

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

MINUTES

**CALAVERAS COUNTY WATER DISTRICT
REGULAR BOARD MEETING**

JANUARY 23, 2019

Directors Present: Russ Thomas, President
Scott Ratterman, Director
Jeff Davidson, Director

Staff Present: Jeffrey Meyer, Interim General Manager
Rebecca Hitchcock, Clerk to the Board
Matt Weber, General Counsel
Peter Martin, Manager of Water Resources
Damon Wyckoff, Director of Operations
Joel Metzger, Manager of External Affairs, Conservation, and Grants

Others Present: Vickey Mills
Leonard Pristia, resident
Susan McMorris, Blue Mountain Community Renewal Council
Tom Infusino, Calaveras Planning Coalition
Tyler & Jane Childress, resident
Ruben Childress, resident
Dayne Henning Childress, resident

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. Directors Secada and Underhill were absent.

2. PUBLIC COMMENT

Mr. Leonard Pristia from Forest Meadows addressed the Board regarding issues with the storage facility in Forest Meadows. A letter was sent to the General Manager in July and there has been no response received. Copies of the letter were provided to the Board.

3. CONSENT AGENDA

**MOTION: Directors Davidson/Ratterman - Approved Consent Agenda Items:
3a, 3b, and 3c as presented**

- 3a Approval of Minutes for the Board Meeting of December 5, 2018.
- 3b Ratify Claim Summary #562 Secretarial Fund in the Amount of \$1,709,583.47 for December 2018.
(Jeffrey Meyer, Interim General Manager) **RES 2019-03**
- 3c Information / Quarterly Projects Report
(Charles Palmer, District Engineer)

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

4. NEW BUSINESS

- 4a Discussion / Direction of the FY 2018-19 Second Quarter Investment Report
(Jeffrey Meyer, Interim General Manager)

**MOTION: Directors Davidson/Ratterman – by Minute Entry to Receive and File
the Fiscal Year 2018-19 Second Quarter Investment Report**

DISCUSSION: Mr. Meyer presented the FY 2018-19 Second Quarter Investment Report. He mentioned that the second quarter does not have as much activity as the other quarters and discussed the various activities in detail.

PUBLIC COMMENT: There was no public comment.

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

- 4b Discussion / Action Adopting District Financial Management Policy – No. 5.13,
Financial Audit Policy
(Jeffrey Meyer, Interim General Manager) **RES 2019-04**

**MOTION: Directors Ratterman/Davidson – by Resolution No. 2019-04 Adopted
District Financial Management Policy – No. 5.13, Financial Audit Policy**

DISCUSSION: Mr. Meyer stated that after the Finance Committee’s review of the current Audit Policy 5.00.1.1.6, it was determined that it is not thorough enough and needed updating. He spoke of the details in the new, stand alone Audit Policy 5.13.

PUBLIC COMMENT: There was no public comment.

AYES: Directors Ratterman, Davidson, and Thomas
NOES: None
ABSTAIN: None

ABSENT: Directors Secada and Underhill

- 4c Discussion / Action Regarding FY 2018-19 Mid-Year Budget Review and Budget Adjustments
(Jeffrey Meyer, Interim General Manager) **RES 2019-05**

MOTION: Directors Davidson/Ratterman – by Resolution No. 2019-05 Amending the Fiscal Year 2018-19 Operating Budget

