paid 6/2020.

Report Submitted by:


Kim Gustafson, General Manager

Date:

8/22/23

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FEMA

May 23, 2023

MEMORANDUM FOR: Mary Comans
FEMA Finance Center
Office of the Chief Financial Officer

ATTN: FEMA Finance Center

FROM: Robert Pesapane for Ana Montero
Division Director
Public Assistance Division

ROBERT M PESAPANE
Digitally signed by
ROBERT M PESAPANE
Date: 2023.05.29
11:02:54 -07'00'

SUBJECT: Community Disaster Loan Application for
Grizzly Flats Community Services District, CA

I have approved a Community Disaster Loan (CDL) for the following jurisdiction, pursuant to the Community Disaster Loan program under Section 417 of the Stafford Act and FEMA regulations at 44 CFR §206.360 through §206.367, under the major disaster declaration of August 29, 2021, for Grizzly Flats Community Service District (FEMA-DR-4619-CA):

Grizzly Flats Community Services District, CA

Loan Amount: \$146,301.00

Attached are original signed copies of the executed promissory note (FEMA Form 116-0-1) for this CDL at the interest rate of 3.875 % (the rate for five-year maturities as determined by the Secretary of the Treasury in effect on the date the Promissory Note is executed, adjusted to the nearest 1/8 percent). The Applicant's Contact Information; the Certification Regarding Federal Lobbying; and the original signed copies of the Applicant's Direct Deposit Sign-Up Form have been sent to the Finance Center.

Please establish a loan account for this loan under the Credit Reform Act and arrange to disburse approved funds to the Applicant as applicable.

Attachments

1. FEMA Form 090-0-1 Certification of Eligibility
2. Financial Analysis
3. Contact Information Sheet
4. Memo to File
5. FEMA Form 116-0-1 Promissory Note
6. FEMA Form 085-0-1, Collateral Security Agreement
7. Collateral Security Resolution & SBC Approval Certificate
8. FEMA Form 112-0-3C Lobbying Certification
9. DHS Form 1199A, Direct Deposit Form

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GRIZZLY FLATS CSD CALDOR FIRE EVENT & STORM DAMAGE



STATUS REPORT

Date: August 24, 2023

General: The purpose of Status Reporting is to provide current information to District staff, administration, and elected officials of ongoing progress on water service and infrastructure restoration. The Status Report will be updated on a regular basis and as information critical to restoration of the water system becomes available.

CURRENT STATUS

Situation Summary	<ul style="list-style-type: none"> Forester’s Co-Op completed marking and document hazard trees to be felled on one remaining private parcel and U.S. Forest Service property adjacent to Eagle Ditch Pipeline. Insurance and FEMA funding for the reservoir liner repair project has been received by GFCSD. Staff distributed an addendum to the Request for Proposals document and bids are now due by September 1, 2023. Acuren’s final “Fit for Service” reports for Tyler and Winding Tanks were submitted to FEMA, but no updates have been received in response. District staff continues to have difficulty connecting with FEMA and Cal OES for the Caldor Fire related projects. Staff reached out to alternate contacts at Cal OES to request recommendations for reengaging the team to get the projects obligated. District staff continue regular bi-weekly meetings with Insurance Co. Staff provided FEMA an assessment of equipment damages resulting from the severe storms of December 2022. Damages were documented and the projects have been fast tracked within the FEMA system. Staff was recently informed that the treatment plant damages are being reviewed because FEMA believes they can be reimbursed by the District’s insurance carrier. Since the damage took place during a declared disaster it will raise the District’s deductible to \$500,000, but this amount greatly exceeds the \$36,000 project cost.
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GRIZZLY FLATS CSD CALDOR FIRE EVENT & STORM DAMAGE



Water System Assessment	<ul style="list-style-type: none">• District staff is complete with all assessments of the water system and is responding to FEMA's requests for information (RFI) and reviewing damage and recovery costs to support emergency funding applications as they become available.<ul style="list-style-type: none">- H2Ou prepared a justification memo for replacing entire service line from the water main to the meter for services damaged in the Caldor Fire, but a response hasn't been received from FEMA.- Voids from burned tree stumps along Eagle Ditch pipeline are not currently included in the damage description for the project, so an amendment may be needed when construction begins.
Actions and Activities	<ul style="list-style-type: none">• Finalizing documentation requested by FEMA to support damages.• Maintaining Water Treatment and Distribution Operations with fire and storm related water quality impacts and equipment failures from regular power outages and aging equipment.
Future Actions	<ul style="list-style-type: none">• Review damage determination by FEMA and prepare cost estimates of damages. Compare to FEMA and insurance cost estimates.• Retain contractor to repair reservoir liner.• Retain contractor(s) for felling hazard trees for both FEMA and USDA funding.• Retain contractor to replace surface water metering station.• Planning and design of replacement facilities for Tyler and Winding Way, and the surface water metering station.• Use ARPA funding for non-fire related improvements is much needed to begin making progress and address challenges with current water treatment production, monitoring processes, tank levels, system pressures, etc. during power outages and remotely. Loss of equipment due to failures may be reimbursable by ARPA funding if it is part of the permanent repairs or replacement and as long as it is competitively bid.

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