

Grizzly Flats Community Services District
Notice of Regular Business Meeting of the Board

Date: Thursday, March 10, 2022

Time: 9:00 AM

Due to the Caldor Fire Emergency, this meeting is available via Zoom Meetings.



Due to the Caldor Fire Emergency declaration by California Governor Gavin Newsom on September 1, 2021, and consistent with the terms of CA GOVT § 54953, Subdivision (e), Paragraph (1), Subparagraph (b) and GFCSD Resolution 2022-02, remote teleconference meetings were authorized by the Grizzly Flats Community Services District Board of Directors for the period of February 20, 2022, to March 19, 2022. This action waived certain requirements of the Ralph M. Brown Act (Brown Act) such as (1) making each teleconference location accessible to the public, and (2) allowing the public to address the agency from each teleconference location. Instead, members of the public are able to observe and address the meeting telephonically or otherwise electronically.

The public is invited to listen, observe, and provide comments during the meeting by either method provided below. By participating in this meeting, you acknowledge that you are being recorded. Meeting materials are available no less than 48 hours prior to the meeting on the District's website at www.grizzlyflatscsd.com or can be requested by email from gfwater@sbcglobal.net during normal business hours (Monday through Friday, from 9:00 AM – 2:00 PM.)

Meeting number: 813 4615 3720

Password: 905400

If the public wishes to participate in the meeting on a desktop computer, please click on the following link and click "join meeting" to watch the meeting in real time:

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<https://us06web.zoom.us/j/81346153720?pwd=TTFmN1dXWHJnSHVSajZvNIJFaUNxZz09>

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Meeting ID: 813 4615 3720

Find your local number: <https://us06web.zoom.us/j/kcVMe974zn>

AGENDA

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

B. APPROVAL OF THE AGENDA

C. PUBLIC COMMENT – Please review the “Public Comment Procedures” attached to this 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 regular meeting on February 10, 2022. {pk 1-3}
2. Review Monthly System Report for February (production data, rainfall information, operations unrelated to the Caldor Fire Recovery efforts). {pk 4-5}

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

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.
 - a. Review summary from the Budget & Finance Committee meeting, which was held on March 4, 2022 to discuss draft Technical Memorandum from HDR, Inc./ Lauther, Directors Davidson & Hannblom and Treasurer Jobe (discussion) {pk 6-27}

F. CALDOR FIRE RECOVERY

1. Review the most recent Caldor Fire Status Report / Lauther (discussion) {pk 28-38}
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 / Lauther (discussion/action) {pk 39-41}
3. Present updated Financial reports, discuss any emergency actions performed in accordance with Resolution 2021-01, and approve associated expenses / Lauther (discussion/action) {pk 42-59}

Recommended Motion/Action: Approve Financial Reports and emergency actions which were performed in accordance with Resolution 2021-01, as presented.

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 / Lauther (discussion/action) {pk 60-62}

Recommended Motion/Action: Take action 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.

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) / Gustafson (discussion/action) {pk 63-65}

Recommended Motion/Action: Adopt Resolution 2022-03 as presented.

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- *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 via teleconference on Thursday, April 14, 2022, at 9:00 AM.***
This institution is an equal opportunity provider and employer.

H. COMMITTEE MEETINGS

1. Report from the Water Operations Committee that met on March 9, 2022 / Lauther, Directors Davidson and Malonson (discussion)

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 / Gustafson (discussion) {pk 66}

J. ADJOURN

PUBLIC COMMENT PROCEDURES

Welcome to the Grizzly Flats Community Services District Board Meeting

The following information will assist you in participating in the meeting if you wish to address the Board of Directors during a meeting.

Public Comment (Agenda Item C): 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.

Public Comment: Items on the agenda

This is an opportunity to express your views on an agenda item, in order to inform the Board. Once the Chair introduces the agenda item, the public will be invited to comment. Once recognized by the Chair, you may direct your comments to the Board as a whole. The Board will not engage in debate or dialog. Once the public has been heard on an agenda item, the Board will begin their discussion.

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

Called-in: Cort Abney (H2Ou), Tom Gould (HDR, Inc.), and Lindsey Pangburn (Prosio Communications)

Absent: None

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 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.

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 January 13, 2022.**

2. **Review Monthly System Report for January (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 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. CALDOR FIRE EMERGENCY RECOVERY / Lauther (discussion)

1. **Discuss the process and timeline of performing the Cost of Services Study with HDR Engineering -** Tom Gould indicated that HDR, Inc. is in the process of drawing a contract with the El Dorado Water Agency, who will be funding a two phase Cost of Services Study for the Grizzly Flats Community Services District. The purpose of the study is to try to close the revenue gap left by the loss of 2/3 of the District's customer base during the Caldor fire.

2. **Discuss USDA-RD grant application for funding to remove hazard trees along Eagle Ditch and environmental work required for grant application -** Jodi Lauther said that the District is pursuing a United States Department of Agriculture (USDA) grant for up to \$1,000,000 to remove hazardous trees along Eagle Ditch pipeline. Cort Abney of H2O Urban Solutions prepared a draft Preliminary Engineering Report (PER), which began on page 7 of the packet. Jodi Lauther indicated that there will be an expense for approximately \$10,000 related to environmental work which will need to be completed before the grant is awarded. Cort said that he will submit the PER to USDA for review and get their approval (around 98%) before doing the environmental work. The District will apply for an emergency exemption which may help lower the environmental costs.

3. **Review the most recent Caldor Fire Status Report –** Jodi Lauther referred the Board to page 12 of the packet for the most recent Caldor Fire Status Report. She said that the temporary water pressure system is working, and that water is once again available at the District office. Staff will attempt to get a wireless modem from AT&T so that staff can return to work from the office in Grizzly Flats. She went on to say that the debris and tree removal crews are breaking water lines, but repair work is not considered to be related to the Caldor fire and is therefore not reimbursable by FEMA. To be reimbursed, staff needs to bill the companies causing the damage directly. Jodi also noted that she talked to CalOES, who will mitigate road damage if their crews continue work on Old Mine

Road. They also may help remove Caldor fire related hazard trees from Grizzly Pond. Jodi then indicated that the Toyota Tacoma was disabled on Old Mine Road due to a broken suspension bracket where it was then side swiped by a debris removal truck. It will be several weeks before the truck can be inspected, but it may need to be replaced. Insurance reimbursement for damage from the Caldor fire is currently held up while they work to get a structural engineer to look at the water tanks.

4. **Report on status of customer billing** – Kim Gustafson said that there was a total of 223 bills distributed in January. 217 were for service at surviving houses, and 6 were for temporary water connections.
5. **Present updated Financial reports, discuss any emergency actions performed in accordance with Resolution 2021-01, and approve associated expenses** – Jodi Lauther said that a reimbursement was submitted to FEMA for emergency work following the Caldor fire during the first six months of recovery. She indicated that during the rebuilding phase, staff cannot submit personnel costs for reimbursement. She noted that the most recent Caldor fire related expenses were listed on page 27, and that two purchase orders were issued Pace Supply Corporation and Core & Main for repair parts.

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 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.

6. **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 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 Chigazola 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 March. Director McKillop 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.

F. OFFICE & FINANCE / Jodi Lauther, General Manager

Office Operations:

1. **Discuss the Local Agency Formation Commission (LAFCO)'s Municipal Services Review (MSR) for our District** – Jodi Lauther said the District is required to update its Municipal Services Review every five years with El Dorado County Local Agency Formation Commission. This document summarizes the services provided by the District. Director McKillop recommended that the MSR be provided to new Board members as part of an onboarding packet.
2. **ADOPT RESOLUTION 2022-02 (if the Board sees the need to continue to hold remote meetings) - Adopt Resolution 2022-01, 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 February 20, 2022, to March 19, 2022 CONSISTENT WITH THE TERMS OF CA GOVT § 54953, SUBDIVISION (E), PARAGRAPH (1), SUBPARAGRAPH (B)** – Jodi Lauther referred the Board to page 47 of the packet for another resolution that would authorize remote meetings from February 20, 2022 to March 19, 2022.

Director McKillop made a motion to adopt Resolution 2022-01 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.

Financial Operations:

3. **Discuss California Special Districts Association's (CSDA's) annual renewal** - Jodi Lauther referred the Board to page 50 of the packet and requested that the Board approve the annual CSDA renewal cost of \$2,051.

Director McKillop made a motion to approve the annual CSDA membership renewal fee for 2022. 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.

G. COMMITTEE MEETINGS

1. **Report from the Water Operations Committee that met on January 25, 2022 to discuss the following:**
 - a. **Caldor Fire Recovery - discuss temporary water connection options for temporary housing (RVs, alternative structures), and standards for service line replacements due to the Caldor Fire, which includes up-sizing lines to meet fire sprinkler requirements –** Jodi Lauther said that the committee met on January 25, 2022 to discuss the Cost of Services Study which will review the standby fee and connection charges, issues with service line replacement as FEMA will reimburse service lines where VOC sample results come back positive but the District's are coming back negative, and other topics. Jodi noted that she was invited to a meeting with the new Director of the Planning Department at 1:30 PM on February 17, 2022 in Grizzly Flats. Director Malonson said he would like to participate in the meeting as well.

- H. ANNOUNCEMENTS / DIRECTORS COMMENTS –** Kim Gustafson noted that the Special District Risk Management Authority Spring Education Day is coming up on March 22, 2022. The District earns discounted insurance premiums if two directors and two staff members participate in this event. Directors McKillop and Hannblom said they would be willing to attend this event.

Director Malonson indicated that work should be complete to better protect the District office from wildfire risk. Jodi Lauther responded to say that she participated in the recent Grizzly Flats Fire Safe Council meeting on February 5, 2022, and that Ernie Lori indicated that they are working on that. Directors Malonson, Chigazola and Hannblom requested to be added to the GFFSC email notification list.

- I. 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 10:39 AM.** The next regular meeting will be held in Grizzly Flats and via teleconference starting at 9:00 AM on Thursday, March 10, 2022.

Minutes submitted by:

Kim Gustafson, Board Secretary

Approved by:

Lynn Hannblom, Board Chair

Date:



Grizzly Flats Community Services District System Report

February 2022

*Jodi Lauther GM (T2, D2), Kim Gustafson, OF, Board Secretary,
 Andy Vicars (D2) GFCSD Maintenance Technician,
 Ethan Markes and Brian Fuentes, H2Ou Water System Operators*

The following is a modified System Report to share production data and statistics with the Board of Directors. We have not yet returned to “normal” operations due to the Caldor Fire, but the following will provide some data on our Operation and Maintenance (O&M) activities.

Water Production Report

Current Year

2022	Total Gallons	Daily Average (gallons per day)
January	2,386,600	76,987
February	2,568,200	91,721

Prior Years

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

2020	Total Gallons	Daily Average
January	2,523,000	81,387
February	2,636,400	90,910
March	3,172,632	102,342
April	3,173,910	105,797
May	4,147,910	133,803
June	4,364,490	147,633
July	5,500,113	177,423
August	5,187,500	167,338
September	3,994,800	133,160
October	3,681,785	118,767
November	3,299,808	109,993
December	3,596,519	116,017

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

Rainfall

This Year (July 1 – June 30)	Amount (in inches)
July	0.03
August	0.00
September	0.46
October	12.51
November	1.46
December	9.61
January	2.13
February	0.72

Prior Years (July 1 – June 30)	Amount (in inches)
2011 – 2012	30.40
2012 – 2013	29.85
2013 – 2014	31.25
2014 – 2015	32.76
2015 – 2016	52.70
2016 – 2017	78.03
2017 – 2018	38.46
2018 – 2019	65.43
2019 – 2020	33.84
2020 – 2021	18.42
2021 – 2022 Year-to-Date	26.92

PK4

Administration Report

Billing Information	Number this Month
Bills Mailed Out	225
Active Meters (on/billed each month)	224
Meters on hold (homes destroyed by fire)	388
Inactive Meters (locked off/liened with no bill)	7
Current Liens	4
New Meters	0
Temporary Connections	9

“Meters on hold” indicate properties that were destroyed by the Caldor Fire or homes who don’t have access to potable water yet (1 home on Blaze Trail). An independent consultant hired by EDWA will be reviewing the District’s O&M expenses and will determine the rate those properties will be paying as we move forward.

Other

- Status of District Vehicles:
 - Toyota Tacoma – Inoperable, broken suspension bracket and involved in an accident with a debris truck on Old Mine Road. Special District Risk Management Authority is working on the District’s claim for the Toyota Tacoma. On March 3rd, they indicated that an appraiser from ACD was coordinating a time to go view the damage to the vehicle where it is parked at Thompson’s Toyota. We also submitted a claim for the truck damages through the Cal Office of Emergency Services (Cal OES) debris removal program.
 - 2003 Ford Ranger (current mileage 190,000+) - The Ranger is having transmission issues that will need to be addressed soon but is hanging in there for the moment.
 - 2009 Ford F350 service truck – running well, no issues.
- Office Coverage Update:
 - To save the District money and obtain a hotspot for temporary internet service at the Grizzly Flats office, Jodi Lauther added the device to her personal wireless account. The charges she incurred were \$200 for the device and \$25 per month. The District only had a 2GB data plan, so upgrading it to unlimited would have cost \$200 for the device and \$200 per month.
 - The hotspot device was tested in the Grizzly Flats office and appears to provide adequate internet service for the administrative staff. Kim Gustafson will return to work at the office full time on Monday, March 14, 2022.



February 23, 2022

Ms. Jodi Lauther
General Manager
Grizzly Flats Community Services District
4765 Sciaroni Road
P.O. Box 250
Grizzly Flats, CA 95636-0250

RE: Technical Memorandum 1: Review of the Policy, Financial and Rate Impacts to the District of the Caldor Fire

Dear Ms. Lauther:

The Caldor Fire caused devastating damage to the region and the homes and businesses in El Dorado and Amador Counties. Grizzly Flats Community Services District (District) was particularly impacted by the Caldor Fire. Like the homes and businesses in the area, the District's facilities were also extensively damaged or lost. The District has been expending considerable time and effort to restore service.

While the Caldor Fire has had a devastating impact upon the District's facilities and infrastructure, it has also had a significant impact upon the finances and financial standing of the District. While emergency funding (e.g., Cal OES, FEMA, and El Dorado County) provides significant financial assistance to the District, it will not completely aid the District. Outside funding sources, such as FEMA, provide financial assistance related to capital infrastructure and rebuilding as a result of the fire damage. Routine operation and maintenance (O&M) costs remain the financial responsibility of the District's customers. At the same time, there are many policy questions which must be addressed concerning the status of the District's customers and how, when and if they should be assessed rates and fees. This technical memorandum provides the starting point for addressing these complex policy and financial/funding issues.

HDR Engineering, Inc. (HDR) was retained by the El Dorado County Water Agency to assist the District and provide technical and professional assistance in reviewing, evaluating, and providing options and alternatives to the District to consider in order to address the customer service and financial/rate issues created by the Caldor Fire. This technical memorandum is intended to provide ideas and a possible path for the District to pursue as it begins to rebuild and restore itself. As this technical memorandum notes, the Caldor Fire created a very unique and challenging situation for the District. Unfortunately, there are no easy policy, financial or rate answers.

hdrinc.com

2365 Iron Point Road, Suite 300, Folsom, CA 95630
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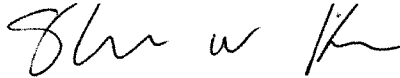
A handwritten signature in black ink, appearing to be 'AKB', is located in the bottom right corner of the page.

Ms. Jodi Lauther
February 23, 2022
Page 2

The attached technical memorandum is intended to provide the District with possible / potential options and alternatives to address their customer service, financial and rate policy issues. For certain options and alternatives presented in this Technical Memorandum, the District will need their legal counsel to provide a legal opinion on the viability and legality of the option or alternative. The District's Board should review these options and alternatives and select those which seem most appropriate to pursue, given the unique conditions and current circumstances of the District. From the Board's direction, as a part of Phase 2, HDR will develop any technical analyses required to provide the documentation and cost support required under Proposition 218.