DISCUSSION: Mr. Meyer reviewed the 2018-19 Mid-Year Budget. He spoke specifically about the District revenues, transfers, expenditures, Capital Outlay, Debt Services, Operations, and the Capital Improvement Program. He recommends a budget adjustment to recognize the payment and reimbursement for all state and federal permitting costs associated with the North Fork and New Hogan hydro-electric projects. This budget adjustment is in response to a request from the auditors that both fees and reimbursements are recognized instead of the past practice of offsetting the expenditures when reimbursements are received. Mr. Meyer answered questions from the Board. Mr. Damon Wyckoff, Director of Operations, assisted Mr. Meyer with some of the questions regarding Operations. Mr. Charles Palmer, District Engineer, spoke to the Board regarding the need for an additional Engineer to assist with the backlog of Capital Projects. The funding for this additional position can be covered with Capital R&R Funds. If the District moves ahead with the additional Engineer, approval would be requested at a future Board meeting. Mr. Meyer continued presenting information on the next year budget. He mentioned that there will be new State mandates coming that will add to the budget needs. He reviewed the budget preparation process that will take place before it is brought to the Board in June, 2019. Director Thomas wants the District to keep the Slurry Line in mind when deciding on a long term CIP Projects. Director Davidson asked about PG&E shutdowns during fire season. Mr. Wyckoff explained that there are many stand by generators throughout the system and should cover the District in case of a shut down. More details can be presented at an upcoming Board meeting.

PUBLIC COMMENT: There was no public comment.

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

- 4d Update on Grants Program
(Joel Metzger, Manager of External Affairs, Conservation, and Grants)

DISCUSSION: Mr. Metzger provided the Board with a 10-year overview of the current grants program. The District brought in \$13 million in grant funding between 2009-2019, with an additional \$6.8 million in submitted applications. He highlighted various projects that have been accomplished including redwood tank replacements.

PUBLIC COMMENT: There was no public comment.

RECESS was called at 2:20 p.m. **SESSION RESUMED** at 2:25 p.m.

5. OLD BUSINESS

- 5a Discussion / Action Regarding Adoption of the West Point Master Plan
(Peter Martin, Water Resources Manager) **RES 2019-06**

MOTION: Directors Davidson/Ratterman – by Resolution No. 2019-06 Adopted the West Point Master Plan

DISCUSSION: Mr. Martin began his presentation by stating the 2018 Supplemental West Point Water System Master Plan update is a feasibility study performed for the District to analyze treated water supply reliability and redundancy in its West Point service area. The update supplements the West Point Master Plan, adopted in May 2005 and is focused on water supply reliability and redundancy for the 20-year planning horizon in order to prioritize projects listed in the 2005 Plan. The highest priority projects are: 1) the construction of a new Middle Fork Mokelumne River intake, pump station, and improvements to the existing water supply pipeline, 2) construction of a new West Point Regulating Reservoir floating screened outlet, 3) redundant West Point Water treatment plant capacity and redundancy improvements via an additional filter, and 4) Bummerville water distribution improvements. He stated that there are a few medium priority long-term projects in the plan, including a potential expansion of the off stream Regulating Reservoir for water quality purposes while trying to remain within the same footprint. In addition, the decommissioning of Wilson Dam with meadow restoration is recognized as an important project since the dam provides no added benefit to water quantity in dry years and it would be prohibitively expensive to rehabilitate the dam due to the way it was built.

Mr. Martin stated that a draft of the study was released on November 14, 2018, and public comment was subsequently received. However, the night before the meeting, the Calaveras Planning Coalition and Foothill Conservancy submitted a letter to the District urging it not to adopt the West Point study. Mr. Martin responded to items in the letter. First, the letter makes certain representations regarding the study that are just inaccurate: The letter states that the plan includes an expansion of Schaads Reservoir and construction of a Forest Creek dam. These potential improvements were deemed long-term improvements and were not recommended in this study. The letter asserts that the West Point study is subject to the California Environmental Quality Act (CEQA) and cannot be adopted today. He stated that this point is incorrect, for a number of reasons. First, the District considered whether CEQA would apply, however the plan does not meet the definition of a project under CEQA. The study does not bind or commit the District to any course of action; it is a feasibility study so CEQA is not required. Second, the District may later approve, modify, or simply decline to pursue any component of the document. Third, any CEQA impacts would be entirely speculative and therefore CEQA analysis at this point would not provide meaningful information for environmental assessment. Fourth, if the District ultimately elects to undertake a concept discussed in the study, further Board approvals would be required and those approvals will require CEQA. The public will have the opportunity to comment on and object to any project that the District may take in the future. If any future actions are considered, the District will work with regional interests including individuals and groups. Mr. Martin took questions from the Board.

