

Regular Meeting

7:00 P.M.

MEMBERS PRESENT: Clifford Overmier
John Lavaroni
J.W. Dell’Orto
Richard Blood
Alan (Bill) Claudino

MEMBERS ABSENT: None

STAFF PRESENT: Donna Leatherman, District Manager
Kate Jesus, Administrative Account Assistant
Bret Beaudreau, Water System Superintendent
Carissa Bear, Customer Service Representative
Chris Williams, Legal Counsel
Gary Ghio, District Engineer, Weber, Ghio & Associates
Mark Mandell, Consultant

OTHERS PRESENT: See Public Hearing Sign-in Sheet

1. ROLL CALL: The regular meeting was called to order by Director Overmier at 7:00pm. Director Overmier, Dell’Orto, Lavaroni, Blood and Claudino were present.

2. PUBLIC COMMENT (Limit 3 minutes per person/15 minutes per subject): None

3. PUBLIC HEARING REGARDING PROPOSED WATER RATE INCREASE:

- Introduction (Donna Leatherman, District Manager): The Manager welcomed the public and gave the background information on the proposed rate increase and the options that were discussed by the Board during the development of the rates. The Proposition 218 process was explained. The Manager reported 2028 notices were mailed to the owners of affected parcels on June 29, 2018. If the District received valid protests with respect to the majority of the affected parcels, the Board may not approve the proposed increase. Of the 2028 parcels, 1015 protests would constitute a majority. The District had received a total of 161 protests before the opening of the Public Hearing and will continue to collect protests until the close of the public comment portion of the Public Hearing. The Manager introduced Gary Ghio, District Engineer to give the presentation.
- Presentation (Water Rate Cost of Service Study Presentation – Weber, Ghio & Associates): Gary Ghio, District Engineer presented a slideshow on the Water Rate Cost of Service Study explaining the Prop 218 process, District income and expenses, and a review of the proposed rates.

Director Overmier gave a brief statement on the Public Testimony process then opened the Public Hearing for comments.

- Public Testimony (Limit: 3 min/person)

The following individuals presented testimony:

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|------------------|---------------------|-------------------|
| 1. Ray Waller | 7. Antonie Wurster | 13. Cliff Edson |
| 2. David Sanders | 8. Gene Weatherby | 14. Scott Piper |
| 3. Anne Flock | 9. Bruce Hutchinson | 15. Nadine Ost |
| 4. Tysha Auld | 10. Todd Fischer | 16. Tammy Hebrard |
| 5. Scott Spear | 11. David Spitzer | 17. Joan Griffith |
| 6. Gina Kathan | 12. Mike Falvey | |

- Close of Public Hearing: After over an hour of public comments, Director Overmier presented a statement to close the public testimony portion of the Hearing and that all protests need to be turned in at this time. After a brief pause, a motion was made by Director Lavaroni, seconded by Director Claudino to close the Public Hearing. Directors Lavaroni, Overmier, Dell'Orto, Blood and Claudino voted yes, no nays. Motion carried 5-0.

A recess was called at 8:01 p.m. to tabulate the protests. Director Overmier called the meeting back to order at 8:21 p.m.

- Statement of Written Protests: Kate Jesus, Board Clerk read the following statement: "The District has received 161 apparent protests prior to tonight's Hearing. We received apparent protests with respect to an additional 500 parcels at the Hearing. There are 2028 parcels served by the District so a majority of parcels in the District would be 1015. Even if every protest we have received is valid, 661 is less than 1015 so the majority of parcels have not protested the increase fee and the Board may move forward. All protests are public records and will be available for inspection in the District office."
- Consideration of Resolution No. 2018-10: Water Rates: The Board and Staff addressed the Public Testimony comments and discussed the proposed rate increase procedures. Director Overmier asked for further Board comment. There were several public questions regarding further clarification. Director Overmier then stated that due to the number of written protests received by the public, his vote would be a 'no' for the proposed rate increase. Director Lavaroni stated that the Board has always had the public's best interest and unfortunately must address the increase at this time. Director Blood commented on the amount of time to review the Board packet. Director Dell'Orto thanked the public for their participation and expressed his concerns regarding the amount of the increase. With no further Board comments, a motion was made by Director Lavaroni, seconded by Director Claudino to approve Resolution 2018-10: Water Rates. A roll call vote was taken. Directors Lavaroni and Claudino voted yes, Directors Overmier, Dell'Orto and Blood voted no. Motion failed 2-3.

4. RECESS: Director Overmier called a recess at 9:21 p.m. and announced the Regular Board meeting would resume and members of the public are welcome to stay. At 9:35 p.m. the Director Overmier proceeded with the Regular meeting and thanked Charles and Tammy Hebrard for remaining in attendance.