We appreciate the opportunity to provide this technical memorandum to the District. Should you have any questions about any of the information contained herein, please do not hesitate to contact us.

Sincerely,
HDR Engineering, Inc.



Shawn W. Koorn
Associate Vice President

Grizzly Flats Community Service District
Review of the Policy, Financial and Rate Impacts of the Caldor Fire

Introduction

The Caldor Fire started on August 14, 2021, near Little Mountain, south of Pollock Pines in El Dorado County. The fire initially burned slowly but exploded in size on August 16 due to high winds and high fuel loads in the area. On August 17, the fire grew to 30,000 acres as it expanded rapidly north and east, crossing the North Fork Cosumnes River and approaching the Sly Park Reservoir. That same day, evacuations were ordered for Grizzly Flats, Somerset, Sly Park Reservoir and Pollock Pines. By October 24, 2021, the Caldor Fire had been 100% contained, but not before it had consumed 221,775 acres. The damage and destruction from the Caldor Fire included at least 922 buildings destroyed by the fire, including residential and commercial structures, many in the town of Grizzly Flats.

On August 17, 2021, Governor Gavin Newsom proclaimed a state of emergency for El Dorado County due to the Caldor Fire. Subsequently, on August 27, 2021, the Grizzly Flats Community Services District Board of Directors unanimously approved and adopted Resolution 2021-01 which declared an Emergency for the Caldor Fire. Under this emergency resolution. The Board “ . . . delegates, authorizes, and directs the District General Manager and her designees to take all action reasonably deemed necessary to respond to the emergency conditions . . . ”.

By adopting the emergency resolution, the Board recognized the important health and safety function provided by the District’s water system. Thus, in late August, while the fire was still active and raging, the District began assessing the status of the District’s infrastructure, restoring water service for re-population, and identifying potential sources of emergency funding. By early September, local law enforcement had opened limited areas of Grizzly Flats for re-population efforts. At that time, service had not been restored and potable (drinking) water was not available. Based upon the District’s initial assessment of the system, it was determined that nearly all of the water service connections to homes that were destroyed were damaged beyond repair and will need to be replaced. By mid to late-September, the District had restored service to the gravity portion of the District’s system. However, the water in the system was determined to be not safe to drink and customers were still using bottled water as their drinking water source. By early December significant progress had occurred towards restoring system service. As of December 1, the District had restored potable (drinking) water service to 217 homes. Some residences still had irregular water pressure while the District continued to test the system and identify and repair leaks. As would be expected, there have been, and continue to be, challenges in restoring service. These include the availability of necessary materials to make the needed repairs.

At this point, the total impact to the District's system is not completely known (infrastructure, operational and financial) and may not be fully known or understood for some time. The District is continuing to assess the water system and refine damage and recovery costs for emergency funding applications. Total costs to repair and restore the damaged water infrastructure are currently estimated to be approximately \$15 million¹. District staff continues to participate in regular coordination meetings with federal, state, county, and local representatives for emergency and disaster relief funding opportunities, including California Governor's Office of Emergency Services (Cal OES), Federal Emergency Management Agency (FEMA) and El Dorado County.

While repairing system infrastructure and restoring service to customers is a priority the District, and its Board of Directors, must also consider the unusual financial, rate and policy issues that the Caldor Fire has created for the District. In short, the District will need to develop standards or policies for returning residents to address changes in fees, rates, service improvements, etc. as a result of the Caldor Fire.

This technical memorandum has been prepared by HDR Engineering, Inc. (HDR) to review the policy, financial and rate impacts to the District of the Caldor Fire. This study was purposely designed to be conducted in two phases. The first phase is a high-level review of the policy, financial and rate impacts from the fire. This phase (Phase 1) highlights the issues and describe potential options and alternatives for the District to evaluate to address financial health of the District. Phase 1 is not intended to be "analytical" in nature, but rather policy and issue-focused. In this way, the Board and District legal counsel can review each issue and determine which options or alternatives may be more or most appropriate at this time. This should help to minimize any needed analyses to support any changes to the District's rates and fees. In contrast to Phase 1, the scope of services for Phase 2 will be focused on implementing the Board's policy direction provided in Phase 1. This phase may require the development of certain analyses or policy statements for possible Board adoption.

Limitations of This Study

The District's current situation and condition is exceptionally unique and, as a result, also places very unique and specific financial and rate pressures upon the District. The recovery of the District, physically and financially, will be a slow and long process. Like any emergency or catastrophe of this magnitude, shock and sadness is eventually replaced by the reality of needing to make a number of key decisions (i.e., next steps). Whether it is an individual District customer, or the District itself, these key decisions are made based upon the best available information at that time. This study is being conducted during a time period in which many things are unknown and in flux. For example, it is unknown at this time how many of the customers that lost their homes will decide to rebuild immediately, delay rebuilding, or simply never rebuild. Given the small size and customer base of the District, this can greatly impact the District's near and long-term revenues, expenses, and financial sustainability. Simply stated, there are no simple answers or financial solutions to the policy, financial and rate

¹ Grizzly Flats CSD, Caldor Fire Update, December 14, 2021.

pk9

challenges facing the District. HDR, in developing this technical memorandum, has attempted to provide the best possible options and alternatives for the District's Board to consider, given what the District and HDR currently know and understand. The District should closely monitor these issues going forward and adjust accordingly as the District's situation and conditions change over time.

Proposition 218 and the District's Rates

In 2016, the District conducted a comprehensive water rate study to develop their current water rates. As a part of that rate setting process, the District followed the legal requirements of Proposition 218. The State of California has certain well established legal constraints regarding utility ratemaking, of which California Constitution article XIII D, section 6 (commonly referred to as "Proposition 218")² is at the forefront. At its very core, Proposition 218 requires a water utility to establish cost-based and proportional rates for the services provided. In part, Proposition 218 requires that the rates being charged do not exceed the cost of providing the service. This basic legal requirement will constrain the District from "simply raising rates" to produce additional revenue. It will also require the District to provide notice to the District's customers at least 45 days prior to adoption of any new or revised rates and a public (protest) hearing must be held to legally adopt the revised rates. The options and alternatives discussed within this technical memorandum will be discussed within the context of any Proposition 218 legal requirements.

District's Customer Billing Practices

The District's billing practice prior to the Caldor Fire was to read each customer's meter between the 18th and 22nd of each month. The District would then send out a water bill to the customer on the last day of the month. For example, the February 28th bill would cover service from January 18th through February 28th.

The Caldor Fire has obviously disrupted the District's meter reading and billing practices. The District is not currently billing accounts where the homes burned down unless the customer has requested a temporary connection. For the homes that did burn down, the District's last billing date was for service through August 17, 2021 (the date of the fire).

The District recently informed their customers that there will likely be some sort of charge for "inactive" accounts. This study is intended to discuss and resolve the issue of changing the District's existing rates/fees or establishing new rates/fees for these customers to address these unique circumstances and conditions.

Impacts to the District's System and Customer Base

As noted previously, the financial and operational impact to the District's infrastructure was catastrophic. At a customer level, roughly two-thirds of the District's customers lost their homes and possessions. This loss of homes within Grizzly Flats impacts the customer base of the

² Proposition 218, enacted by California's voters in 1996, imposes certain procedures, requirements and voter approval mechanisms for local government assessments, fees, and charges.

District. Provided below in Table 1 is a summary overview of the District's customer base: pre and post-Caldor Fire.

Table 1				
Summary Overview of the District's Customer Base: Pre and Post-Caldor Fire				
Description	Pre-Caldor Fire	Post-Caldor Fire [1]	Difference	% Difference
Active Accounts	622	218	(404)	(65%)
Active – Temporary Connection	0	6	6	n/a
On-Hold (Burned Homes/Not Connected)	0	389	389	n/a
Inactive Accounts (Home Intact/No Water)	0	2	2	n/a
Inactive (Liened/Locked)	0	7	7	n/a
Total Accounts	622	622		

[1] Customer accounts, February 8, 2022, based upon email from District

As can be seen, the District had approximately 622 active accounts prior to the Caldor Fire. After the Caldor Fire, 389 or approximately 65% of the accounts had homes which burned down and are currently not connected (or being billed). Currently, there is a small number (6) of temporary connections on the system. The District anticipates that the number of temporary connections should, as homes begin to be rebuilt or RVs brought in, increase over time. This table demonstrates the magnitude of the direct impact (loss) of the District's customers, but also the impact to the District's customer base. As a result of the magnitude and impact to the District's customer base, there are a number of key questions and policy, financial, and rate issues for the District which relate directly back to the loss of these customers. These key questions and issues are discussed in more detail below.

Overview of the District's Current Rates and Fees

By definition, a Community Services District (CSD) is a form of local government to provide services in an unincorporated area of a county. Typically, the areas served by a CSD are more remote and have a very limited number of customers. The formation of a CSD provides the community with tailored services and the local residents, and their elected board, maintain local control over services, finances, and rates.

The District conducted a comprehensive water rate study in 2016 to determine the cost of providing water service. Provided below in Table 2 is a summary of the current adopted schedule of charges which are most relevant to this study.

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Table 2
Summary Grizzly Flats CSD Schedule of Charges [1]

Description	Fees and Charges
Residential Customer Rate	Base rate of \$68.97, plus a volumetric charge of \$1.20 per hundred cubic feet (748 gallons)
Voluntary Disconnect	Done as a courtesy, although the basic monthly rate continues as long as the meter is installed.
New Capital Connection Fee	\$6,030.60
Water Stand-By Assessment	\$4.00/parcel/month (i.e., \$48.00/parcel/year)
Raw Water Sales	\$3.75 per 1,000 gallons

[1] – Effective July 1, 2020

The District's comprehensive water rate study conducted in 2016 by Bartle Wells Associates established that 96% of the District's operation and maintenance (O&M) costs (i.e., O&M budget) were fixed and 4% of the District's O&M costs were variable or flow-related.³ This finding resulted in the District's customer rate of \$68.97/month to collect the District's fixed costs and \$1.20 per hundred cubic feet (CCF) for consumption use. The rates shown were adopted in 2016/17 and they were annually adjusted over the ensuing five year period as outlined in the Proposition 218 notice. For those customers with homes and receiving water service, the billing of this rate would appear appropriate. For those customers who have lost their homes in the Caldor Fire, there is the policy question of what an appropriate bill should be, if at all.

The voluntary disconnect has no service charge for physically shutting off service, but under this schedule of charges, the basic monthly rate of \$68.97 continues as long as the meter is installed, but physically locked off. Given the current state of many District customer's homes, and the fact that the disconnection was not "voluntary" but rather a result of a catastrophe, this policy may need clarification, modification, or additions.

Unlike the rates and fees above which are related to annual operating costs, a New Capital Connection Fee is related to capital infrastructure and capital costs. A New Capital Connection Fee is a one-time assessment on new or expanded development to pay for the cost of infrastructure required to provide service (i.e., accommodate development). Connection fees provide the means of balancing the cost requirements for new utility infrastructure between existing customers and new customers impacting the District's water system. In the 2016 water rate study, the District's New Capital Connection Fee was calculated. While customers who make the decision to rebuild in the near term should not be assessed a new capital connection fee, the issue becomes less clear when a customer disconnects and walks away from their

³ Grizzly Flats Community Services District, Frequently Asked Questions, Rate Structure Change, April 2016.



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parcel for a period of time. At some point, a new customer may buy that parcel and rebuild and the question of whether and how to fairly assess the District's New Capital Connection Fee to that "new" customer arises. The revenues derived from this particular fee cannot be applied against O&M expenses and must be applied against capital infrastructure projects or debt service related to capital infrastructure projects. Regardless of how the revenues must be legally used or applied, the District will need to address the question of whether and how this fee applies to existing parcels which have previously paid the fee. This is a legal question which the District's legal counsel will need to provide clarification and a legal opinion.

The District's Water Standby Assessment is assessed against each parcel within the District. The Standby Assessment was established pursuant to the Uniform Standby Charge Procedures Act, Chapter 12.4 (commencing with Section 54984). In this case, the District's Standby Assessment is \$4.00/parcel/month and the assessment shall not exceed \$48.00 per parcel per year. The revenues received from the District's Standby Assessment must be 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." Given this requirement, the District's current Standby Assessment could not be used to off-set the cost of annual O&M expenses associated with the District's system. In addition, the legal process to update the standby assessment is substantial and requires a detailed engineer's report to justify the methodology used and fees to be assessed, along with a detailed listing of each individual parcel (i.e., parcel number) and the amounts to be charged to each parcel. HDR does not believe it is appropriate at this time to adjust or update this particular standby assessment (charge) since it does not appear to directly address the issue of funding the District's annual O&M expenses.

The final charge shown in Table 2 is for raw water (non-potable) sales. This charge is shown as \$3.75 per 1,000 gallons. The 2016 rate study did not calculate this particular charge and it appears to have been in place for many years. The 2016 water rate study also did not indicate any significant sales in this area. HDR does not believe it is appropriate at this time to adjust or update this fee. The larger and more complex issues associated with this study are related to the three previous rates and fees discussed above.

Status of the District's Customer Base

In the District's 2016 rate study, it was assumed that there were 590 active connections paying the base rate of \$68.97/month. Since the 2016 study, the District's 2020/21 operating budget has assumed the District's residential customer base has 618 active accounts, producing approximately \$519,000 in annual "base rate" revenue. This base rate revenue is applied to the District's operating expenses. The Caldor Fire has turned the District's finances and rates on its head. While the District still has in place an adopted base rate of \$68.97/month, there are no longer 618 active connections paying this monthly base rate. Instead, the number of active accounts (i.e., those connected to the District's system and receiving water) has shrunk to approximately 224 active accounts. At this level of accounts, the District's annual revenues from the base rate is projected to be approximately \$185,400 or a reduction in annual revenue of \$333,600.

If it were somehow possible for the number of active accounts to quickly rebound, the District might have been able to financially work around this catastrophe. Unfortunately, it may take years for the District to rebound and add back to the system a meaningful number of active accounts. It is too soon to fully understand the rebuilding plans of those impacted by the Caldor Fire. Given that, it may be helpful to preliminarily categorize customers into the following groups.

- **Active Account** – Connected and receiving water service
- **Active Temporary Connection** – Temporary connection for rebuild or serve an RV
- **Inactive Account** – Connected with meter, but meter locked off and not taking water
- **Disconnected Account** – Water is available, but no meter in place (physically disconnected); customer will likely rebuild at some later point
- **Abandoned / Permanently Closed** – Customer has “walked away” from parcel and/or closed account; customer unlikely to rebuild and may eventually sell the parcel to a buyer (i.e., potential new customer)

While the first three categories are relatively easy to estimate and project, it is the last two categories which are more difficult to predict. A customer’s decision to rebuild is a function of many complex factors including the availability of emergency aid/funding (FEMA, etc.), the amount of insurance reimbursement for their personal property loss, trauma/memories from the loss, etc. The homeowner’s decision to rebuild within the Grizzly Flats community is not simply a financial decision and thus difficult for the District to project. For purposes of this discussion and estimating future active connections, HDR believes that any parcel that is disconnected or abandoned / permanently closed will likely not be rebuilt or redeveloped in the next three to five years and the longer a parcel/account remains disconnected or closed, the greater the likelihood the parcel will never be redeveloped.

Attempting to estimate and quantify the number of accounts in each customer category is obviously difficult. In discussions with the District, they believe that 30% of the 389 homes destroyed by the Caldor Fire will be rebuilt in the next two or three years. This would restore approximately 117 inactive accounts to an active status. Of the remaining 272 homes that were destroyed, the District believes that 80% - 90% will be rebuilt in the next ten years. Even with the restoration of service to approximately 117 accounts, it still leaves a large revenue gap now and into the foreseeable future. Given that, HDR began to explore ways in which the District may address the revenue gap on their operation and maintenance (O&M) expenses. As previously noted, FEMA and other governmental agencies provide emergency funding for capital infrastructure, but not for on-going annual expenses. Hence, the need for the District to explore methods to address their funding gap on O&M expenses.

