

**Grizzly Flats Community Services District
Minutes of the Regular Meeting of the Board
October 10, 2024**

A. CALL TO ORDER

The regular meeting of the Grizzly Flats CSD Board of Directors was called to order at 6:00 P.M. by Director Hannblom.

ROLL CALL OF THE BOARD

Present: Directors, Chigazola, Davidson, Forbey, Hannblom, and Director Malonson

Called-in: None

Absent: None

Others: Kim Gustafson, Jessi Phillips, Mel Kelley, and Andy Withrow

SALUTE TO THE FLAG was led by Director Hannblom.

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

C. PUBLIC COMMENT – Andy Withrow expressed concern to the Board about the recent rate increase’s impact on his monthly billing. He said he and his family of four use a lot of water for cleanliness and fire suppression, and his water bill went from around \$150 to \$500. Kim Gustafson and the Board let him know they will be evaluating the increase in January to see if the volumetric charges can be lowered.

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 September 12, 2024 regular meeting minutes.**
2. **Review monthly System Report for September (production data, rainfall information, operations unrelated to the Caldor Fire Recovery efforts).**
3. **Approval of the financial reports and spending for September 2024.**
4. **Receive and file Special District Risk Management Authority’s (SDRMA’s) letter dated August 28, 2024 about no paid Worker’s Compensation claims during program years 2019-2024.**

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

E. CUSTOMER AGENDA ITEM

1. **Discuss potential lot merger issues with the USDA Rural Development Loan and restrictions** - Mel Kelley spoke to the Board about the USDA Rural Development Loan and how the annual standby charge of \$48 per lot goes to repay the loan. Mel is concerned that there will not be enough funding to cover the loan if customers continue merging their lots. He suggested there be a policy in place to stop the merging of lots until more funding is available. Director Malonson asked if the District could charge a merger fee? Kim Gustafson said she would investigate charging a fee. The Board agreed to schedule a committee meeting to further discuss the merger issues.

F. OFFICE & FINANCE

Office Operations:

1. **Update on the El Dorado Water Agency meeting –** Kim Gustafson said that she participated in the meeting remotely, and there were no discussions about the District or the ARPA projects.
2. **Update from District’s fiscal year 2023/2034 financial audit-** Kim Gustafson said Larry Bain (CPA) and Natasha recently completed the financial audit for the 2023-2024 fiscal year. They are working on the report which

should be available within the next six weeks. She said that H2O Urban Solutions will need to have the missing invoices in within the next four weeks to avoid a qualified opinion (a notation in the financial report that something was missing). Kim Gustafson said next year, the District will have to do a single audit because she expects over one million dollars in grant funding will be spent this fiscal year. The single audit costs about \$15,000 more, for a total of around \$21,000. Kim said that Larry knows a bookkeeper who is experienced working with grants, and that she charges \$150 per hour.

3. **Review and approve the District's updated Emergency Response Plan** - Kim Gustafson said that one of the District's follow-up items from the recent compliance inspection with the State Water Resources Control Board was to update the Emergency Response Plan. She indicated that the major changes pertained to contact details.

Director Forbey made a motion to approve the updated Emergency Response Plan. Director Davidson 2nd the motion. There was no further discussion. Director Hannblom called for a vote. The motion passed with four directors present voting aye. Director Chigazola was absent during the vote.

G. AMERICAN RESCUE PLAN ACT (ARPA) PROJECTS

1. **Update on the District's ARPA projects**- Kim Gustafson said the Clearwell project is going well. M-3 Construction has been building the pad for the new tank which should be finished in about a week. Pacific Tank & Construction is supposed to mobilize and start constructing the new Clearwell on October 28, 2024. She said the District is in contract with MCS Inspection for the tanks welding and coating inspection following the Board's approval last month. She said there may be a delay in getting the tank coated, as the heating equipment used during the coating process was not included within their proposal. There are concerns the coating will not adhere properly with cooler weather approaching.
2. **Review proposals for Reservoir Debris Removal services and authorize staff to contract with the most qualified firm** - Kim Gustafson said the District received one bid for the Reservoir Debris Removal Project from Paso Robles Tank, Inc. She said that there are concerns about water quality during the debris removal which may require that work be slowed down. If the crew needs to demobilize and remobilize to finish work in Spring 2025, the total cost of the project would be impacted. Kim Gustafson said that Scott Myers and Cort Abney (H2O Urban solutions) recommended she request approval for up to 50% change order if needed. Kim told the Board there is adequate funding to cover the additional costs if needed. Director Davidson asked if the El Dorado Water Agency would have an issue with the change. Kim said she would talk to Rebecca about the situation.

Director Malonson made a motion to authorize staff to contract with Paso Robles Tank, Inc. to remove the reservoir debris for \$79,000, and to grant the General Manager authorization to approve a change order for as much as 50% of the project cost if needed to alleviate potential water quality issues. Director Davidson 2nd the motion. There was no further discussion. Director Hannblom called for a vote. The motion passed with all directors present voting aye.

H. DISASTER RECOVERY

1. **Review the most recent Disaster Recovery Status Report** – Kim Gustafson said that Joe Vicini, Inc. is subcontracted under Nate's tree service to repair the damaged pipeline on Eagle Ditch, and that they are working quickly and efficiently. She went on to say that Oneto Tree Service has begun tree felling work for Phase 2 (Units A & B). Scott Myers scheduled an inspector from H2O Urban Solutions to keep an eye on the Clearwell Tank Replacement Project and the Tree Felling Project.

- I. **ANNOUNCEMENTS / DIRECTORS COMMENTS** - Director Davidson said the District needs to work diligently to get the volumetric rates down. Director Malonson asked what criteria the District will need to look at in January for the possible lowering of the volumetric rate. Kim Gustafson said she will get information on what is needed.

ADJORNMENT- Director Chigazola made a motion to adjourn. Director Malonson 2nd the motion. There was no further discussion. Director Hannblom called for a vote. The motion passed with all directors present voting aye and the meeting was adjourned at 8:05 P.M.

Minutes submitted by:

Kim Gustafson, Board Secretary

Approved by:

Lynn Hannblom, Board Chair

Date:
