

RESOLUTION NO. 2018-48
RESOLUTION NO. PFA-03
ORDINANCE NO. 018-02

MINUTES

CALAVERAS COUNTY WATER DISTRICT REGULAR BOARD MEETING

September 12, 2018

Directors Present: Scott Ratterman, President
Russ Thomas, Vice President
Bertha Underhill, Director
Terry Strange, Director
Jeff Davidson, Director

Staff Present: Dave Eggerton, General Manager
Rebecca Hitchcock, Clerk to the Board
Jeffrey Meyer, Director of Administrative Services
Charles Palmer, District Engineer
Bob Godwin, Sr. Civil Engineer
Jesse Hampton, Interim Director of Operations
Peter Martin, Manager of Water Resources
Robert Creamer, Engineering Analyst

Others Present: Elaine St. John
Vickey Mills

ORDER OF BUSINESS

CALL TO ORDER / PLEDGE OF ALLEGIANCE

1. ROLL CALL

President Ratterman called the Regular Board Meeting to order at 1:02 p.m. and led the pledge of allegiance. All Board Members were present.

2. PUBLIC COMMENT

There was no public comment.

3. CONSENT AGENDA

MOTION: Directors Davidson / Thomas – Approved Consent Agenda Items:

3a Approving Minutes for the Board Meeting of August 8, 2018; 3b, Review of Board of Directors Monthly Time Sheets for August 2018; 3e, Approving RES 2018-48 to Amend Appendix A of District Policy No. 5070 - Conflict of Interest Code

3a Approval of Minutes for the Board Meeting of August 8, 2018

3b Review Board of Directors Monthly Time Sheets for August 2018

Director Davidson pulled Item 3c from the Consent Agenda

3c Approve the Cancellation of the Regular Board Meeting of September 26, 2018 (Dave Eggerton, General Manager)

Director Underhill pulled Item 3d from the Consent Agenda

3d Ratify Claim Summary #558 Secretarial Fund in the Amount of \$3,260,073.43 for August 2018. (Jeffrey Meyer, Director of Administrative Services)
RES 2018-49

3e Approval to Amend Appendix A of District Policy No. 5070 - Conflict of Interest Code (Rebecca Hitchcock, Clerk to the Board)
RES 2018-48

- AYES: Directors Davidson, Thomas, Strange, Underhill, and Ratterman**
- NOES: None**
- ABSTAIN: None**
- ABSENT: None**

OFF CONSENT AGENDA

Director Davidson pulled Item 3c from the Consent Agenda

3c Approve the Cancellation of the Regular Board Meeting of September 26, 2018 (Dave Eggerton, General Manager)

MOTION: Directors Davidson / Thomas Approved the Cancellation of the Regular Board Meeting of September 26, 2018

DISCUSSION: Director Davidson stated that he would not be at the meeting the second week of October and wanted to make sure there would be a quorum for that meeting.

PUBLIC COMMENT: There was no public comment.

- AYES: Directors Davidson, Thomas, Strange, Underhill, and Ratterman**
- NOES: None**
- ABSTAIN: None**
- ABSENT: None**

Director Underhill pulled Item 3d from the Consent Agenda

3d Ratify Claim Summary #558 Secretarial Fund in the Amount of \$3,260,073.43 for August 2018. (Jeffrey Meyer, Director of Administrative Services)
RES 2018-49

DISCUSSION: Director Underhill had concerns over the amount of the Claim Summary of \$3,260,073.43. Mr. Meyer explained that every year in August, debt service payments are issued. Debt services are for Capital R&R loans and assessment district debt, which is not CCWD debt but gets channeled through CCWD from the property owners.

PUBLIC COMMENT: There was no public comment.

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

4. NEW BUSINESS

4a Discussion regarding Meter Sizing and Capacity Fees for Residential Fire Sprinkler Systems (Charles Palmer, District Engineer)

DISCUSSION: Mr. Palmer gave a presentation stating the vast majority of the District's customers have a 5/8" meter. This is how the fee structure and capacity fees are calculated. In addition, all of the master plans have been created using a 5/8" meter as the standard. Mr. Palmer discussed the domino effect changing the meter size would have on the District that would require re-evaluating not only the system demands and infrastructure needs, but also the corresponding rate structure. There was significant discussion between the Board and staff. The Board gave direction to staff to bring this item back in October for more discussion.

PUBLIC COMMENT:

Mr. Lemke of Miramont Homes explained that the current residential meter is not sufficient for any new home build without the builder getting creative. He explained that their new homes are very water efficient but the requirements for fire sprinklers are not covered with the 3/8" or 3/4" meter. He mentioned that this is a community problem and appreciates the consideration of the Board.

Ms. Sabota, General Counsel for DeNova Homes, mentioned that the cost per home is \$18,000 to hook up to the CCWD system due to the meter size. She said that most other districts have already solved this issue. She would like to offer any help necessary to educate the District on how other jurisdictions have responded to this issue.

Another speaker gave compliments to the staff at CCWD for trying to meet with them and brainstorm on ways to solve this issue. He gave the board examples of how other jurisdictions have charged for 1" meters. There was discussion between the Board and staff on the handouts.

4b Discussion / Action Adopting the District's Financial Management Policy – Policy No. 5.12 – Debt Management Policy (Jeffrey Meyer, Director of Administrative Services) **RES 2018-50**

MOTION: Directors Davidson/Underhill Adopted the District's Financial Management Policy – Policy No. 5.12 – Debt Management Policy

DISCUSSION: Mr. Meyer stated that a recent California bill changed the reporting requirements of public agencies on issuance of debt, record keeping and compliance. The District's current Debt Policy does not meet the requirements and Bond Counsel, Cameron Weist, has assisted in updating the policy that is being presented today. A separate Continuing Disclosure Policy will be brought the Board in the near future.