District’s Financial Status and Estimated Revenue Gap

As discussed above, approximately 96% of the District’s funding for operation and maintenance expenses is derived from their fixed basic charge. The level of revenue loss for the funding of O&M expenses is significant and absent any proactive action on the part of the District, it may be financially devastating. At this point, the District is not aware of any outside available funding

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sources to cover the District's operating costs (e.g., FEMA, Cal OES, El Dorado County). Based upon discussions with the District, it appears that some form of specific State and congressional legislative action would be required to provide funding for the District's O&M. As noted previously, there appears to be significant funding available for rebuilding of the District's system (i.e., capital infrastructure), but not for the on-going daily/annual costs of operating the system. Provided below is a simple comparison of the District's funding of operation and maintenance costs before and after the Caldor Fire.

BUDGET/INCOME - PRE-CALDOR FIRE				BUDGET/INCOME - POST-CALDOR FIRE			
	Adopted 2021/22 Budget	Notes / Assumptions			Adopted 2021/22 Budget	Notes / Assumptions	
O&M Income				O&M Income			
Water Charges - Basic Rate	\$509,000	615 Accounts	\$68.97 /month	Water Charges - Basic Rate	\$185,391	224 Accounts	\$68.97 /month
Water Charges - Volumetric	50,000	41,667 HCF	\$1.20 / CCF	Water Charges - Volumetric	18,212	15,176 HCF	\$1.20 / CCF
Other Misc. Fees / Income	31,000	Fees, Penalties, Liens, etc.		Other Misc. Fees / Income	31,000	Fees, Penalties, Liens, etc.	
Total O&M Income	\$590,000			Total O&M Income	\$234,603		
O&M Expenses				O&M Expenses			
Personnel Expenses -				Personnel Expenses -			
Salaries	\$217,655	Field and Admin. Staff		Salaries	\$217,655	Field and Admin. Staff	
Taxes/Workers Comp.	21,565			Taxes/Workers Comp.	21,565		
Benefits	40,500			Benefits	40,500		
Contract Operations H2Ou	183,576			Contract Operations H2Ou	183,576		
Total Personnel Expenses	\$463,296			Total Personnel Expenses	\$463,296		
Operations and Utilities Expenses	18,865	Includes power, propane & comm.		Operations and Utilities Expenses	18,865	Includes power, propane & comm.	
Water Treatment Expenses	8,500			Water Treatment Expenses	8,500		
Maintenance Expenses	34,000			Maintenance Expenses	34,000		
Vehicle Expenses	10,000			Vehicle Expenses	10,000		
Employee Expenses	1,700			Employee Expenses	1,700		
Administrative Expenses	23,600	No labor costs		Administrative Expenses	23,600	No labor costs	
Professional Services	25,241	Audit/Accting, Legal, Insurance		Professional Services	25,241	Audit/Accting, Legal, Insurance	
Total Operation & Maint. Expenses	\$585,202			Total Operation & Maint. Expenses	\$585,202		
Net Income Before Reserve Funding	\$4,798			Net Income Before Reserve Funding	(\$350,599)		
Calculated Basic Rate -				Calculated Basic Rate -			
Total Operation & Maint. Expenses	\$585,202			Total Operation & Maint. Expenses	\$585,202		
Less: Water Charges - Volumetric	(50,000)			Less: Water Charges - Volumetric	(18,212)		
Less: Other Misc. Fees / Income	(31,000)			Less: Other Misc. Fees / Income	(31,000)		
Total Net O&M Funding Needs	\$504,202			Total Net O&M Funding Needs	\$535,990		
Active Accounts	615 Accounts			Active Accounts	224 Accounts		
Net Effective Base Rate - \$/Month	\$68.32			Net Effective Base Rate - \$/Month	\$199.40		

In viewing the above table, the left side of the table is the District's projection of income and expenses (i.e., adopted budget) prior to the Caldor Fire. There was a projection of O&M income (i.e., revenue) of approximately \$590,000. The major source of O&M income are the basic rate for water charges of \$509,000. This level of income was based upon an assumed 615 active accounts and a base rate of \$68.97/month. The District's total O&M income of \$590,000 compares to the projected O&M expenses of approximately \$585,202. The net income before any transfers to reserve funding (i.e., asset management and emergency reserve) was projected to be \$4,798 (yellow box).

In contrast to the pre-Caldor Fire O&M budget, the right side of the above table provides an annualized projection of the O&M budget post-Caldor Fire. This projection is based upon customer information as it is currently known. The projected annual O&M income/revenue has



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decreased from \$590,000 to \$234,603, or about 40% of pre-Caldor Fire O&M income. This reduction is a function of the loss of customers paying the monthly basic rate of \$68.97/month, but also a reduction in the volume of water sales which are billed on a \$/CCF basis. The basic rate water charges assume 218 active accounts, plus 6 temporary connection receiving full service, or about 36% of the pre-Caldor Fire customer base. For purposes of this discussion, and at this point in time, no changes in the level of O&M expenses has been assumed even though the fire will obviously impact the District's O&M expenses in both the immediate and near term future. It is important to note that the vast majority of the District's O&M expenses are more fixed in nature (96% as noted in the most recent rate study) and the largest proportion of the O&M expenses are related to personnel expenses. In summary, the impact of the loss of O&M income is substantial and results in a projected annualized loss of \$350,599 (yellow box). Simply stated, the District has gone from a projected annual O&M net income of \$4,798 to a projected loss of (\$350,599). **Stated another way, the District currently has a projected annual O&M revenue gap of \$350,599.**

One obvious response to fill this revenue gap and the projected loss would be to increase the District's rates and adjust the monthly O&M basic rate water charge to make up for the lost revenue. The calculation on the bottom of the right side of the table (blue box) has calculated a monthly rate to eliminate the projected loss. Unfortunately, and not surprisingly, the projected O&M basic rate water charge, when assessed across the remaining 218 active and 6 temporary accounts would be \$199.40/month. This is clearly an unaffordable and politically unacceptable solution. Furthermore, it would require the District to develop a comprehensive rate analysis to support the rate and then go through a Proposition 218 process to legally adopt and impose a rate at this level. Given that conclusion, the District must focus on an array of possible options or alternatives to close the revenue gap as much as possible. Provided below is a discussion of these possible options and alternatives.

Options and Alternatives for Closing the District's O&M Revenue Gap

In order to close the projected O&M revenue gap of the District, the District will need to consider an array of possible options and alternatives. Unfortunately, there does not appear to be a single option or alternative that will resolve the revenue gap and even taken together, the revenue generated by these options and alternatives will not completely back-fill the projected revenue gap.

Provided below is a list of possible options and alternatives by major category. These categories and list of options and alternatives were developed by HDR for the Board's consideration.

Reduction of O&M Expenses –

1. Maximize Reimbursements from Emergency Management Agencies
2. Capitalization of Personnel Expenses

Incentives for Connections / Disincentives for Abandonment / Permanently Closed Accounts -

3. Create Incentives for Reconnection (Service Installation Costs/Fees)

4. Create Disincentives for Abandonment / Permanently Closed Accounts

Adjust Existing Rates and Fees –

5. Adjust the Basic Rate Water Charge for Active Accounts
6. Adjust the Existing Miscellaneous Fees (excludes New Capital Connection Fee and Stand-By Charge)

Create New Rates and Fees –

7. Create a New Basic Rate for Active Temporary Accounts
8. Create a New Basic Rate for Inactive Accounts
9. Create a New Basic Rate for Disconnected Accounts
10. Create an Infrastructure Availability Charge for Abandoned / Permanently Closed Accounts
11. Create a Rate for “Construction Water”

Review/Modify Existing Customer Policies / Establish New Customer Policies –

12. Review Policy of Assessments of New Capital Connection Fees

Each of these options and alternatives has approached the revenue gap from a slightly different perspective, hence the use of broad categories. For each item listed, HDR has developed a brief discussion around each. This will aid the District and their Board in better understanding the option. Each of these approaches will also need to be reviewed and discussed with the District’s legal counsel to determine the legality and needed implementation approach (i.e., Proposition 218).

Reduction of O&M Expenses –

Alternatives and options under this category are intended to reduce the overall O&M expenditures which are expensed during the year. The O&M revenue gap is reduced dollar-for-dollar by the level of reduction in the overall O&M expenditures.

1. Maximize Reimbursements From Emergency Management Agencies

Based upon discussions with the District, certain expenses may be reimbursed by emergency management agencies (e.g., FEMA, etc.). It is the responsibility of the District to capture, document and submit those reimbursable expenses. For example, under FEMA rules, contractors hired by the District can be reimbursed for the expenses associated with both emergency response or regular time for permanent work projects. As a part of the District’s 2021/22 budget, the District had previously contracted with H2O Urban Solutions to provide licensed water treatment and distribution operators. They also provide engineering and other as needed technical support. Given this, the District should carefully review these activities and costs to determine any eligible costs for reimbursement.

2. Capitalization of Personnel Expenses

The District’s O&M expenses and budget are itemized by various categories which include personnel expenses, operations and utility expenses, water treatment expenses, maintenance expenses, vehicle expenses, employee expenses, administrative expenses, and professional services. The focus of this option is the District’s personnel expenses. In the case of the

District, personnel expenses account for approximately 80% of the District's total O&M expenses, which is not uncommon for utility cost structures. However, "Personnel Expenses" in the District's O&M budget also includes contract operations (H2O Urban Solutions) of approximately hundred \$184,000. The District's direct labor costs (salaries and benefits) is approximately \$258,000, or approximately 44% of the District's entire O&M budget.

Personnel expenses within an O&M budget are typically *expensed* during the current accounting time period. In certain specific situations, instead of labor costs being *expensed*, they may be *capitalized* and included within the capital costs of an asset when appropriate. Once the labor costs are capitalized, they are a part of the asset and are depreciated over the life of the asset. From a strictly accounting perspective, the benefit of this approach is to take a current labor cost which would normally be expensed and instead, spread that labor cost out over the life of the asset. However, in this unique situation, it would seem that the other key advantage of capitalizing the District's labor associated with rebuilding the District's system is that emergency agencies, such as FEMA and Cal OES, may reimburse the District for this asset-related labor cost. Essentially, by capitalizing labor against the reconstruction projects (assets), the District would be shifting a portion of the time for their operations employees from maintenance tasks to construction tasks. Whether that shifting of labor is possible and to what extent is unclear at this time. The District should confer with their outside financial advisors or auditors to better understand the potential and viability of capitalizing a portion of the District's labor costs.

In discussing the above, it is important to understand there are certain accounting rules required to capitalize labor as a part of the capital project. First and foremost, the asset being constructed or installed must typically have a useful life which is more than 12 months. The IRS and standardized accounting practices allows for the cost of putting property and equipment into service to be added to the direct cost of purchasing the property and equipment for the purpose of capitalization of the asset. The logic behind this capitalization of labor is the asset is not usable until it is properly constructed, in service, and in working order.

In the case of the District, it is unclear what level of labor, if any may be capitalized and depreciated over the life of the asset. Again, any capitalize labor must be directly related to the design and construction of an asset. The District would also need to separately track and account for any work on the asset done by the District employee in order to capitalize it, but more importantly, to prove to the emergency agency that the District's labor costs are an appropriate and qualifying reimbursable cost. It is also important to note for purposes of this discussion that certain costs may not be capitalized, such as any "maintenance" costs or indirect labor costs such as accounting for the transaction.

As previously discussed above, if the District wants to pursue this option, then the District should work directly with their accounting/audit firm to gain their opinion on this option and the appropriateness of capitalizing the District's personnel costs when they are directly-related to a construction cost associated with the Caldor Fire.

HDR tried to estimate what this option may provide in the way of the financial benefit to the District and its O&M expenses. Conservatively, assuming that 30% of the District's existing

personnel costs (salaries and benefits) could be capitalized under this option, which would reduce the O&M revenue gap by approximately \$77,500 per year. Obviously, if a higher proportion of the District's personnel costs can be capitalized, then the revenue gap is decreased even further. However, even with this option, there is still the issue of cash-flow to fund the District's labor, prior to reimbursement for any qualifying capitalized labor.

Incentives for Connections / Disincentives for Abandonment / Permanently Closed Accounts –

The quickest and most straight-forward approach to reduce the District's O&M revenue gap is to have customers reconnect to the system as quickly as possible. At the same time, the District wants to avoid having customers abandon or permanently close their accounts. As noted above the decision to rebuild or not rebuild is a complex decision and entirely out of control of the District and the Board. However, there may be small incentives to encourage people to reconnect more quickly, or to delay abandoning or permanently closing accounts. These may take the form of policies, but also may take the form of pricing incentives or disincentives. Provided below are the options related to the incentives and disincentives.

3. Create Incentives for Reconnection (Service Installation Costs / Fees)

There may be very limited opportunities to create incentives for customers to reconnect sooner, rather than later. In part, the financial incentives that the District could offer would be rather modest at best (e.g., reduce installation fees, waive monthly basic rate for a defined period) and depending upon the incentive chosen could, in the short-run, further exacerbate the District's O&M revenue gap. The District does have fees for installation of new services, but again, the costs associated with installation of new services may be a property insurance or other emergency agency reimbursable asset cost for the District. This option would appear to have very limited opportunities and not provide any significant benefit in narrowing the District's O&M revenue gap.

4. Create Disincentives for Abandonment / Permanently Closed Accounts

There will certainly be customers who make the decision to abandon their property and permanently close their account (i.e., disconnect from the system and have the meter removed)⁴. Until the parcel is sold, and someone makes a decision to buy the parcel and rebuild, the closed account will likely not generate any revenue⁵. A key legal question is related to the issue of abandoned / permanently closed accounts and the status of the parcel's reserved capacity as a result of payment of the District's New Capital Connection Fee. This fee is currently \$6,030.60 and is a "one-time" assessed to "new" customers connecting to the system. This fee should not be assessed to a customer that has made the decision to rebuild, unless the customer is expanding their capacity use. Rather, the legal question is whether the "purchased" or "reserved" capacity remains with the parcel even after it is fully disconnected from the system and over the course of time, the District receives no compensation for the value/cost of that

⁴ The District's policy on voluntary disconnects is they are provided to the customer as a courtesy, although the basic monthly rate continues as long as the meter is installed.

⁵ The exception to this statement would be some form of a standby fee for parcels disconnected, but with immediate access to the District's system.

“reserved” capacity.⁶ If, for example, after 10 years the parcel is finally sold, does the new property owner simply have the right to call the District and pay the \$6,030.60 reconnect fee (current fee), or has that parcel and the prior owner at some point in time “rescinded” all or some portion of that capacity back to the District? It’s certainly unclear, but there may be two alternatives associated with this issue. However, the legality of the alternatives presented below must first be considered and determined. These alternatives are as follows:

- The current parcel owner signs a document stating they are voluntarily and permanently closing their account with the District. At the same time, the parcel owner legally relinquishes their capacity rights for the parcel (i.e., the capacity they purchased from the District via the District’s New Capital Connection Fee). In return for relinquishing their capacity rights, the parcel and parcel owner will not be charged/assessed any rates/fees (i.e., minimum bills, basic charges, assessments, etc.). Any future request for new service (i.e., connection) at the parcel would be subject to the District’s then adopted fees, including a New Capital Connection Fee. The parcel would be treated as a new connection and not a reconnection under this alternative, regardless of the timing of the new connection in relation to disconnection.
- The current parcel owner signs a document stating they are voluntarily and permanently closing their account with the District. However, the parcel owner wishes to retain their capacity rights associated with that parcel which was purchased from the District via the District’s New Capital Connection Fee. In return, the parcel owner agrees to pay a monthly Infrastructure Availability Charge⁷. Any future request for service at the parcel would be treated as a reconnection and subject to any applicable reconnect fees. The parcel owner should benefit from this option since the value of their property should reflect the water service available to the parcel versus the above option which would require the new parcel owner to pay the District’s New Capital Connection Fee.