OTHERS PRESENT: Tammy and Charles Hebrard

5. APPROVAL OF CONSENT CALENDAR:

- Minutes for Public Outreach Meeting of July 10, 2018
- Minutes for Regular Meeting of July 10, 2018
- Directors Report for July 2018
- Monthly Maintenance Report for July 2018

A motion was made by Director Claudino, seconded by Director Dell'Orto to approve the Consent Calendar as mailed. Directors Lavaroni, Overmier, Dell'Orto, Blood and Claudino voted yes, no nays. Motion carried 5-0.

6. FINANCIAL BUSINESS:

- Approval of Claim Summary #718: Directors Overmier and Lavaroni inquired about several payments; the Manager clarified. A motion was made by Director Lavaroni, seconded by Director Claudino to approve the Claim Summary #718 in the amount of \$311,739.93 as presented. Directors Lavaroni, Overmier, Dell'Orto, Blood and Claudino voted yes, no nays. Motion carried 5-0.
- 4th Quarter Investment Report: A motion was made by Director Dell'Orto, seconded by Director Lavaroni to approve the 4th Quarter Investment Report as presented. Directors Lavaroni, Overmier, Dell'Orto, Blood and Claudino voted yes, no nays. Motion carried 5-0.

7. CALAVERAS PUBLIC POWER AGENCY (CPPA):

a. Member Report: The Board reviewed the attachments presented showing the updated utility rates for fiscal year 2018/19 and a list of grants received by the CPPA members for each phase of the program. The fourth phase of Energy Efficiency Grants was revised to increase the grant amounts to \$30,000 annually.

8. UPDATE: SALT STORAGE BUILDING

a. Resolution 2018-11: Authorizing the District Manager to Execute a Construction Agreement for the Railroad Flat Water Treatment Plant Salt Storage Building: The Manager stated that the District received one bid which was reviewed by the District Engineer confirming the only bidder being Cole Tiscornia Construction. The Manager recommended to solicit other vendors for cost comparison to be presented at the September 11, 2018 Board meeting. A motion was made by Director Lavaroni, seconded by Director Claudino to decline Resolution 2018-11: Authorizing the District Manager to Execute a Construction Agreement for the Railroad Flat Water Treatment Plant Salt Storage Building further authorizing the Manager to solicit bids from other vendors. Directors Lavaroni, Overmier, Dell'Orto, Blood and Claudino voted yes. Motion carried 5-0.

9. ON-SITE CHLORINE GENERATION PROJECT:

- a. Progress Report: Construction and training are complete. Staff is working with the vendor on the punch list items and State inspection is scheduled for August 28, 2018.
- b. CPPA Grant Approval: The District received approval from CPPA for a grant application submitted on July 18, 2018 for the HVAC and lighting improvements at the Treatment Plant.

10. MONTHLY WATER USAGE REPORT: The water usage for the months of June and July 2018 was presented for review and discussion.

11. MANAGERS COMMENTS: The Manager provided the Board with a list of current projects being worked on at this time. Director Overmier inquired on the status of the inundation maps; the Manager reported that Department of Safety of Dams requires the reports to be submitted by January 2019. Director Blood inquired about the line extension request for Foley building and reason and District cost; the Manager clarified. The Manager and Board discussed grant options that may be available for the District. The District is presently working on the MAC-IRWM Plan update and met with USDA Rural Development to discuss possible opportunities.

12. DIRECTORS COMMENTS:

- a. LAFCO – Meeting Report 7/16/18 – Director Lavaroni: Director Lavaroni stated that the members discussed the Municipal Service Review (MSR) update. The Manager stated that the District has submitted their updates.
- b. CAMRA – Meeting Reminder 8/15/18: The Manager will attend and also provided information on the Field Trip planned for October. CAMRA will visit upper Mokelumne River facilities of CPUD and CCWD.
- c. UMRWA – Meeting Report 7/27/18 – Director Blood: Director Blood gave a recap of the meeting which included updates to UMRWA policies and procedures and possible grant funding for the District in the future. Also mentioned was the Pumpkin Hollow restoration project.

13. CLOSED SESSION: At 10:07 p.m. the Board convened to a closed session.

- a. Conference with Legal Counsel – Anticipated Litigation Government Code § 54956.9(d)(3):
Negotiating Parties: Donna Leatherman and Chris Williams

The Board reconvened at 10:22 p.m. No action was taken.

14. ADJOURNMENT (Next meeting 9/11/18): As there was no further business to come before the Board, the meeting was adjourned at 10:23 p.m.

Respectfully submitted,

Kate Jesus, Administrative Account Assistant