PUBLIC COMMENT: There was no public comment.

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

4c Discussion/Action regarding Refinancing of Outstanding Limited Obligation Improvement Bonds and Appointing Financial Consultants (Jeffrey Meyer, Director of Administrative Services)

RES 2018-51

MOTION: Directors Davidson / Underhill Approved a Preliminary Intention to Refinancing Outstanding Limited Obligation Improvement Bonds and Appointing Financial Consultants

DISCUSSION: Mr. Meyer presented a proposed refinance of the Dalee Cassidy and Fly In Acres Assessment Districts. The Dalee Cassidy Bond was originally \$990,000 at an average interest of 5.80% and Fly In Acres was originally \$2,000,000 at an average interest rate of 5.50%. The debt could be consolidated at an interest rate of 3.5% which would be a savings of about \$18,000 per year. Mr. Meyer mentioned that the Board does have authority to approve the refinance if three conditions are met: there must be savings in each year for each property owner; the assessment needs cannot be increased on any property; and the final maturity of the bonds cannot be extended. Financial consultants for this process would be Weist Law Firm and NHA Advisors. There was discussion between the Board and staff regarding the various details.

PUBLIC COMMENT: There was no public comment.

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

RECESS was called at 2:14 p.m. **SESSION RESUMED** at 2:20 p.m.

4d Update on the Calaveras Public Power Agency (CPPA) (Peter Martin, Manager of Water Resources)

DISCUSSION: Mr. Martin updated the Board on CPPA by highlighting a few items of interest. The rate stabilization fund has fully recovered at the end of FY 17/18. As a result, the power costs have been reduced to \$0.085 per kWh for FY 18/19. There was discussion on this between the Board and staff.

PUBLIC COMMENT: There was no public comment.

5. OLD BUSINESS

5a Update on Actions of the Eastside Groundwater Sustainability Agency and JPA (Peter Martin, Manager of Water Resources)

DISCUSSION: Mr. Martin gave a brief update on the Eastside Groundwater Sustainability Agency and JPA. There was a recent open house where information was shared. He reviewed the new

structure of the agency and new tools available. Director Underhill and Director Thomas added their comments on how the open house went.

PUBLIC COMMENT: There was no public comment.

6. GENERAL MANAGER REPORT

Mr. Eggerton reported on the following activities: 1) SB 623 (Monning) water tax bill was defeated, which was a big win for the water industry; 2) AB 2629 (Arumbula) groundwater recharge was also defeated but water agencies will have a pathway through the state water board to create an expedited process to allow for groundwater recharge in high flow events; 3) SB 998 Water Shut Off bill passed but has not yet been signed by the Governor. As the bill is implemented CCWD will have to update the Board on what changes will need to be made; and, 4) Discussed the Rate Assistance Program public meeting on September 27, 2018 at 6:00 p.m.

7.* BOARD REPORTS / INFORMATION / FUTURE AGENDA ITEMS

Director Underhill mentioned fire danger and issues with insurance for home owners.

Director Thomas discussed attending the Ebbetts Pass Property Owners Council (EPPOC) meeting and thought it was impressive. In addition, the meeting with Utica Water & Power Authority (UWPA) and the Board of Supervisors (BOS) was a good meeting and tour.

Director Strange had questions about the rate assistance outreach to the public but that was previously answered earlier in the meeting. In addition, the notifications regarding the Sheep Ranch water outage were very good. Lastly, the Calaveras Habitat Conservation Plan (HCP) is almost complete after a long 12-year process. It is one of the first aquatic HCP's in the state and he is looking forward to the workshop.

Director Davidson had nothing to report.

Director Ratterman reported that the Finance Committee is Sept 18 at 2:00 p.m., the Legal Affairs Committee is Sept 19 at 2:30 p.m., the Mountain Counties meeting is at CCWD on Friday the Oct. 28 at 10:30 a.m., and the East Bay MUD barbeque is on Friday, October 5.

8. NEXT BOARD MEETINGS

- Wednesday, Sept 26, 2018, 1:00 p.m., Regular Board Meeting (cancellation proposed)
- Wednesday, October 10, 2018, 1:00 p.m., Regular Board Meeting

The Open Session ended at 2:58 p.m.

The meeting adjourned into Closed Session at approximately 3:00 p.m. Those present were Board Members: Russ Thomas, Bertha Underhill, Jeff Davidson, Scott Ratterman and Terry Strange, staff members Dave Eggerton, General Manager, Robert Creamer, Engineering Analyst (for item 9a), and Matt Weber, General Counsel.

9. CLOSED SESSION

- 9a Conference with Real Property Negotiators
Government Code §54956.8
Property: APN's 072-046-004, 074-008-001, and 046-016-070, Valley Springs.
District Negotiator: Dave Eggerton and Robert Creamer
Under Negotiation: price and other terms

- 9b Conference with Legal Counsel – Potential Litigation
Government Code §54956.9

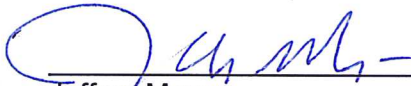
10. REPORTABLE ACTION FROM CLOSED SESSION

The Board reconvened into Open Session at approximately 4:00 p.m. There was no reportable action.

11. ADJOURNMENT

With no further business, the meeting adjourned at approximately 4:01 p.m.

By:



Jeffrey Meyer
Interim General Manager

ATTEST:



Rebecca Hitchcock
Clerk to the Board