In this case, under the first option the parcel owner is voluntarily and permanently closing their account and desires to totally walk away from any financial obligations with the District. In making that decision, the parcel owner voluntarily relinquishes the capacity rights of the parcel. In contrast to this, the second option allows the parcel owner to permanently close their account but to retain their capacity rights, the parcel owner agrees to pay some form of a monthly Infrastructure Availability Charge. The intent of the second option is to encourage parcel owners to agree to pay a modest availability charge (or whatever other term the District may use to characterize it), in return for retaining the capacity associated with the property. Again, it is unclear whether capacity rights are legally retained for a parcel if the parcel is disconnected

⁶ Interestingly, under the District’s current ordinance the capacity purchased with a Capital Connection Fee can “expire” under certain defined conditions. The ordinance states: *“the Capital Connection Fee is due and payable on the date the “Application and Agreement for Water Service” is approved by the District, and will be valid for a 12 month period from that date. Should construction not be commenced at the subject site within the 12-month period, the Capital Connection Fee will again become due and payable to the District prior to initiation of any connection work.”*

⁷ The amount of the Infrastructure Availability Charge (or whatever term the District may desire to use) would be determined by the District’s Board, and the Board could presumably direct the use of those fees to pay for O&M-related availability costs (subject to District legal counsel review).

from the District's system for an extremely long time (e.g., 10 years or more) and no payments to the District have occurred over that extended time.⁸

Adjust Existing Rates and Fees –

This alternative and options are related to adjusting the District's existing rates and fees. The adjustment to the existing rates and fees will have a modest financial impact because the District's existing customer base has been reduced significantly as a result of the Calder Fire. Provided below are the options related to adjusting the District's existing rates and fees. Again, these options will be reviewed with District legal counsel to determine the appropriate approach for adoption and implementation.

5. Adjust the Basic Rate Water Charge for Active Accounts

The District's existing base rate is \$68.97/month. This base rate was determined and adopted as part of the 2016 water rate study conducted for the District. Under normal circumstances, it would be appropriate for the District to update their financial plan and their rates for the 2022 through 2026 time period. As was noted in the review of the District's current financial status, prior to the Calder fire, the District's financial position was sufficient, but the District's reserve levels were below the rate study's recommended minimum targets. It is presumed that if a comprehensive water rate study had been conducted prior to the Calder Fire that modest rate adjustments to the base rate of \$68.97/month would have been determined, recommended, and proposed. At this point, a small or modest adjustment to the base rate would have a small impact upon reducing the O&M revenue gap. For example, an increase of 5% on the base rate would increase the rate to \$72.40/month, or an incremental increase of \$3.43/month. When annualized over the remaining active accounts, this produces an additional \$9,220 in revenue. If the District wants to pursue this option, it is important to understand that these base rates are subject to Proposition 218 and require a detailed analysis and public hearings. The cost of the required rate study and public hearing may actually exceed the amount of incremental revenue that would be derived from the rate increase. In addition, in conducting a rate study at this time, there would be many unknowns as to costs and the status of the customer base. Attempting to project revenues and expenses beyond the next year could prove to be difficult given the many unknowns at this time.

6. Adjust the Existing Miscellaneous Fees (Excludes New Capital Connection Fees and Standby Charges)

The District has a limited number of miscellaneous fees. These include fees related to noticing for impending disconnection, 48-hour notification, customer service call, termination of service, reconnect, illegal connection, and meter tampering or vandalism. Similar to the issue of adjusting the existing rates, the adjustment of existing miscellaneous fees would likely have minimal revenue impact upon the District. Depending upon the specific miscellaneous fee, the

⁸ The District's existing Capital Connection Fee in Ordinance 11-1 notes the following: "The Capital Connection Fee is due and payable on the date the "Application and Agreement for Water Service" is approved by the District, and will be valid for a 12 month period from that date. Should construction not be commenced at the subject site within the 12-month period, the Capital Connection Fee will again become due and payable to the District prior to initiation of any construction work."

adjustment of the miscellaneous fees are likely not subject to the requirements of Proposition 218.

The District does have an existing Standby Charge in place which they assess to all parcels. The District's current Standby Charge is assessed at \$4.00/month/parcel and the revenues received from the assessment are solely dedicated to funding the District's capital infrastructure. Specifically, the District's ordinance states the following: *"Standby Assessment" is a 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.* This would appear to limit the use of this stream of revenue to reduce the O&M revenue gap. More importantly, this is a "standby fee" in the traditional sense, however, it appears to be the primary funding method that the District internally uses to fund their annual capital infrastructure expenditures⁹. Expanding or increasing the District's existing Standby Assessment would require an updated technical analysis and public hearing process. If the costs/standby fees could be justified, the fee could potentially be split into two parts to have a portion of the assessment go to funding the O&M and the existing \$4.00/month/parcel remain as a capital infrastructure fee. This option would need to be reviewed by the District's legal counsel to confirm that it would not violate the Uniform Standby Charge Procedure Act. The other potential option would be to split the existing \$4.00/month/parcel charge and assign or transfer some portion of the assessment to O&M and the remaining balance to capital infrastructure. Again, this potential option would need to be reviewed and approved by the District's legal counsel before being pursued.

Create New Rates and Fees –

The next alternative is to create new rates and fees which are tailored to the unique and specific circumstances of District. The District's current rates presume that all customers are connected to the system and taking service. There is a provision within the District's rates that allows for a voluntary disconnect. In that case if the meter is still in place, but shut off, the customer is assessed the basic monthly rate (\$68.97/month). Prior to the Calder Fire, there likely were very few customer accounts designated as voluntary disconnects. However, with the Calder Fire, roughly 2/3 of the District's customer base are in the process of making a decision as to whether to rebuild and stay connected to the system or to take some other different course of action. The key policy question is whether a voluntary disconnected customer should be assessed the same basic monthly rate as a fully connected customer taking service.

At the same time, the District may want to reconsider the terminology associated with their customer accounts. As previously discussed above, HDR has assumed the following five categories for grouping customers and their status on the District's system. For purposes of the discussion below these account status groupings are defined as follows:

- **Active Account** – Connected and receiving water service
- **Active Temporary Connection** – Temporary connection for rebuild or serve an RV
- **Inactive Account** – Connected with meter, but meter locked off and not taking water

⁹ Grizzly Flats CSD, Water Rate Study 2016 , Bartle Wells Associates, Table 7, August 21, 2016.

- **Disconnected Account** – Water is available, but no meter in place (physically disconnected); customer will most likely rebuild at some point
- **Abandoned / Permanently Closed** – Customer has “walked away” from parcel and/or closed account; customer unlikely to rebuild and may eventually sell the parcel to a buyer (i.e., potential new customer)

From these definitions, provided below are the options related to creating new rates and fees for the District.

7. Create a New Basic Rate for Active Temporary Connections

A temporary connection can occur when a customer is in the process of rebuilding or brings in an RV to live in. The key question is whether to treat this account the same as an “active” account or to create a new basic rate for this temporary connection. Presumably, if a new basic rate was created it would be somewhat less than the basic rate assessed to an active account (e.g., 70% to 90% of an active account).

8. Create a New Basic Rate for Inactive Accounts

An inactive account would be defined as a parcel which has a functioning service line and meter in place to serve the parcel, but the meter is locked off and the parcel is not taking water. An inactive account is also a voluntary decision on the part of the parcel owner. Under current District policy, this type of account would be considered a voluntary disconnect and subject to the basic monthly rate continuing as long as the meter is installed. The Calder Fire has created a unique situation in which the customers who lost their homes and businesses were not “voluntarily disconnected” in the traditional sense, but rather lost their homes and, due to the circumstances, are not using any water from the service. Assessing the full base rate of \$68.97/month on this type of situation may, from the customer’s perspective, seem excessive and/or unfair. It would seem that an inactive account under these conditions should be assessed some portion of the full base rate. Again, the policy question is whether the board agrees that some portion of the existing base rate should be assessed to inactive accounts created by the Calder Fire, and if so, what proportion of the base rate should be assessed (e.g., a percentage or dollar amount). It is presumed that not all of the homes/accounts lost in the Calder Fire would be classified as an inactive account. At the least, these would be the accounts which will likely rebuild within the next year or two. If it does not appear that parcel will be rebuilt within the next year or two, the account may be considered disconnected or abandoned/permanently closed.

9. Create a New Basic Rate for Disconnected Accounts

The District has a policy in place for voluntary disconnects. As noted above, a voluntary disconnect is provided as a courtesy of the District, although the basic monthly rate continues as long as the meter is installed. In this case, a disconnected account may be defined in a slightly different manner. In this case, and similar to an inactive account, a disconnected account has a service line in place, but no meter is installed. The account has the capability to be physically connected, but it is lacking a meter to complete the connection. It is presumed that the customer with a status of disconnection will rebuild at some point, but not in the near term

future (e.g., next 1 to 2 years). Similar to the discussion above on inactive accounts, and following the same logic, a disconnected account probably should not be assessed a full base rate, but potentially should be assessed some portion of the base rate (e.g., a percentage or dollar amount). This percentage or dollar amount should presumably be less than the base charges assessed to an inactive account because of the lack of a meter being in place.

10. Create an Infrastructure Availability Charge for Abandoned / Permanently Closed Accounts

The final customer account category would be an abandoned / permanently closed account. The District has indicated that there will likely be customers that simply walk away from the parcels and will not rebuild in the foreseeable future (i.e., within the next 5 to 10 years). In this case, the customer also likely desires to walk away from any monthly base rates or financial obligations of the District. There are likely two possible options under this category. They are as follows:

- The District follows the approach discussed above under "Create Disincentives for Abandonment / Permanently Closed Accounts." Under this approach, the parcel owner would sign a document either relinquishing their capacity rights and allowing them to completely walk away from any financial obligations, or alternatively, retaining their capacity rights and agreeing to pay an Infrastructure Availability Charge until such time as the parcel is reconnected and provided service¹⁰. Again, there is a legal question as to whether the customer can relinquish their capacity rights. By having the parcel owner sign the agreement, the customer is agreeing to either accept or waive the payment of an Infrastructure Availability Charge, or what other terminology the District may use for this fee. Under this alternative, there is also the legal question of whether the Infrastructure Availability Charge would be a Proposition 218 fee, or a fee voluntary and contractually agreed to between the parcel owner and the District.
- The alternative option is to create a new or additional standby fee. The District currently has a standby fee, but that standby fee is assessed to all parcels (active and inactive). A traditional standby fee is a property tax assessment for necessary infrastructure and infrastructure maintenance to ensure that adequate water service will always be available to parcels. Traditionally, this standby fee is assessed only to those parcels which are disconnected from the District's system but have immediate access to the District's system. This is slightly different in that the District's existing standby fee is assessed to all parcels (active and inactive/voluntarily disconnected).

Much like the alternative above, the basis for a standby fee is that there is an implied benefit of having the opportunity to establish water service immediately, or at a later date, which increases the property value. All property owners benefit from water service availability, regardless of whether they are already connected to the system or not because all properties within the District's service area are considered more valuable by having facilities connected or available to connect to versus not having them available at

¹⁰ Under this option, it is unclear how the District's existing standby fee of \$4.00/month/parcel would be applied, if at all.

all. Standby fees are a Proposition 218 fee and would require a detailed study to establish and justify cost-based standby fees.

11. Create a Rate for “Construction Water”

The final new rate would be a rate for construction water. As new construction commences, connections may not be in place to provide the necessary water for construction. If that is the case, then some building sites may use water from hydrants. Typically, construction water taken from a hydrant is metered via a hydrant meter and there is a fee for the use of the hydrant meter and a consumption rate for the volume of water used. In this case, the use of hydrant meters may not be practical or cost-effective given that the District only has one hydrant meter. The District may consider simply establishing a flat the rate for access and use of hydrant water. The contractor would need to have a permit and paid a fee to the District to access water from a hydrant.

Review/Modify Existing Customer Policies / Establish New Customer Policies –

The Calder Fire has created numerous unique situations which do not easily fit under the District’s current customer service or rate policies. This broad category is related to policies and recognizes that the District will need to review any existing policies and potentially establish new policies to deal with these unique situations. Provided below is one specific policy area which the District should review in the context of customers reconnecting to the system.

12. Review Policy of Assessments of New Capital Connection Fees

As noted above, a majority of the District’s customers lost their homes. As homes are being rebuilt, the District should have clear policy statements about how and what people will be assessed when they are reconnected for service (e.g., cost of service line, meters, labor costs, materials, etc.). At the same time, the District should have clear policy statements about if, when and how much a customer may be assessed in New Capital Connection Fees. The current New Capital Connection Fee is \$6,030.60.

Next Steps

The above list of options and alternatives are intended to promote thinking and discussion around these policy issues. As noted previously, there is no single solution to the financial and rate impacts caused by the Caldor Fire to the District and its customers.

The District should carefully review the above options and alternatives and try to narrow those areas which are most promising and best aligns with the Board’s viewpoint and perspectives. HDR has noted that these options will require legal assistance and opinions before pursuing. In addition, time is of the essence for the District and those options which help minimize the need for long and detailed rate studies are preferable in the short-run. Any new proposed rates or fees will require a Proposition 218 notice and/or a public hearing.

From that Board discussion and their policy direction, HDR can develop a scope of work to commence with Phase II of the study which would quantify the options selected and position the District to hold a public hearing to adopt the proposed rates and fees.

**Grizzly Flats Community Services District
Budget and Finance Committee meeting
March 4, 2022 2:00 p.m.
Summary**

The Budget and Finance Committee met on March 4, 2022 to review and discuss the draft Technical Memorandum submitted by the consultant, Tom Gould of HDR.

In attendance were Directors Davidson and Hannblom, General Manager, Jodi Lauther, and via teleconference, District Treasurer, Patti Jobe.

The first few pages of the memorandum outline what happened to the community and the water system due to the Caldor Fire. The committee focused on the current impact of water revenue loss to the District, and the various options outlined within this memorandum.

While Mr. Gould outlines a number of options and alternatives, after much discussion the committee remained focused on what can be done in the present moment vs. what we might do several months or a year down the road. We came up with several important facts to keep in mind while making these decisions.

1. The fact is that the District has, at present, an annual water revenue gap of \$350,599.00, which is \$29,217.00 per month. Monthly water billing is what makes up the District's water revenue, and allows the District to continue day to day operations.
2. The community needs water. We will eventually cease to have a community in Grizzly Flats if the GFCSD cannot bridge the revenue gap. There are no other governmental agencies or grants available to cover operating expenses.
3. Having our own water district adds huge value to our community.
4. Having a water meter connected to a property adds huge value to that property.

With these facts in mind, the Committee would recommend to the full Board of Directors that we implement the following:

1. Capitalization of Personnel Expenses, i.e. labor costs. The district's financial auditor has stated that this is something we can do going forward, for work that is associated with the rebuilding of the water system. Capitalizing these labor expenses would then make them potentially reimbursable by FEMA. Therefore, we suggest moving forward with further assistance and advice of the auditor.
2. A number of the options and alternatives suggested would require a rate study to be completed, and, in some cases changing rates would require the District to go through a Proposition 218 process. Both of these are costly and time consuming. The last rate study was completed in 2016, and included base rate increases over a 5-year period. The base rate is the amount we pay to be

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connected to the water system each month, and to say that the property has water readily available. The base rate was calculated using the District's fixed costs. These are expenses that do not change based on water production. It was this amount times the number of connected parcels that allowed the District to continue operating each month. The volumetric rate is what is charged over and above the base rate for the water actually used each month.

