



RESOLUTION NO. 2019-43
RESOLUTION NO. PFA-03
ORDINANCE NO. 2019-01

MINUTES

**CALAVERAS COUNTY WATER DISTRICT
REGULAR BOARD MEETING**

June 26, 2019

- Directors Present: Russ Thomas, President
Bertha Underhill, Vice President
Scott Ratterman, Director
Cindy Secada, Director
Jeff Davidson, Director
- Staff Present: Michael Minkler, General Manager
Rebecca Hitchcock, Clerk to the Board
Peter Martin, Manager of Water Resources
Joel Metzger, External Affairs Manager
- Others Present: Vicky Mills
Mike Lemke
Mike Evans
Lewis Brichetto

ORDER OF BUSINESS

CALL TO ORDER / PLEDGE OF ALLEGIANCE

1. ROLL CALL

President Thomas called the Regular Board Meeting to order at 1:00 p.m. and led the pledge of allegiance. All Board members were present.

2. PUBLIC COMMENT

Mr. Brichetto from Stanislaus County addressed the Board about the possibility of a meeting with the District regarding purchasing surface water for his crops.

3. CONSENT AGENDA

MOTION: Directors Ratterman/Underhill - Approved Consent Agenda Item: 3a

3a Approval of Minutes for the Board Meeting of May 29, 2019

YES: Directors Ratterman, Underhill, Secada, Davidson, and Thomas
NOES: None
ABSTAIN: None
ABSENT: None

4. NEW BUSINESS

4a Consideration of Renewal of Contract for Federal Advocacy Services with Mia O’Connell of O’Connell & Dempsey, LLC for Fiscal Year 2019-20
(Michael Minkler, General Manager) **RES 2019-43**

MOTION: Directors Davidson/Underhill - Adopted Resolution 2019-43 - Approving Renewal of Contract for Federal Advocacy Services with Mia O’Connell of O’Connell & Dempsey, LLC for Fiscal Year 2019-20

DISCUSSION: Mr. Minkler discussed the proposed contract with O’Connell & Demspey focusing on the benefits this partnership provides to the District. Director Underhill would like Ms. O’Connell to travel to Calaveras County for a local visit with the Board and various other organizations in the near future.

PUBLIC COMMENT: There was no public comment.

YES: Directors Davidson, Underhill, Secada, Ratterman, and Thomas
NOES: None
ABSTAIN: None
ABSENT: None

4b Discussion Regarding District Operations Department Re-Organization
(Stacey Lollar, Human Resources Manager)

DISCUSSION: Mr. Minkler described the new structure of the Operations Department. He responded to questions from the Board. There was significant discussion regarding coverage and redundancy with the new structure.

PUBLIC COMMENT: There was no public comment.

This item was for information only; no action was taken.

4c Discussion/Action Regarding Approving Side Letter with SEIU Local 1021
(Stacey Lollar, Human Resources Manager) **RES 2019-44**

MOTION: Directors Ratterman/Secada - Adopted Resolution 2019-43 – Approving Side Letter with SEIU Local 1021

DISCUSSION: Mr. Minkler continued the discussion about the re-organization and requested approval of the side letter of agreement with the SEIU Local 1021. He explained the minor changes made to some of the titles and additions to the salary schedule.

PUBLIC COMMENT: There was no public comment.

YES: Directors Ratterman, Secada, Davidson, Underhill, and Thomas
NOES: None
ABSTAIN: None
ABSENT: None

President Thomas opened the Public Hearing at 1:29 p.m.