PUBLIC COMMENT:

Ruben Childress is a resident of West Point and was not aware of the Master Plan project. He does not want a dam in the Middle Fork Forest Creek area, which has old growth trees. He would like more time to review the plan and feels that the District 2 Director should be in attendance for the vote. He added that there should have been more public outreach.

Tom Infusino addressed the Board with items he thought were good about the plan. He added items he deemed bad about the plan and additionally he believes CEQA is required on this plan. He recommended in the future having more community outreach such as town halls for the communities affected by the plans.

Susan McMorris, Chair of the Blue Mountain Community Renewal Counsel addressed the Board with concerns about Schaads Lake expansion.

Jane Childress recommended to the Board that they delay the vote until the District 2 Director is present. She feels the residents need time to study the plan.

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

5b Update on Sustainable Groundwater Management Act (SGMA)
(Peter Martin, Water Resources Manager)

DISCUSSION: Mr. Martin gave a PowerPoint presentation with an update on the actions of the Eastside Groundwater Sustainability Agency and Joint Powers Agency. This item was for information only; no action was taken.

PUBLIC COMMENT: There was no public comment.

6. GENERAL MANAGER REPORT

Mr. Meyer reported on the following activities: 1) The District has received correspondence from ACWA JPIA congratulating the District on winning the Presidents Special Recognition Award for a loss ratio of 20% or less in its Property Program, Liability Program, and Workers Comp Program ; 2) update on the District Customer Assistance Program participation: 200 customers are signed up for water assistance, filling all available slots and 112 are signed up for sewer assistance, leaving 88 spaces available.

7. BOARD REPORTS / INFORMATION / FUTURE AGENDA ITEMS

Director Ratterman reported that the Mountain Counties Water Resources Association meeting is Friday, February 25 at 10:30

Director Davidson had nothing to report.

Director Thomas reported that he and Director Underhill attended the Tuolumne Utilities District Board meeting yesterday and had a positive reception.

8. NEXT BOARD MEETINGS

- Wednesday, February 13, 2019, 1:00 p.m., Regular Board Meeting
- Wednesday, February 27, 2019, 1:00 p.m., Regular Board Meeting

The Open Session ended at 3:28 p.m.

The meeting adjourned into Closed Session at approximately 3:30 p.m. Those present were Board Members: Russ Thomas, Scott Ratterman, and Jeff Davidson; staff members Jeffrey Meyer, Interim General Manager, Peter Martin, Water Resources Manager (for item 9b), Stacey Lollar, Director of Human Resources and Customer Service (for item 9c); and Matt Weber, General Counsel.

9. CLOSED SESSION

- 9a Conference with Legal Counsel – Existing Litigation
Government Code § 54956.9(a) La Contenta Investors, LTD vs. CCWD
(Calaveras County Superior Court #11CV37713)
- 9b Conference with legal counsel – anticipated litigation. Significant exposure to litigation pursuant to subdivision (d)(2) of Government Code section 54956.9. Two potential cases.
- 9c Conference with legal counsel pending litigation-Government Code Section 54956.9(d)(1)-Local 1021 SEIU and Management and Confidential Unit.

10. REPORTABLE ACTION FROM CLOSED SESSION

The Board reconvened into Open Session at approximately 4:10 p.m. There was no reportable action.

11. ADJOURNMENT

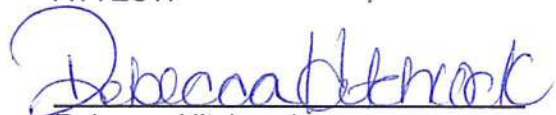
With no further business, the meeting adjourned at approximately 4:10 p.m.

By:



Jeffrey Meyer
Interim General Manager

ATTEST:



Rebecca Hitchcock
Clerk to the Board