3. Following current District policy, any parcel that has a meter connection should be charged the monthly base rate. The water is there and available for use, and a property connected to water has a much higher value than one that is not connected. The District already has fee in place for a new connection. The District also currently has policies to address a situation where a customer does not pay their bill. The Committee feels we should continue to follow current policy.
4. There are options presented in the memo that need to be reviewed by the District's attorney if the Board chooses to pursue those options. This committee recommends the Board clarify what options they wish to move forward with and direct the General Manager to provide those to our General Counsel for her review.

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CALDOR FIRE EVENT GRIZZLY FLATS CSD WATER SYSTEM



STATUS REPORT

Date: March 4, 2022

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

<p>Situation Summary</p>	<ul style="list-style-type: none"> • <i>The temporary service pump for the pressure zone is installed and operational. All but one surviving home now have unrestricted water service, including the South View zone. There is one remaining home on Blaze Trail that is not yet fully serviced. There is a blockage in the main that feeds that home which we believe was caused by the heavy equipment brought in by PG&E and debris crews. We are working to locate the blockage and restore service.</i> • <i>With normal operating pressures restored, District personnel has scheduled leak detection work for the week of April 4th.</i> • <i>District staff continue regular coordination meetings with federal, state, county, and local representatives for emergency and disaster relief funding opportunities, including CalOES, FEMA, USDA, and El Dorado County.</i> • <i>The District has submitted a request to FEMA for funding District engineering efforts to determine “methods of repair” and detailed costs of infrastructure replacement. See attached letter dated February 17, 2022.</i> • <i>The surface water supply was interrupted resulting from damage due to falling trees at two locations between Big Canyon Diversion and the reservoir. Repair materials were ordered, and District staff is scheduling the repairs.</i> • <i>USFS provided the District with written permission to proceed with hazardous tree work on federal properties to protect the District’s surface water supply infrastructure.</i> • <i>Cal OES approved including the District’s “Grizzly Pond” property in their hazard tree removal program. See letter dated March 3, 2022, from Cal OES. This will remove approximately 200 hazard trees from the pond property.</i>
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CALDOR FIRE EVENT GRIZZLY FLATS CSD WATER SYSTEM



	<ul style="list-style-type: none">• <i>Debris cleanup activities have damaged District infrastructure and property. We've repaired two breaks on Old Mine so far and multiple service line repairs due to tree crew damage. This is not considered fire damage, so it is not covered by any FEMA program. We are working with Cal OES to submit damage claims and expect to be reimbursed for the damages. The first claim for damages on Old Mine Road was submitted on February 28, 2022. This claim includes damaged done to our Toyota Tacoma in an accident with a debris truck. The truck was parked on the side of Old Mine Road with a broken suspension bracket when a debris truck hit the driver's side. It is currently being evaluated by our insurance company.</i>
Water System Assessment	<ul style="list-style-type: none">• <i>District staff continues to assess the water system and refine damage and recovery costs to support emergency funding applications. A key step for determining FEMA and insurance reimbursements is developing accurate descriptions and costs for the work. Identifying what and how (construction methods) damaged infrastructure will be replaced is a first step in this process. FEMA policy allows for additional funding (above standard engineering design costs) for this effort, and the District has submitted a request accordingly.</i>• <i>Assessment of the surface water conveyance system continues to be limited due to hazardous trees in the areas around the diversions and pipeline. The District is pursuing two funding sources to address hazardous trees, with a goal to begin work in late spring or early summer.</i>• <i>Leak detection of the pressure system will be performed starting April 4th.</i>• <i>Water quality testing is complete. All state and federal water quality requirements are in compliance.</i>• <i>Assessment of the Tyler Drive and Winding Way steel tanks is currently on hold until an agreement can be reached between the District and insurance company regarding the testing and evaluation required. The insurance adjustor had some inspections done that claim the damage to the steel tanks was minor, and there is no evidence the fire/heat compromised the structural integrity of either tank.</i>

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CALDOR FIRE EVENT GRIZZLY FLATS CSD WATER SYSTEM



	<p><i>However, no tests or reports have been completed to date by either party to support or confirm this position. The District has retained a steel tank specialist to provide an expert opinion regarding any potential damage to the tanks due to the fire. The District continues to express concerns about the structural and hydraulic integrity of both tanks, and require assurances of both based on expert analysis and testing.</i></p>
Actions and Activities	<ul style="list-style-type: none"><i>Repairs to the surface water supply system will occur when weather and field conditions permit.</i><i>Refining damage repair and replacement costs for FEMA and the District's insurance company. Develop a description of the work (e.g. what is being done and how is it being done). District has requested additional funding from FEMA for these initial planning/engineering activities. Once the work is defined, qualified contractors may be needed to provide cost estimates that accurately reflect project location and current market conditions.</i><i>Work on reinforcing and stabilizing the outlet conveyance pipe at the Big Canyon diversion once weather allows.</i><i>Begin initial work to allow hazardous tree felling in the Big Canyon and North Canyon surface water diversion and conveyance system areas. Begin developing NEPA/CEQA documents. Collect right-of-entry agreements from private property owners where needed. Continue coordinating with FEMA and USDA to secure funding for the project.</i><i>Continue negotiations with District insurance company to develop fair terms for damage reimbursements.</i><i>Provide temporary service connections for residents that wishing to return to their properties (i.e. RV's).</i><i>Begin initial planning and technical work to start construction of permanent replacement projects to meet FEMA requirements.</i><i>Finalize temporary fire pump installation for pressure zone.</i>

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CALDOR FIRE EVENT GRIZZLY FLATS CSD WATER SYSTEM



Coordination with Other Agencies	<ul style="list-style-type: none">• Continue regular meetings and coordination with state, federal, and local agencies to proceed with system recovery and restoration, and secure emergency and disaster relief funding.• Complete and submit applications and support documentation to FEMA and USDA for grant request to fell hazardous trees in the Big Canyon/North Canyon diversion and pipeline areas.• Coordinate with El Dorado County Building Department regarding residential fire code compliance for community rebuilding.
Future Actions	<ul style="list-style-type: none">• Regular efforts to secure emergency funding sources and opportunities for system repair and replacement. Coordination with FEMA and CalOES is expected to continue for next several months.• Prepare a "Water System Restoration Plan" for Board review and approval. The Plan will address replacement and/or repair of damaged infrastructure using resources from FEMA, insurance, and other sources.• Develop standards for returning residents, both temporary (RV) and permanent (rebuilt), for Board review and approval. Standards to address changes in fees, rates, service improvements, etc., as a result of the Caldor fire.• Retain contractor to repair reservoir liner.• Planning and design of replacement facilities for Tyler and Winding Way, and surface water metering station.• Repair distribution system pipe leaks, fire hydrants, services, and other items as approved by FEMA for disaster funding.• Develop plans and specifications to bid repair and restoration projects.

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Grizzly Flats System Restoration Schedule

As of March 7, 2022

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Water System Assessment

- Visual Inspection of System
8/19/21-9/15/21 **100%**
- Isolate and Pressurize Gravity System
8/20/21-11/15/21 **100%**
- Isolate and Pressurize Pressure System
9/20/21-2/8/22 **100%**
- Assess Surface Water Pipeline
9/1/21-6/15/22 **15%**
- Report on System Damage/Repair Recommendations
9/20/21-9/27/21 **100%**

Phase I: Restore NP Water to Gravity System

- Restore Reservoir Supply Line at Metering Station
8/20/21-8/20/21 **100%**
- Restore Reservoir Supply Lines above Metering Station (@ Big Canyon)
9/24/21-11/20/21 **100%**
- Restore Water Treatment (manual)
8/20/21-8/25/21 **100%**
- Restore Water Treatment (automated)
8/25/21-1/15/22 **90%**
- Restore Remote Monitoring of Treatment
8/25/21-9/8/21 **100%**
- Repair System Deficiencies (non-urgent leaks/repairs)
10/1/21-6/1/22 **95%**

Phase II: Address Water Contamination Concerns

- Source Water Intake Modifications
9/13/21-3/15/22 **50%**
- Cap Services to Destroyed Structures
9/6/21-2/1/22 **98%**
- Test System Water Quality Per DDW Protocol
10/10/21-11/20/21 **100%**

Restore Potable Water to Gravity System

- Fix Leaks and Broken Services
10/6/21-6/1/22 **95%**
- Flush and Test System
10/10/21-2/1/22 **95%**

Restore Service to Pressure Zone

- Install New Connection and Pumps
9/23/21-3/9/22 **95%**
- Isolate and Test System, Repair Leaks
10/10/21-6/1/22 **95%**

Repair Surface Water Conveyance System Damage

- Initial Repairs and Erosion Control Measures
9/27/21-10/25/21 **100%**
- Replace Damaged Pipe and Appurtenances
4/15/22-6/15/22 **0%**
- Replace Metering Station
5/1/22-8/15/22 **0%**

Replace and Repair Non-Emergency System Damage

- Repair Fire Hydrants
11/15/21-6/1/22 **5%**
- Replace Pressure System Storage
9/1/22-12/1/22 **0%**
- Replace Services
9/1/22-9/1/23 **0%**

Grizzly Flats Community Services District

4765 Sciaroni Road / P.O. Box 250

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www.grizzlyflatscsd.com



February 17, 2022

Michael Hancock
Emergency Management Specialist
Federal Emergency Management Agency

FEMA-4619-DR-CA, Caldor Fire
Cal OES ID: 017-91022 FEMA ID: 017-04D86-00
Subrecipient: Grizzly Flats Community Services District

RE: Grizzly Flats Community Service District's Project Studies Request for Funding

Dear Mr. Hancock,

In association with Caldor Fire damages to the Grizzly Flats community, the Grizzly Flats Community Services District ("District") formally requests funding for engineering studies necessary to determine the method of repair. This request is consistent with FEMA policies. FEMA *Public Assistance Program and Policy Guide* (PAPPG), Chapter 9, Item E.1 states FEMA may provide public assistance for work associated with engineering studies, specifically for determining the method of repair. This initial engineering work is often referred to as a *Basis of Design* or *Preliminary Engineering Report*.

The Caldor Fire destroyed or damaged a significant portion of the District's water infrastructure, including but not limited to, storage tanks, pumping stations, and customer service lines. As part of the recovery process, the District needs to determine the best method of repair for the damaged infrastructure that is in conformity with applicable standards and codes at the time of the disaster.

The District recommends the following engineering studies (preliminary engineering reports) be performed:

- A. Tyler Drive Storage and Booster Facility (Damage #787417)
- B. Winding Way Tank and Booster Station (Damage #787428)
- C. Surface Water Metering and Diversion Station (Damage # 924763)
- D. Grizzly Flats HDPE Reservoir (Damage # 923406)
- E. Water Service Lines and Meters (Damage #787425)
- F. Surface Water Diversion and Conveyance System (Big Canyon Water Diversion Damage #922339, North Canyon Creek Diversion Damage #924764 and Eagle Ditch Pipeline Damage # 929474)
- G. Fire Hydrants (Damage #787412)

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Scopes of Work: The following section provides a brief description of the scopes of work for the proposed engineering studies.

A. Tyler Drive Storage and Booster Facility: Scope of work for this Project to determine the method of repair will include, but is not limited to, (1) analyze the performance requirements and location of the facility, given marked change in system demands due to the Caldor Fire, current building codes, and Safe Drinking Water Act revisions since its original construction, (2) analyze feasible mitigation measures to prevent or lessen damage from future fires, (3) evaluate options to reduce energy use and carbon emissions, (4) conform with applicable standards and codes at the time of the disaster, and (5) evaluate opportunities to reduce the cost of construction and operations.

B. Winding Way Tank and Booster Station: Scope of work for this Project to determine the method of repair will include, but is not limited to, (1) analyze the performance requirements and location of the facility given marked change in system demands due to the Caldor Fire, current building codes, and Safe Drinking Water Act revisions since its original construction, (2) analyze feasible mitigation measures to prevent damage from future fires, (3) evaluate options to reduce energy use and carbon emissions, (4) conform with applicable standards and codes at the time of the disaster, and (5) evaluate opportunities to reduce the cost of construction and operations.

C. Surface Water Metering and Diversion Station: Scope of work for this Project to determine the method of repair will include, but is not limited to, (1) analyze the performance requirements and location of the facility based on recent and projected surface water flow rates as impacted by the Caldor Fire, (2) analyze feasible mitigation measures to prevent damage from future fires, (3) conform with applicable standards and codes at the time of the disaster and identify mandatory codes and regulations applicable to the permanent facility design, and (4) evaluate opportunities to reduce the cost of construction and operations.

D. Grizzly Flats HDPE Reservoir: Scope of work for this Project to determine the method of repair will include, but is not limited to, (1) analyze methods of liner repair (e.g., remove and replace damaged sections, overlap damaged sections with new material, use thicker materials for patching, etc.), (2) analyze feasible mitigation measures to prevent damage from future fires, (3) evaluate site conditions for constructability (e.g., maintain full water storage capacity during construction, fence removal or relocate), and (4) evaluate opportunities to reduce the cost of construction and operations.

E. Water Service Lines and Meters: Scope of work for this Project to determine the method of repair will include, but is not limited to, (1) analyze options for service line replacement (individual services vs current dual service, options to repair main service line damage, combine dual service meters into a single meter, etc.), (2) conform with applicable standards and codes at the time of the disaster (i.e., residential fire sprinklers), (3) analyze feasible mitigation measures to prevent damage from future fires (e.g., meter box materials, deeper meter sets to reduce heat exposure), (4) evaluate opportunities to reduce the cost of construction and operations, and (5) identify process to complete installation of services under FEMA guidelines recognizing some services may not be used immediately after installation.

F. Surface Water Diversions and Conveyance System: Scope of work for this Project to determine the method of repair will include, but is not limited to, (1) analyze the performance requirements and location of the facilities based on recent and projected surface water flow rates as impacted by the Caldor Fire, (2) analyze feasible mitigation measures to prevent damage from future fires, (3) conform with applicable standards and codes at the time of the disaster, and (4) evaluate opportunities to reduce the cost of construction and operations.

G. Fire Hydrants: Scope of work for this Project to determine the method of repair will include, but is not limited to, (1) analyze options for fire hydrant repair vs replacement, (2) identify any deficiencies with existing fire hydrants that could interfere with repair options (e.g. parts not available, parts integral thus not replaceable, lead paint mitigation), (3) analyze feasible mitigation measures to prevent damage from future fires, and (4) evaluate opportunities to reduce the cost of construction and operations.

Study Costs: The following table provides an estimate of costs for the engineering studies.

Engineering Studies Estimate of Time and Cost¹

Project	Project Engineer		Engineering Technician		Expenses	Total
	hrs	\$	hrs	\$		
A. Tyler Drive Storage and Booster Facility	75	\$13,125	40	\$5,000		\$18,125
B. Winding Way Tank and Booster Station	50	\$8,750	30	\$3,750		\$12,500
C. Surface Water Metering and Diversion Station	40	\$7,000	20	\$2,500		\$9,500
D. Grizzly Flats HDPE Reservoir	30	\$5,250	10	\$1,250		\$6,500
E. Water Service Lines and Meters	60	\$10,500	25	\$3,125		\$13,625
F. Surface Water Diversion and Conveyance System	50	\$8,750	30	\$3,750		\$12,500
G. Fire Hydrants	30	\$5,250	10	\$1,250		\$6,500
Totals	335	\$58,625	165	\$20,625	\$5,000	\$84,250

1. Rates: Project Engineer - \$175/hr
Engineering Technician - \$125/hr

Thank you for your consideration.