5. PUBLIC HEARING

5a Discussion/Action Regarding the Adoption of the Fiscal Year 2019-20
Operating and Capital Improvement Plan Budget
(Jeffrey Meyer, Director of Administrative Services) **RES 2019-45**

**MOTION: Directors Underhill/Ratterman - Adopted Resolution 2019-45 – Adopting the
Fiscal Year 2019-20 Operating and Capital Improvement Plan Budgets**

DISCUSSION: Mr. Meyer provided a PowerPoint presentation of the proposed FY 2019-20 Operating and Capital Improvement budgets. The Proposed FY 2019-20 Operating Budget is \$20,588,852, and the Proposed Capital Improvement Program budget is \$11,489,953. Total operating and non-operating revenues are projected to increase by \$1,338,189, or 8.6%, compared to FY 2018-19. The largest increases include rate revenues (water and sewer), property tax revenues, investment income and other non-op revenues. The \$748,871 increase is a result of the Districts auditor's recommendation that the District change its accounting of FERC and other regulatory fees paid for the North Fork and New Hogan power generation projects.

Mr. Meyer continued to review the District expenditures. The FY 2019-20 Personnel Services budget is \$10,091,258, \$10,952 more than FY 2018-19. The modest increase can be attributed to a reduction in PERS benefit costs, which offset scheduled cost of living and step increases. The District recently refinanced a portion of its PERS Unfunded Accrued Liability (UAL), which reduced PERS benefit costs by approximately \$322,600. Prefunding retiree health for current employees decreased slightly to \$846,133 (-.54%), as a result of the required bi-annual valuation. Health insurance costs are projected to increase by approximately \$17,000. The total Services and Supplies budget for FY 2019-20 is \$7,006,906, a \$1,244,374 increase from FY 2018-19. The proposed FY 2019-20 Capital Outlay budget is \$510,000, a decrease of \$55,000 from the prior year. Overall, the FY 2019-20 debt service budget is \$243,705 greater than FY 2018-19. The proposed FY 2019-20 CIP budget is \$11,489,953, which includes \$9,879,953 for water projects and \$1,610,000 for wastewater projects. Funding for the projects includes Expansion Funds (\$172,500), Capital R&R (\$10,358,053), Grants (\$809,400), and Assessment District Funds (\$150,000).

Mr. Meyer concluded that the FY 2019-20 Proposed Operating Budget as presented is balanced. Both the water and sewer budgets are projected to have modest surpluses (\$3,759 and \$2,399 respectively). There was additional discussion between the Board and Mr. Meyer.

PUBLIC COMMENT: There was no public comment.

YES: Directors Underhill, Ratterman, Secada, Davidson, and Thomas
NOES: None
ABSTAIN: None
ABSENT: None

Discussion/Action Regarding the Adoption of the Fiscal Year 2019-20
Personnel Allocation Budget
(Jeffrey Meyer, Director of Administrative Services)

RES 2019-46

MOTION: **Directors Ratterman/Davidson - Adopted Resolution 2019-46-Adopting the Fiscal Year 2019-20 Personnel Allocation Budget**

DISCUSSION: Mr. Meyer reiterated the changes to the personnel allocations. With all changes, the allocation remains at 65 full time employees.

PUBLIC COMMENT: There was no public comment.

YES: **Directors Ratterman, Davidson, Secada, Underhill, and Thomas**

NOES: **None**

ABSTAIN: **None**

ABSENT: **None**

5b Discussion/Action Regarding the Adoption of Amendment to Ordinance 2006-03
Setting Water and Wastewater Capacity Charges
(Joel Metzger, External Affairs Manager)

ORD 2019-01

MOTION: **Directors Secada/Davidson - Adopted Ordinance 2019-01 Amendment to Ordinance 2006-03 Setting Water and Wastewater Capacity Charges as amended to add Southworth estates from original Ordinance.**

DISCUSSION: Mr. Metzger reviewed the reasons why the District is considering this Ordinance Amendment. At the June 12, 2019 regular Board meeting the CCWD Board provided direction to staff to bring back the proposed amendments to Ordinance 2006-03 and Ordinance 2018-01 to this meeting. In order to comply with state-mandated fire sprinkler system flow requirements, the District will allow owners of newly constructed residential homes to pay the same capacity fees and bimonthly base rates for 1-inch water meters as is charged for standard 5/8-inch meters. Customers who require larger meters for emergency fire sprinkler systems will be required to pay for the installation of the 1-inch meters, which is an increased cost compared to 5/8-inch meters. Meter installation labor and material costs vary from site to site and are charged on a time and materials basis. Director Davidson asked why Southworth Estates were not listed on the revised Schedule A as it was on the previous Schedule A. Mr. Metzger stated that he would revisit Schedule A and make sure all applicable services areas are listed. There was discussion regarding the 30 day waiting period for an Ordinance taking effect. The waiting period is 30 days according to Government Code 25123.