Sincerely,

Jodi Lauther
General Manager
Grizzly Flats Community Services District

pk35

GAVIN NEWSOM
GOVERNOR



Cal OES
GOVERNOR'S OFFICE
OF EMERGENCY SERVICES

MARK S. GHILARDUCCI
DIRECTOR

3/3/2022

Ms. Jodi Lauther
General Manager
Grizzly Flats Community Services District
4765 Sciaroni Road
Grizzly Flats, California 95636-0250

Subject: Approval in the State of California Debris Removal Program
FEMA-4619-DR-CA, Caldor, and Cache Fires
Cal OES ID: 017-91022 FEMA ID: 017-04D86-00
Subrecipient: Grizzly Flats Community Services District
Cal OES Log: 751610 FEMA Log: None

Dear Ms. Lauther:

The California Governor's Office of Emergency Services (Cal OES) received the enclosed letter dated February 17, 2022, from the Grizzly Flats Community Services District (Subrecipient). The letter requests the following public property be included in State of California Debris Removal Program for the Caldor, and Cache Fires (FEMA-4619-DR-CA) event:

- Grizzly Pond
5070 Parkside Drive
Grizzly Flats, CA 95636
Assessor Parcel Number (APN): 041-561-001

Cal OES is pleased to inform the Subrecipient of approval to remove approximately 200 hazardous trees at the above-listed parcel in El Dorado County under the State's Consolidated Debris Removal Program (Program) to the extent the trees threaten the safety of debris removal crews or pose an imminent threat for falling on public rights-of-away (ROW) or other public improved property. For any tree that poses a threat to the public ROW, a subject matter expert's (i.e., certified arborist or registered professional forester) opinion is required to substantiate that the tree was in fact an eligible tree. Trees that do not meet this requirement are not eligible for removal by the State because they do not pose an immediate threat to public health and safety.



3650 SCHRIEVER AVENUE, MATHER, CA 95655
(916) 845-8506 TELEPHONE (916) 845-8511 FAX
www.CalOES.ca.gov

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Ms. Jodi Lauther
Page 2

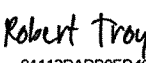
Cal OES has determined that hazard trees posing a threat to the parking and picnic areas, and walking trails are eligible for removal, if a subject matter expert confirms that they are a threat. Cal OES will deploy Certified Arborists and/or Registered Professional Foresters through the Program to make this determination. Hazard trees found to pose a legitimate hazard will be removed by a Licensed Timber Operator operating under the Program. Other trees, which may be damaged by the Caldor Fire and are likely to fall, but which do not pose a risk to any of the improved property described above, will not be eligible for assessment or removal.

Further, the Subrecipient shall be responsible for identifying the boundaries of the subject parcel of land as required to assist Cal OES in identifying eligible hazard trees. Identification of property boundaries may include staking with lathe or formal land surveying by a Professional Land Surveyor as required by the Professional Land Surveyors' Act. Exact operational requirements for boundary identification will be coordinated between the State Incident Management and the Subrecipient.

Cal OES understands that there is significant urgency in resolving this matter. Accordingly, Cal OES intends to rapidly deploy Program resources to begin the assessment of the subject trees.

Please know Cal OES will continue to work closely with your team during the recovery efforts. Please feel free to contact Mr. Robert Larsen, Infrastructure Branch Director, at (916) 600-3126, if you have any questions.

Sincerely,

DocuSigned by:

91112DADB0ED497...

ROBERT TROY
Deputy State Coordinating Officer
Governor's Authorized Representative

Enclosure

ev

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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



February 17, 2022

Deputy Director Ryan Buras

State Coordinating Officer

CalOES

3650 Schriever Ave, Mather, CA 95655

RECEIVED
FEB 18, 2022
751610
PUBLIC ASSISTANCE

**RE: Public Agency Inclusion, State Consolidated Debris Removal Program—2021 Wildfires
5070 Parkside Drive, Grizzly Flats, CA 95636 (APN #041-561-001-000)**

Dear Mr. Buras:

According to the “Public Agency Inclusion Guidance for the State Consolidated Debris Removal Program—2021 California Wildfires,” public agencies such as special districts are potentially eligible for inclusion in the Program as well.

During the August 17, 2021 Caldor fire, approximately 200 trees were burned at our Grizzly Pond property located at 5070 Parkside Drive, Grizzly Flats, CA 95636 (APN #041-561-001-000.) We are requesting that this property be enrolled into the state Consolidated Debris Removal Program.

As the owner of Grizzly Pond park facility, debris removal including removal of hazard trees is the legal responsibility of the Grizzly Flats Community Services District. However, that the work is beyond our operational or financial capability.

In result, we formally request that the State and its contractors perform the work, to our standards, and as directed by our Incident Management Team. We acknowledge that operational decisions such as what debris and trees are to be removed will be made by the State. Additionally, we agree to provide the State government, Federal government, tribal monitors, and our contractors reasonable access to the property.

If you have any questions or concerns, please feel free to contact me at your convenience.

Thank you,

Jodi Lauther

General Manager

Grizzly Flats Community Services District

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ITEM F. 2.

From: Charlie Simpson <csimpson@basecampenv.com>
Sent: Friday, January 28, 2022 4:34 PM
To: Scott Myers <scott@H2Ourban.com>
Cc: cort h2oengr.com <cort@h2oengr.com>; Rayanna Beck <rbeck@basecampenv.com>
Subject: Grizzly Flat Tree Felling Project

Hi Scott,

As I understand it, the Grizzly Flat CSD provides potable water service to the Grizzly Flat community. The 2021 Caldor fire destroyed most of the community as well as the surrounding timberlands. Grizzly Flat obtains its water supply from nearby surface diversions that feed an unburied gravity PVC pipeline that conducts raw water to the CSD treatment and distribution facilities. The pipeline passes through formerly-forested areas that have been reduced to standing burned logs. It is expected that burned trees can be expected to fall over time, including the immediate future. Falling trees are a risk to the water supply line, which is unprotected from potential damage. The CSD proposes to fell and leave in place approximately 6,000 trees along the pipeline corridor. Because this action is on federal forest land and would be conducted by a California local agency, the decision to proceed requires both NEPA and CEQA consideration.

The project requires permission from the Eldorado National Forest, and felling costs will be funded by the USDA Rural Development. The USDA will be the NEPA lead agency. It appears that the project can qualify for a NEPA Categorical Exclusion. The project is also subject to CEQA review, but it is expected to be exempt from detailed CEQA consideration. On the basis of these assumptions, BaseCamp Environmental, Inc. (BaseCamp) proposes prepare NEPA and CEQA documentation in support of the agencies' decision to proceed with the project. BaseCamp's proposed scope of work is outlined below.

CEQA Categorical Exemption

- Review project plans in detail
- Consult with USFS resource management experts
- Discuss impact-reducing project variations with Scott Myers, if necessary
- Prepare memo regarding applicability of CEQA Categorical Exemption
- Prepare Notice of Exemption and Findings Document

USDA NEPA Categorical Exclusion

- Same initial steps as CEQA Categorical Exemption
- Prepare NEPA Categorical Exclusion documentation in consultation with Eldorado National Forest staff
- Assume no biological and/or cultural resources subcontractors required
- Assume no tribal consultation activity required
- Submit Categorical Exclusion document to USDA Rural Development and USFS for review and comment

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There are several potential complications that will not come into focus until the work is started. For that reason, I would prefer that we do the work on a Time and Materials basis with a Not to Exceed limit of \$10,000.00. We are available to go to work immediately.

Scott, let me know if this meets your needs or if additional information is needed. I will have my assistant Rayanna forward a brief agreement to you on Monday morning for your signature. We will use the following contact information, unless you provide an alternative.

Scott Myers
H2O Urban Solutions
E-mail: scott@H2Ourban.com
Work: (916) 869-4957
4159 Anatolia Drive
Rancho Cordova, CA 95742

Best regards,

Charlie

Charlie Simpson
BaseCamp Environmental, Inc.
802 West Lodi Avenue
Lodi, CA 95240
209-224-8213

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STANDARD SCHEDULE OF RATES AND CHARGES
BASECAMP ENVIRONMENTAL, INC.
2022

HOURLY FEES FOR PERSONNEL

Principal	\$200
Senior Planner	\$165
Project Planner	\$145
Assistant Environmental Planner	\$125
Research Specialist	\$100
Graphics Technician, Document Processing	\$100

COPYING CHARGES

Charges for copying by BaseCamp Environmental will be charged as follows:

Copies (b/w)	\$0.15/page
Copies (color)	\$0.25/page

EXPENSES

Subcontractor charges and other materials and services purchased by BaseCamp in connection with services provided under this Agreement will be invoiced at actual cost plus 10%. Materials and services include but are not limited to costs for subcontractor services, travel and subsistence, insurance certificates necessitated by the job, document and map reproduction, computer time, telecommunications, out-of-house fax, rented or leased equipment, supplies, and postage and shipping expenses.

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Grizzly Flats Community Services District
Profit & Loss - O&M
February 2022

Income

40000 · O & M Income

40100 · Water Charges - Basic Rate	15,314.02	<i>Amounts billed to customers in February</i>
40110 · Water Charges - Volumetric Rate	1,074.66	
40200 · Water User Penalties	1,798.21	
Total 40000 · O & M Income	18,186.89	

Expense

50000 · Personnel Costs

51000 · Salaries Expense

51100 · Field Staff	3,601.95
51200 · Admin Staff	10,062.88
51600 · Holiday Pay	659.20
Total 51000 · Salaries Expense	14,324.03

52000 · Payroll Expense

52100 · Payroll Tax	1,920.28
52300 · Workers' Comp	421.95
Total 52000 · Payroll Expense	2,342.23

53000 · Benefits Expense

53100 · Deferred Comp	206.80
53200 · HRA Medical	1,783.34
Total 53000 · Benefits Expense	1,990.14

Total 50000 · Personnel Costs	18,656.40
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**Doesn't include H2Ou O&M
billing*

60000 · Operations & Utilities Exp

60200 · Communication	133.24	
60600 · PG&E	16.24	
60900 · Website	120.00	<i>Annual fee for website</i>
Total 60000 · Operations & Utilities Exp	269.48	

61000 · Water Treatment

61100 · Chemicals	79.00
61200 · Equipment & Supplies	15.42
61300 · Testing & Lab Reports	135.00
Total 61000 · Water Treatment	229.42

PK42

Profit & Loss - O&M

February 2022

62000 · Maintenance Exp62600 · Parts & Equip. 16.29**Total 62000 · Maintenance Exp** 16.29**65000 · Admin Exp.**

65150 · Bank Fees & Supplies 225.33

65250 · Janitorial & Supplies 86.38

65400 · Office Supplies 158.18

65450 · Postage 235.48**Total 65000 · Admin Exp.** 705.37**66000 · Professional Services**66400 · Liability Insurance 1,432.62**Total 66000 · Professional Services** 1,432.62**Total Expense** 21,309.58**Net Income** -3,122.69

Grizzly Flats Community Services District
Check Detail
February 8, 2022

Type	Num	Date	Name	Account	Paid Amount
Check	4484	02/08/2022	49R Propane	10100 - WF-O&M Checking	
Bill	68550	01/05/2022	delivery to office tank	14800 - Caldor Fire Recovery	-864.98
TOTAL					-864.98
Check	4485	02/08/2022	BSK Associates	10100 - WF-O&M Checking	
Bill	SE04553	12/13/2021	asbestos (4 sites)	14800 - Caldor Fire Recovery	-1,000.00
TOTAL					-1,000.00
Check	4486	02/08/2022	Darlene Serpa Accounting Support	10100 - WF-O&M Checking	
Bill	Jan-22	01/04/2022	Visit on January	14800 - Caldor Fire Recovery	-370.00
TOTAL					-370.00
Check	4487	02/08/2022	El Dorado Disposal	10100 - WF-O&M Checking	
Bill	174042624	12/28/2021	Qtrly service - trash	60800 - Trash Disposal	-129.81
TOTAL					-129.81
Check	4488	02/08/2022	Ferguson Enterprises	10100 - WF-O&M Checking	
Bill	9570536	10/28/2021	galvanized parts for Forest View pump repair	14800 - Caldor Fire Recovery	-429.45
TOTAL					-429.45
Check	4489	02/08/2022	H2O Urban Solutions, Inc.	10100 - WF-O&M Checking	
Bill	4200.005.04	11/30/2021	November Caldor Fire response	14800 - Caldor Fire Recovery	-25,255.75
Bill	4200.002.55	11/30/2021	November O&M Services	54000 - Contract Operations	-6,262.00
Bill	4200.005.05	12/31/2021	December Caldor Fire response	14800 - Caldor Fire Recovery	-25,075.11
Bill	4200.002.56	12/31/2021	December O&M Services	54000 - Contract Operations	-14,153.00
TOTAL					-70,745.86
Check	4490	02/08/2022	P G & E	10100 - WF-O&M Checking	
Bill	1/27/2022	01/10/2022	Forest View - billing October to January	60600 - PG&E	-440.94
TOTAL					-440.94
Check	4491	02/08/2022	PACE Supply Corp.	10100 - WF-O&M Checking	
Bill	067422389	01/20/2022	parts for pressure system	14800 - Caldor Fire Recovery	-1,608.68
Bill	067449213	01/28/2022	parts for repair on Old Mine Rd	14800 - Caldor Fire Recovery	-895.89
TOTAL					-2,504.57
Check	4492	02/08/2022	State Water Resources Control Board	10100 - WF-O&M Checking	
Bill	2022	01/01/2022	Lauther - treatment license renewal	64200 - Education & Certifications	-60.00
TOTAL					-60.00
Check	4493	02/08/2022	US Bank Corporate Payments	10100 - WF-O&M Checking	
Bill	1/17/2022 JL	01/17/2022	USA Blue Book - circle charts for TP	61200 - Equipment & Supplies	-111.37
			Home Depot - valve boxes for temp connector	14800 - Caldor Fire Recovery	-508.06
			Quickbooks - annual payroll subscription	65550 - Software	-700.00
			Verizon - December	60200 - Communication	-109.08
				14800 - Caldor Fire Recovery	-10.30
				65100 - Agency Admin. Fee	-205.77
TOTAL					-1,644.58

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Grizzly Flats Community Services District
Check Detail
February 8, 2022

Type	Num	Date	Name	Account	Paid Amount
Check	4494	02/08/2022	Verizon Wireless	10100 · WF-O&M Checking	
Bill	Jan	01/15/2022	Cell bill January	60200 · Communication	-109.08
			Cellalarm for treatment plants	14800 · Caldor Fire Recovery	-10.30
Bill	Feb	01/15/2022	Cell bill February	60200 · Communication	-109.24
TOTAL					-228.62
Check	4495	02/08/2022	Water Environmental Testing Laboratory	10100 · WF-O&M Checking	
Bill	21-12-GF	01/01/2022	December water testing	61300 · Testing & Lab Reports	-85.00
Bill	22-01-GF	02/01/2022	January water testing	61300 · Testing & Lab Reports	-135.00
TOTAL					-220.00
Check	4496	02/08/2022	A T & T	10100 · WF-O&M Checking	
Bill	1/4/22 #9626	01/04/2022	main office line - all other bills are in dispute	60200 · Communication	-190.51
TOTAL					-190.51

John A. [Signature] 2/8/22
Pat [Signature] 2/8/2022

Grizzly Flats Community Services District

Profit & Loss - O&M

July 2021 through February 2022

Year to date

Income

40000 · O & M Income

40100 · Water Charges - Basic Rate	143,249.11
40110 · Water Charges - Volumetric Rat	7,185.74
40200 · Water User Penalties	3,386.83
40300 · Miscellaneous Revenue	2,891.32
40400 · Pooled Interest	497.19
40000 · O & M Income - Other	356.46
Total 40000 · O & M Income	157,566.65

Expense

50000 · Personnel Costs

51000 · Salaries Expense

51100 · Field Staff	39,793.61
51200 · Admin Staff	85,446.83
51600 · Holiday Pay	4,362.16
Total 51000 · Salaries Expense	129,602.60

52000 · Payroll Expense

52100 · Payroll Tax	12,004.90
52300 · Workers' Comp	3,375.60
Total 52000 · Payroll Expense	15,380.50

53000 · Benefits Expense

53100 · Deferred Comp	1,559.04
53200 · HRA Medical	9,992.03
53300 · Life Insurance	182.80
Total 53000 · Benefits Expense	11,733.87

54000 · Contract Operations

52,532.00

*O&M Services - July - December
2021*

Total 50000 · Personnel Costs 209,248.97

60000 · Operations & Utilities Exp

60100 · Alarm Service	810.80
60200 · Communication	2,650.52
60600 · PG&E	1,941.41
60700 · Propane	285.96
60800 · Trash Disposal	389.43
60900 · Website	209.00
Total 60000 · Operations & Utilities Exp	6,287.12

Grizzly Flats Community Services District
Profit & Loss - O&M
 July 2021 through February 2022

61000 · Water Treatment

61100 · Chemicals	796.16
61200 · Equipment & Supplies	801.93
61300 · Testing & Lab Reports	1,765.00

Total 61000 · Water Treatment	<u>3,363.09</u>
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62000 · Maintenance Exp

62100 · Building	
62110 · 1099-NEC	300.00
62100 · Building - Other	183.84
Total 62100 · Building	<u>483.84</u>
62300 · Distribution System	443.30
62410 · Grizzly Pond Expenses	20.36
62450 · Eagle Ditch	1,412.08
62500 · Office Equip.	138.06
62600 · Parts & Equip.	319.53
62700 · Road Repairs	1,884.81
62800 · Service Contracts	
62810 · 1099-NEC Services	170.00
62800 · Service Contracts - Other	252.10

Total 62800 · Service Contracts	<u>422.10</u>
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62900 · Treatment Plant I & II	519.25
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Total 62000 · Maintenance Exp	<u>5,643.33</u>
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63000 · Vehicle Exp.

63200 · Parts & Repairs	232.07
63500 · Fuel Purchases	3,880.79

Total 63000 · Vehicle Exp.	<u>4,112.86</u>
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64000 · Employee Exp.

64200 · Education & Certifications	205.00
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Total 64000 · Employee Exp.	<u>205.00</u>
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65000 · Admin Exp.

65100 · Agency Admin. Fee	3,506.32
65150 · Bank Fees & Supplies	1,851.56
65250 · Janitorial & Supplies	283.92
65300 · Meeting Expenses	105.00
65350 · Membership & Dues	3,498.00

Grizzly Flats Community Services District

Profit & Loss - O&M

July 2021 through February 2022

65400 · Office Supplies	1,040.33	
65450 · Postage	1,005.48	
65550 · Software	2,099.99	
Total 65000 · Admin Exp.	<u>13,390.60</u>	
66000 · Professional Services		
66400 · Liability Insurance	11,460.96	
66900 · Other	410.00	
Total 66000 · Professional Services	<u>11,870.96</u>	
Total Expense	<u>254,121.93</u>	
Net Income	<u><u>-96,555.28</u></u>	<i>*Doesen't include Contract Operations for Jan & Feb</i>

Grizzly Flats Community Services District

Profit & Loss - CIP

July 2021 through February 2022

Year to date

Income

45000 · Capital Income

45100 · Standby Charges	34,978.57	This income is collected with the property taxes - Standby Charges are \$4/month per parcel and fund the CIP account (not O&M).
45200 · Penalties On Standby Fees	243.60	
45600 · Pooled Interest	<u>1,016.67</u>	
Total 45000 · Capital Income	36,238.84	

Expense

70000 · Capital Exp.

70300 · Interest On Long Term Debt	12,792.50	WSIP loan - paid in April & Oct
70800 · Depreciation	<u>59,972.96</u>	
Total 70000 · Capital Exp.	<u>72,765.46</u>	

Net Income -36,526.62

**Grizzly Flats Community Services District
Profit & Loss Prev Year Comparison - O&M**

	Current Year	Previous Year		
	July 2021 - February 2022	July 2020 - February 2021	\$ Change	% Change
Income				
40000 · O & M Income				
40100 · Water Charges - Basic Rate	143,249.11	338,475.22	-195,226.11	-58%
40110 · Water Charges - Volumetric Rate	7,185.74	34,538.25	-27,352.51	-79%
40200 · Water User Penalties	3,386.83	9,593.48	-6,206.65	-65%
40300 · Miscellaneous Revenue	2,891.32	1,970.66	920.66	47%
40400 · Pooled Interest	497.19	1,151.56	-654.37	-57%
40600 · New Service Installation	0.00	14,985.08	-14,985.08	-100%
40700 · Grizzly Pond Shirt Sales	0.00	14.00	-14.00	-100%
40000 · O & M Income - Other	356.46	0.00	356.46	100%
Total 40000 · O & M Income	157,566.65	400,728.25	-243,161.60	-61%
Expense				
50000 · Personnel Costs				
51000 · Salaries Expense				
51100 · Field Staff	39,793.61	47,382.34	-7,588.73	-16%
51200 · Admin Staff	85,446.83	78,487.52	6,959.31	9%
51300 · Overtime	0.00	138.18	-138.18	-100%
51600 · Holiday Pay	4,362.16	4,818.64	-456.48	-9%
Total 51000 · Salaries Expense	129,602.60	130,826.68	-1,224.08	-1%
52000 · Payroll Expense				
52100 · Payroll Tax	12,021.33	10,003.85	2,017.48	20%
52101 · PR Tax- do not use	-322.43	0.00	-322.43	-100%
52200 · CA SUI	306.00	387.92	-81.92	-21%
52300 · Workers' Comp	3,375.60	4,785.46	-1,409.86	-29%
Total 52000 · Payroll Expense	15,380.50	15,177.23	203.27	1%
53000 · Benefits Expense				
53100 · Deferred Comp	1,559.04	1,738.58	-179.54	-10%
53200 · HRA Medical	9,992.03	22,414.64	-12,422.61	-55%
53300 · Life Insurance	182.80	236.40	-53.60	-23%
Total 53000 · Benefits Expense	11,733.87	24,389.62	-12,655.75	-52%
54000 · Contract Operations				
	52,532.00	91,395.08	-38,863.08	-43%
Total 50000 · Personnel Costs	209,248.97	261,788.61	-52,539.64	-20%

**Grizzly Flats Community Services District
Profit & Loss Prev Year Comparison - O&M**

	Current Year	Previous Year	<u>\$ Change</u>	<u>% Change</u>
	<u>July 2021 - February 2022</u>	<u>July 2020 - February 2021</u>		
60000 · Operations & Utilities Exp				
60100 · Alarm Service	810.80	393.00	417.80	106%
60200 · Communication	2,650.52	4,799.81	-2,149.29	-45%
60400 · Fire and Safety Supplies	0.00	365.43	-365.43	-100%
60600 · PG&E	1,941.41	5,394.93	-3,453.52	-64%
60700 · Propane	285.96	1,337.58	-1,051.62	-79%
60800 · Trash Disposal	389.43	360.81	28.62	8%
60900 · Website	209.00	224.00	-15.00	-7%
Total 60000 · Operations & Utilities Exp	<u>6,287.12</u>	<u>12,875.56</u>	<u>-6,588.44</u>	<u>-51%</u>
61000 · Water Treatment				
61100 · Chemicals	796.16	972.58	-176.42	-18%
61200 · Equipment & Supplies	801.93	1,285.38	-483.45	-38%
61300 · Testing & Lab Reports	1,765.00	2,045.00	-280.00	-14%
Total 61000 · Water Treatment	<u>3,363.09</u>	<u>4,302.96</u>	<u>-939.87</u>	<u>-22%</u>
62000 · Maintenance Exp				
62100 · Building				
62110 · 1099-NEC	300.00	1,200.00	-900.00	-75%
62100 · Building - Other	183.84	326.42	-142.58	-44%
Total 62100 · Building	<u>483.84</u>	<u>1,526.42</u>	<u>-1,042.58</u>	<u>-68%</u>
62200 · Customer Meters	0.00	1,137.94	-1,137.94	-100%
62300 · Distribution System	443.30	2,656.23	-2,212.93	-83%
62400 · Grounds	0.00	316.29	-316.29	-100%
62410 · Grizzly Pond Expenses	20.36	80.18	-59.82	-75%
62450 · Eagle Ditch	1,412.08	7,660.57	-6,248.49	-82%
62500 · Office Equip.	138.06	504.55	-366.49	-73%
62600 · Parts & Equip.	319.53	876.83	-557.30	-64%
62700 · Road Repairs	1,884.81	3,091.12	-1,206.31	-39%
62800 · Service Contracts				
62810 · 1099-NEC Services	170.00	850.00	-680.00	-80%
62800 · Service Contracts - Other	252.10	1,976.96	-1,724.86	-87%
Total 62800 · Service Contracts	<u>422.10</u>	<u>2,826.96</u>	<u>-2,404.86</u>	<u>-85%</u>
62900 · Treatment Plant I & II	519.25	180.00	339.25	188%
Total 62000 · Maintenance Exp	<u>5,643.33</u>	<u>20,857.09</u>	<u>-15,213.76</u>	<u>-73%</u>

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**Grizzly Flats Community Services District
Profit & Loss Prev Year Comparison - O&M**

	Current Year	Previous Year	\$ Change	% Change
	July 2021 - February 2022	July 2020 - February 2021		
63000 · Vehicle Exp.				
63100 · Oil/Grease	0.00	169.40	-169.40	-100%
63200 · Parts & Repairs	232.07	105.85	126.22	119%
63300 · Tires & Snow Chains	0.00	2,216.99	-2,216.99	-100%
63400 · Tractor Maintenance & Repairs	0.00	2,156.01	-2,156.01	-100%
63500 · Fuel Purchases	3,880.79	2,012.20	1,868.59	93%
Total 63000 · Vehicle Exp.	4,112.86	6,660.45	-2,547.59	-38%
64000 · Employee Exp.				
64200 · Education & Certifications	205.00	0.00	205.00	100%
Total 64000 · Employee Exp.	205.00	0.00	205.00	100%
65000 · Admin Exp.				
65100 · Agency Admin. Fee	3,506.32	3,627.85	-121.53	-3%
65150 · Bank Fees & Supplies	1,851.56	2,675.08	-823.52	-31%
65200 · Election Costs	0.00	45.00	-45.00	-100%
65250 · Janitorial & Supplies	283.92	213.57	70.35	33%
65300 · Meeting Expenses	105.00	245.00	-140.00	-57%
65350 · Membership & Dues	3,498.00	3,400.00	98.00	3%
65400 · Office Supplies	1,040.33	1,413.89	-373.56	-26%
65450 · Postage	1,005.48	2,696.80	-1,691.32	-63%
65550 · Software	2,099.99	1,914.99	185.00	10%
Total 65000 · Admin Exp.	13,390.60	16,232.18	-2,841.58	-18%
66000 · Professional Services				
66100 · Audit & Accounting	0.00	6,593.00	-6,593.00	-100%
66400 · Liability Insurance	11,460.96	14,987.60	-3,526.64	-24%
66900 · Other	410.00	0.00	410.00	100%
Total 66000 · Professional Services	11,870.96	21,580.60	-9,709.64	-45%
Total Expense	254,121.93	344,297.45	-90,175.52	-26%
Net Income	-96,555.28	56,430.80		

Grizzly Flats Community Services District

Balance Sheet

As of February 28, 2022

Fixed Assets

16000 · Capital Assets

16100 · Land	237,405.00
16200 · Water Plant	3,763,055.91
16300 · Vehicles	68,275.01
16400 · Equipment	327,315.21
16900 · Accumulated Depreciation	<u>-1,987,446.40</u>

Total 16000 · Capital Assets 2,408,604.73

17000 · Work In Progress

17700 · Water Master Plan (H2Ou)	<u>29,135.00</u>
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Total 17000 · Work In Progress 29,135.00

Total Fixed Assets 2,437,739.73

TOTAL ASSETS 3,296,723.13

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

20000 · Accounts Payable	<u>7,423.63</u>
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Total Accounts Payable 7,423.63

Other Current Liabilities

22000 · Personnel Payables

22100 · Federal Payroll Taxes	1,738.37
22110 · State Payroll Taxes	765.80
22200 · Accrued HRA Medical	49,395.99
22300 · Accrued Vacation	15,267.53
22400 · Deferred Comp Plan	437.76
22600 · 457 Loan Pymt	<u>212.24</u>

Total 22000 · Personnel Payables 67,817.69

Total Other Current Liabilities 67,817.69

Total Current Liabilities 75,241.32

Long Term Liabilities

20200 · USDA Loan	<u>803,000.00</u>
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Total Long Term Liabilities 803,000.00

Total Liabilities 878,241.32

*Semi annual loan payment
of about \$13,000 scheduled
for April 1st*

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Grizzly Flats Community Services District

Balance Sheet

As of February 28, 2022

Equity

167 · Retained Earnings - Old Acct	578,297.46
30000 · Reserves-Retained Earnings	1,311,763.01
30100 · Reserves- CIP Restricted	540,875.62
30300 · Reserves - Asset Managment	80,548.45
30400 · Reserves - USDA Loan Reserve	42,007.89
Net Income	-135,010.62
Total Equity	<u>2,418,481.81</u>
TOTAL LIABILITIES & EQUITY	<u><u>3,296,723.13</u></u>

Grizzly Flats Community Services District
Caldor Fire Recovery
 As of February 28, 2022

Date	Name	Memo	Amount
Engineering/Water Operations			
10/12/2021	H2O Urban Solutions, Inc.	August	27,442.50
10/12/2021	H2O Urban Solutions, Inc.	September	68,602.75
10/12/2021	H2O Urban Solutions, Inc.	October	55,246.10
01/15/2022	H2O Urban Solutions, Inc.	November	25,255.75
01/15/2022	H2O Urban Solutions, Inc.	December	25,075.11
Total Engineering/Water Operations			201,622.21
Consultants			
10/12/2021	Carnahan Electric Ltd	Meet PG& E to Check Voltage & Rotation after fire reconnection	1,250.00
10/21/2021	Hydrevolution, LLC.	Mobilization for leak detection survey	1,981.38
10/08/2021	Windmiller Consulting	CF - Archaeological Support	928.69
10/29/2021	Hydrevolution, LLC.	Leak Detection - Locate & Pinpoint known leaks in water system	4,895.00
11/16/2021	Jefferson Resource Co.	Marking Hazard Trees on Big Creek Intake	1,061.63
11/18/2021	Lyons Web Design	Add to menu "Caldor Fire" Info	81.25
11/18/2021	Oneto Tree Service	Clear Road & Take down trees	33,600.00
10/26/2021	Darlene Serpa Accounting Support	3 visits in October	990.00
11/18/2021	Darlene Serpa Accounting Support	1 visit in November	370.00
12/02/2021	Western Hydrologics,LLP	damage asmt report and site visit/stream gauges	2,165.04
12/02/2021	Darlene Serpa Accounting Support	December	370.00
12/31/2021	Computer Guy	Visit in Dec - computers not linking to hot spot for internet	85.00
01/04/2022	Darlene Serpa Accounting Support	Visit in January	370.00
02/01/2022	West Coast Pipeline Solutions, Inc.	Installation of temp pumps and pressure system - work done Nov	54,042.81
02/01/2022	West Coast Pipeline Solutions, Inc.	Installation of 10" ductile iron pipe at Big Canyon diversion	20,504.05
02/03/2022	Darlene Serpa Accounting Support	Visit in February	370.00
Total Consultants			123,064.85
Water Quality Testing			
10/01/2021	BSK Associates	Bac-ts (4 sites)	100.00
10/01/2021	BSK Associates	VOCs (4 sites - no rush)	340.00
10/11/2021	BSK Associates	VOCs (8 sites - rush)	1,020.00
10/12/2021	BSK Associates	VOCs - (4 sites - rush)	510.00
10/12/2021	BSK Associates	Bac-ts (4 sites)	100.00
10/18/2021	BSK Associates	CF - EXT - Asbestos Drinking Water	1,000.00
10/18/2021	BSK Associates	CF - Regulated Compounds	382.50