PUBLIC COMMENT:

Mr. Evans from DeNova Homes addressed the Board regarding the waiting period and how builders can get meters in the meantime.

YES: **Directors Secada, Davidson, Ratterman, Underhill, and Thomas**

NOES: **None**

ABSTAIN: **None**

ABSENT: **None**

5b continued

Discussion/Action Regarding the Adoption of Amendment to Ordinance 2018-01
Modifying Rates for Water and Wastewater Services
(Joel Metzger, External Affairs Manager) **ORD 2019-02**

MOTION: **Directors Underhill/Ratterman - Adopted Ordinance 2019-02 Amending Ordinance 2018-01 Modifying Rates for Water and Wastewater Services**

DISCUSSION: There was no additional comment from the discussion above.

PUBLIC COMMENT: There was no public comment

YES: **Directors Underhill, Ratterman, Secada, Davidson, and Thomas**
NOES: **None**
ABSTAIN: **None**
ABSENT: **None**

5c Discussion/Action Regarding the Adoption of District Policy No. 26 Water Use Audits
(Joel Metzger, External Affairs Manager) **RES 2019-47**

MOTION: **Directors Ratterman/Secada - Adopted Resolution 2019-47 Adopting Policy No. 26 Water Use Audits**

DISCUSSION: Mr. Metzger presented the Draft Policy No. 26 Water Use Audits. In order to facilitate customer compliance with state-mandated fire sprinkler system flow requirements for newly constructed, single family residential homes, Staff proposes performing regular water usage audits of all customers who own residential, single family homes that have 1-inch meters installed.. If an audit shows a customer's water consumption exceeds the 95th percentile of water use for 5/8-inch residential meters in that customer's service area, the customer will be sent a letter warning them they have three months from the date the high usage was read by the meter readers, to reduce their usage to below the 95th percentile or they will be charged a full 1-inch meter capacity fee and base rates. There was significant discussion over the verbiage of the Draft Policy.

PUBLIC COMMENT:

Mike Lemke addressed the Board regarding the Draft Policy. He suggested that staff clean up the policy to be more concise before adopting it. He also provided the Board with some alternative language.

YES: **Directors Ratterman, Secada, and Underhill**
NOES: **Directors Davidson and Thomas**
ABSTAIN: **None**
ABSENT: **None**

President Thomas closed the Public Hearing at 2:30 p.m.

6. GENERAL MANAGER REPORT

Mr. Minkler reported on the following activities: 1) the Slurry Line testing, which is going very well; 2) he attended the Union Public Utilities District Board meeting to update them on the Districts Slurry Line activities; 3) the Districts PG&E Public Safety Power Shutdown (PSPS) planning and preparations; and 4) the continued due diligence on the Corp Yard property to determine if the property is suited for the needs of the District. This item will come back to the Board with detailed information.

7. BOARD REPORTS / INFORMATION / FUTURE AGENDA ITEMS

Director Underhill attended the Blue Lake Springs Shareholders meeting and talked about the various items that were discussed.

Director Secada returned from vacation and did not attend the IRWM meeting. She believes they have passed their Fiscal Year 2019-20 Budget.

Director Ratterman reported about the CAMRA meeting discussion on PSPS.

Director Davidson had nothing to report.

Director Thomas had nothing to report.

8. NEXT BOARD MEETINGS

- Wednesday, July 10, 2019, 1:00 p.m., Regular Board Meeting
- Wednesday, July 24, 2019, 1:00 p.m., Regular Board Meeting

9. ADJOURNMENT

With no further business, the meeting adjourned at approximately 2:57 p.m.

By:



Michael Minkler
General Manager

ATTEST:



Rebecca Hitchcock
Clerk to the Board