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Grizzly Flats Community Services District
Caldor Fire Recovery
 As of February 28, 2022

Date	Name	Memo	Amount
10/21/2021	BSK Associates	4 bac-t tests, received by lab on 10/12/21	100.00
10/21/2021	BSK Associates	4 bac tests, received by lab on 10/13/21	100.00
10/21/2021	BSK Associates	5 bac tests, received by lab on 10/14/21	125.00
10/21/2021	BSK Associates	1 bac test, received by lab on 10/15/21	25.00
10/21/2021	BSK Associates	Asbestos testing (3 sites)	750.00
10/21/2021	BSK Associates	VOCs (2 sites - rush)	212.50
10/26/2021	BSK Associates	Bac-ts (1 site)	25.00
10/26/2021	BSK Associates	Asbestos (3 sites)	750.00
10/26/2021	BSK Associates	VOCs (4 sites - rush)	425.00
11/03/2021	BSK Associates	Bac-ts (3 sites)	75.00
11/04/2021	BSK Associates	Asbestos (3 sites)	750.00
11/04/2021	BSK Associates	VOCs (3 sites - rush)	318.75
11/17/2021	BSK Associates	Asbestos (8 sites)	2,000.00
11/17/2021	BSK Associates	VOCs (1 site - rush)	106.25
11/17/2021	BSK Associates	Asbestos (6 sites)	1,500.00
12/07/2021	BSK Associates	VOCs (6 sites - no rush)	528.00
12/17/2021	BSK Associates	VOCs (2 sites - rush)	255.00
12/20/2021	BSK Associates	VOCs (13 sites - rush)	1,657.50
12/13/2021	BSK Associates	Asbestos (4 sites)	1,000.00
12/28/2021	BSK Associates	Asbestos (4 sites)	1,000.00
02/25/2022	BSK Associates	Asbestos (4 sites)	85.00
Total Water Quality Testing			15,240.50

Add'l Utilities & Misc Expenses

09/15/2021	49R Propane	fill date 9-15-21 propane	569.30
09/23/2021	49R Propane	propane 09/23/21	695.46
09/29/2021	49R Propane	Propane	508.80
09/28/2021	Verizon	Cellalarm/auto dialer for treatment plants	47.69
10/06/2021	Dial Long Distance, Inc	long distance bill due to forwarding main office line to a cell phone so	142.87
09/28/2021	Jodi Lauther.	CF - high visibility work shirts - Clothing	81.38
09/28/2021	Jodi Lauther.	CF - business cards for to hand out to various agencies - office suppli	16.15
09/28/2021	Jodi Lauther.	CF - gas for Toyota during Cal Fire response - fuel purchase	50.00
09/28/2021	Jodi Lauther.	CF - GFW high visibility work t-shirts - Employee Exp	309.20
09/28/2021	Jodi Lauther.	CF - 4 cases of water for district staff - office supplies	24.76
09/28/2021	Jodi Lauther.	CF - Office Max, Avery labels for printing DDW warning and sticking o	95.22
10/06/2021	49R Propane	tank fill at generator tank	198.94

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Grizzly Flats Community Services District
Caldor Fire Recovery
 As of February 28, 2022

Date	Name	Memo	Amount
10/15/2021	Verizon	monthly service fee for cell alarm for TP	10.30
10/18/2021	White Brenner, LLP	Emergency resolutions, meetings on disaster proclamations	3,021.00
10/15/2021	US Bank Corporate	Duct Tape for Signage for Caldor Fire	48.21
10/15/2021	US Bank Corporate	Home Depot - Blue Driveway Markers	279.12
11/15/2021	US Bank Corporate	Office Max - print August billing and newsletter regarding Caldor Fire	388.62
11/18/2021	Verizon	monthly service fee for cell alarm for TP	10.30
12/03/2021	White Brenner, LLP	research on legalities of water rates	1,881.00
12/15/2021	US Bank Corporate	marking wand for USAs	76.18
12/15/2021	US Bank Corporate	marking paint for USAs	64.32
01/05/2022	49 R Propane	fill in December/after power outage	864.98
01/15/2022	Verizon	monthly service fee for cell alarm for TP	10.30
01/17/2022	Verizon	monthly service fee for cell alarm for TP	10.30
02/11/2022	White Brenner, LLP	follow up on basic water rate questions	319.20
02/15/2022	US Bank Corporate	UPS Store - Notary, admin designation form for disaster payment	15.00
02/15/2022	US Bank Corporate	Extreme Towing - Toyota Tacoma towed out of Old Mine	295.00
Total Add'l Utilities & Misc Expenses			10,033.60
Total 14800 - Caldor Fire Recovery			410,505.98

PO's Issued in February: None

FEMA Reimbursements Received to Date: \$0.00

Big Canyon - temp road access &
 Clear well emergency patch repair

FEMA Reimbursements approved for payment: \$37,547

All emergency response work
 August 17 - December 31, 2021

FEMA Reimbursements under review: approx. \$300,000

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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 27, 2021

RESOLUTION 2021-01

RESOLUTION OF GRIZZLY FLATS COMMUNITY SERVICES DISTRICT DECLARING AN EMERGENCY FOR THE CALDOR FIRE

WHEREAS: Grizzly Flats Community Services District (District) provides critical water services to the residents within the Grizzly Flats Community Services District boundaries; and

WHEREAS: On August 14, 2021, the Caldor Fire started burning in the Middle Fork Cosumnes River Canyon in El Dorado County; and

WHEREAS: the Caldor Fire is exhibiting extreme fire behavior and has caused mandatory evacuations orders in numerous areas, including areas of Grizzly Flats, Somerset and Pollock Pines, and the fire poses a high risk to multiple populated communities; and

WHEREAS: On August 17, 2021, Governor Gavin Newsom proclaimed a state of emergency for El Dorado County due to the Caldor Fire. The El Dorado County Board of Supervisors declared a state of emergency at their special Board Meeting on August 19, 2021; and

WHEREAS: the Caldor Fire poses a clear and imminent danger to District facilities and personnel, demanding immediate action to prevent or mitigate loss of, or damage to life, property, and the essential District public services; and

WHEREAS: The District has taken, and continues to take, numerous actions in response to the Caldor Fire, in an effort to ensure safe and continuous services to the public; and

WHEREAS: Public Resources Code section 21080(b)(4) and CEQA Guidelines section 15269(c) exempt from CEQA any action that are necessary to prevent or mitigate an emergency; and

WHEREAS: CEQA Guidelines section 15359 defines "emergency" as "a sudden, unexpected occurrence, involving a clear and imminent danger, demanding immediate action to prevent or mitigate loss of, or danger to life, health, property, or essential public services;" and

WHEREAS: Public Contract Code section 20567 authorizes the district to let contracts without notice for bids in case of an emergency; and

WHEREAS: Public Contract Code section 22050(a)(2) requires that before action is taken to procure equipment, services, and supplies without giving notice for bids, the governing body must first make a finding, based on substantial evidence set forth in the minutes of its meeting, that the emergency will not permit a delay resulting from a competitive solicitation for bids, and that the action is necessary to respond to the emergency; and

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August 27, 2021

WHEREAS: Public Contract Code section 1102 defines “emergency” as “a sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services;” and

WHEREAS: The Districts “Emergency Response Plan,” approved by the Board on September 12, 2014 and updated on January 9, 2020 allows the Board of Director’s to act under declaration of an emergency authorizing the General Manager to take necessary and appropriate action in response to the emergency. The General Manager will provide periodic updates to the Board on the District’s response to the Caldor Fires, specifically damages and repair plans; and

WHEREAS: The District performs a critical health and safety function for our customers—the supply of safe drinking water for domestic use and fire suppression. It is imperative that the District continue to provide those critical functions during this emergency. In order to ensure that the District is able to meet both the anticipated and unanticipated challenges that it is likely to face, the General Manager must have maximum flexibility in her ability to respond. District Board Policy 1.1.2 authorizes the District’s General Manager to act in emergency situations where no Board Policies or Administrative Regulations exist; and

WHEREAS: Board Policy 3.4.2.2, delegates to the General Manager authority to approve any and all contracts necessary to abate an emergency after the Board declares an emergency by a four-fifths vote. (Public Contracts Code § 22050.) All action thereafter taken will be reported to the Board until the emergency action is terminated (at the earliest possible date that conditions warrant).

NOW, THEREFORE IT BE RESOLVED by the Grizzly Flats Community Services District Board of Directors as follows:

1. The Board finds and declares that the existing Caldor Fire constitutes an emergency within the meaning of Public Resources Code Section 21080(b)(4), CEQA Guidelines section 15359, Public Contracts Code section 1102, District Board Policy 1.1.2, District Board Policy 3.4.2.2, subdivision (6), and District Emergency Response Plan.
2. The Board finds and declares that the adoption of this Resolution, satisfies the requirements and criteria of Public Resources Code section 21080(b)(4), CEQA Guidelines section 15269(c), and Public Contract Code section 22050(a)(2) and 20567.
3. The foregoing findings and declaration are based upon all written, oral, and visual evidence, including both facts and professional opinions, presented to the Board at the adoption of this Resolution.
4. The Board hereby delegates, authorizes, and directs the District General Manager and her designees to take all action reasonably deemed necessary to respond to the emergency conditions declared herein, including but not limited to the following specific actions:
 - a. Enter into professional services and contract as reasonably deemed necessary to respond to the Caldor Fire.
 - b. Report to and seek ratification of the Board for any action taken in excess of authority expressly granted by this Resolution, at the first regular Board meeting held after each such action.

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Grizzly Flats Community Services District

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August 27, 2021

- 5. This Resolution shall take effect immediately upon adoption. Subject to the ratification required by Public Contract Code section 22050(b)(3), (c)(1), and (c)(2), this Resolution shall remain in full force an effect until rescinded by a subsequent Resolution of the Board.

The Board hereby adopts this resolution ratifying the General Manager’s declaration of an emergency for the Caldor Fire.

PASSED AND ADOPTED this ____ day of _____, 2021 by the following votes:

AYES:

NOES:

ABSENT/ABSTAIN:

Sherry McKillop
Board Chair
Grizzly Flats CSD Board of Directors

CERTIFICATE OF SECRETARY

The undersigned hereby certifies that she is the duly elected and qualified Secretary of the Grizzly Flats Community Services District, a California public entity and that the foregoing is a true and correct record of a resolution duly adopted by the Grizzly Flats Community Services District Board of Directors, on the ____ day of _____, 2021.

IN WITNESS WHEREOF, I have executed my name as Secretary on the ____ day of _____, 2021.

Kim Gustafson
GFCSO Board Secretary

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Grizzly Flats Community Services District

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March 10, 2022

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, PURSUANT TO BROWN ACT PROVISIONS.

WHEREAS, the Grizzly Flats Community Services District is committed to preserving and nurturing public access and participation in meetings of the Board of Directors; and

WHEREAS, all meetings of Grizzly Flats Community Services District's legislative bodies are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend, participate, and watch the District's legislative bodies conduct their business; and

WHEREAS, the Brown Act, Government Code section 54953(e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and

WHEREAS, a proclamation is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the jurisdictions that are within the District's boundaries, caused by natural, technological, or human-caused disasters; and

WHEREAS, it is further required that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, the Board of Directors previously adopted a Resolution 2021-03 on October 14, 2021, finding that the requisite conditions exist for the legislative bodies of Grizzly Flats Community Services District to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953; and

WHEREAS, as a condition of extending the use of the provisions found in section 54953(e), the Board of Directors must reconsider the circumstances of the state of emergency that exists in the District, and the Board of Directors has done so; and

WHEREAS, emergency conditions persist in the District, specifically, due to the Caldor Fire which started in El Dorado County on August 14, 2021; and

Grizzly Flats Community Services District

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March 10, 2022

WHEREAS, meeting in person would present imminent risk to health and safety of attendees to the lack of power, telephone, and water service; and

WHEREAS, the Board of Directors does hereby find that the Caldor Fire has caused, and will continue to cause, conditions of peril to the safety of persons within the District that are likely to be beyond the control of services, personnel, equipment, and facilities of the District, and desires to proclaim a local emergency and ratify the proclamation of state of emergency by the Governor of the State of California; and

WHEREAS, as a consequence of the local emergency, the Board of Directors does hereby find that the legislative bodies of Grizzly Flats Community Services District shall conduct their meetings without compliance with paragraph (3) of subdivision (b) of Government Code section 54953, as authorized by subdivision (e) of section 54953, and that such legislative bodies shall comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of section 54953; and

WHEREAS, the District is posting meeting notices in two public locations and on the District's website in accordance with the Ralph M. Brown Act and providing a teleconference line to ensure public access and the opportunity for public comment.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF GRIZZLY FLATS COMMUNITY SERVICES DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Affirmation that Local Emergency Persists. The Board of Directors hereby considers the conditions of the state of emergency in the District and proclaims that a local emergency persists throughout the District, and meeting in person would present imminent risk to health and safety of attendees to the lack of power, telephone, and water service.

Section 3. Re-ratification of Governor's Proclamation of a State of Emergency. The Board hereby ratifies the Governor of the State of California's Proclamation of State of Emergency, effective as of its issuance date of September 1, 2021.

Section 4. Remote Teleconference Meetings. The staff and legislative bodies of Grizzly Flats Community Services District are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, continuing to conduct open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

Section 5. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of (i) April 19, 2022, or such time the Board of Directors adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the legislative bodies of Grizzly Flats Community Services District may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

Grizzly Flats Community Services District

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March 10, 2022

PASSED AND ADOPTED by the Board of Directors of Grizzly Flats Community Services District, this _____ day of _____, 20____, by the following vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

 Lynn Hannblom
 Board Chair
 Grizzly Flats CSD Board of Directors

CERTIFICATE OF SECRETARY

The undersigned hereby certifies that she is the duly elected and qualified Secretary of the Grizzly Flats Community Services District, a California public entity and that the foregoing is a true and correct record of a resolution duly adopted by the Grizzly Flats Community Services District Board of Directors, on the _____ day of _____, 2022.

IN WITNESS WHEREOF, I have executed my name as Secretary on the _____ day of _____, 2022.

 Kim Gustafson
 GFCSD Board Secretary

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SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY

1112 I Street, Suite 300
Sacramento, California 95814-2865
T 916.231.4141
T 800.537.7790
F 916.231.4111
www.sdrma.org

SPRING EDUCATION DAY

March 22, 2022
Hilton Sacramento Arden West Hotel

The SDRMA Spring Education Day provides risk management training relating to Property/Liability and Workers' Compensation at no cost. Keynote speaker Gordon Graham will present the Ten Families of Risk. In addition, the SDRMA Board of Directors will conduct their Annual Membership Meeting that will include current insurance market updates and important upcoming renewal information.

SDRMA members that attend the Spring Education Day are eligible to earn Credit Incentive Points (CIPs) to reduce their annual contribution for both the Property/Liability and Workers' Compensation Programs.

The Education Day is free to all SDRMA and CSDA members except for the separate workshop for the CSDA Special District Leadership Academy-Governance Foundations*.

Come meet the entire SDRMA staff and join us for safety, education and fun!

Hotel Information

Hilton Sacramento Arden West
2200 Harvard Street
Sacramento, California 95815
T. 800.344.4321

Reserve your room by March 7, 2022
For group rates of \$135 plus tax
Single or Double Room Rates

Ask for group code SED

PROGRAM AGENDA

Table with 2 columns: Time and Activity. Activities include Registration/Bufferet Breakfast, Welcome, Annual Membership Meeting, Break, SDLF Acknowledgements and Presentations, SDRMA Safety Specialist Certificate Program, SDLA Governance Foundations Workshop, General Session, Lunch, Break, and Adjourn.

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