

MINUTES

CALAVERAS COUNTY WATER DISTRICT REGULAR BOARD MEETING

JULY 12, 2023

Directors Present: Scott Ratterman, President
Russ Thomas, Vice-President
Cindy Secada, Director
Bertha Underhill, Director
Jeff Davidson, Director

Staff Present: Michael Minkler, General Manager
Matt Weber Esq, General Counsel
Rebecca Hitchcock, Clerk to the Board
Damon Wyckoff, Director of Operations
Jeff Meyer, Director of Administrative Services
Stacey Lollar, Human Resources Manager
Pat Burkhardt, Construction and Maintenance Manager
Brad Arnold, Water Resources Manager
John Osbourn, External Affairs Manager
Kelly Richards, Customer Service Supervisor
Kelly Gerkensmeyer, Water Resources Technician
Catherine Eastburn, Accountant
Kelly Soulier-Doyle, Accounting Technician
Kate Jesus, Engineering Coordinator
Mark Rincon-Ibarra, District Engineer
Kevin Williams, Senior Civil Engineer
Jared Gravette, Construction Inspector
Tiffany Burke, Administrative Technician
Dylan Smith, IT Technician
Corinne Skrbina, Customer Service
Joe Darby, Distribution Worker Senior

Others Present: Habib Isaac, IB Consulting
Ralph Copeland
Joel Metzger, General Manager of UWPA
Jessica Self, General Manager of UPUD
Victor Liu
Bob Dean

ORDER OF BUSINESS

CALL TO ORDER / PLEDGE OF ALLEGIANCE

1. ROLL CALL

President Ratterman called the Regular Board Meeting to order at 1:01 p.m. and led the Pledge of Allegiance. All Directors were present.

2. PUBLIC COMMENT

There was no public comment.

3. CONSENT AGENDA

**MOTION: Directors Davidson/Secada-Approved Consent Agenda Items:
3a, 3b, 3c, 3d, and 3e as presented with one minor change to 3e.**

- 3a Approval of Minutes for the Board Meeting of June 14, 2023
(Rebecca Hitchcock, Clerk to the Board)
- 3b Review Board of Directors Monthly Time Sheets for June 2023
(Rebecca Hitchcock, Clerk to the Board)
- 3c Ratify Claim Summary #616 Secretarial Fund in the Amount of \$2,482,427.78 for
June 2023
(Jeffrey Meyer, Director of Administrative Services) **RES 2023-44**
- 3d Candidate Support for Association of California Water Agencies:
ACWA President – Cathy Green **RES 2023-45**
ACWA Vice President –Ernesto A. Avila **RES 2023-46**
(Michael Minkler, General Manager)
- 3e Approval of a new Cellular Antenna Site Lease at 7821 Sparrowk Rd. Valley Springs
(Rebecca Hitchcock, Clerk to the Board) **RES 2023-47**

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

4. NEW BUSINESS

- 4a Discussion/Action Regarding Proposed Water and Wastewater Rates and Setting
Proposition 218 Public Hearing
(Michael Minkler, General Manager and Jeffrey Meyer, Director of Administrative
Services)

**MOTION: Directors Davidson/Thomas-by Minute Entry Directed staff to Proceed
with Implementation of the Recommended Rate Design and Set a
Proposition 218 Hearing for September 13 at 1:00 p.m.**

DISCUSSION: Mr. Meyer addressed the Board about the need for a rate increase. He stated the District cannot afford to run to failure with the systems on the Capital Improvement Plan (CIP) list. Staff did significant work to reduce projects on the CIP list and the projects that remain are deemed critical. He reminded the Board of the many cost increases that are out of the District's control. He then turned the presentation over to Habib Isaac from IB Consulting. There was discussion between the Board and staff regarding the public outreach for rate discussions and community workshops. Mr. Osbourn stated this meeting is the ninth public meeting this year discussing the financial plan.

Habib Isaac gave a summary of the Financial Plan and the factors that impacted the plan. He reviewed the research involved in determining the financial plan. He detailed expense projections, water flow demands, reserve funding, capital spending, and revenue projections. He stated the key assumptions in the plan were inflation, growth, utility demands, capital spending, new debt, and reserves. There was discussion regarding the growth projections.

Mr. Isaac reviewed the financial position at the current rates which shows an operating deficit. The Board requested a report on the status of Grant requests to assist with project finding in upcoming years. There was a conversation about debt issuance and interest rates.

Mr. Isaac presented the Cost-to-Serve Study findings. He detailed fixed components and variable components. He presented the proposed five-year fixed charges schedule.

Meter Size	Current	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28
5/8"	\$120.35	\$136.03	\$160.52	\$186.21	\$216.01	\$248.42
3/4"	\$180.53	\$191.20	\$225.62	\$261.72	\$303.60	\$349.14
1"	\$300.89	\$301.05	\$355.82	\$412.76	\$478.81	\$550.64
1 1/2"	\$601.77	\$577.39	\$681.33	\$790.35	\$916.81	\$1,054.34
2"	\$962.83	\$908.41	\$1,071.93	\$1,243.44	\$1,442.40	\$1,658.76
3"	\$1,925.66	\$1,791.13	\$2,113.54	\$2,451.71	\$2,843.99	\$3,270.59

He then discussed the variable rate components. Tier 1 is the Winter average use of 0-15 HCF, Tier 2 is the Summer average of 16-30 HCF, and Tier 3 is anything in excess over 30 HCF. Tier 4 was eliminated from the previous rate structure. There was additional discussion on the tier structure.

Customer	Current	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28
Residential						
Tier 1 (0-15 HCF)	\$1.17	\$2.07	\$2.45	\$2.85	\$3.31	\$3.81
Tier 2 (16-30 HCF)	\$1.22	\$2.25	\$2.66	\$3.09	\$3.59	\$4.13
Tier 3 (>30 HCF)	\$1.68	\$2.49	\$2.94	\$3.42	\$3.97	\$4.57
Tier 4	\$1.90	N/A	N/A	N/A	N/A	N/A
Non-Residential						
	\$1.57	\$2.29	\$2.71	\$3.15	\$3.66	\$4.21
Irrigation						
	\$1.91	\$2.27	\$2.68	\$3.11	\$3.61	\$4.16

1 HCF=748.05 gallons.

The Board inquired into the average monthly household usage and the customer impacts of the proposed increase. Mr. Isaac reviewed the Bi-Monthly Water comparison chart which compared CCWD with neighboring agencies.

RECESS was called at 2:30 p.m. **SESSION RESUMED** at 2:39 p.m.

DISCUSSION: Mr. Isaac continued his presentation beginning with the Wastewater financial position. He detailed net income, reserves, and existing rates.

Mr. Isaac reviewed the Five-Year proposed rate increases stating residential and non-residential are charged the same amount in the new rate plan. Director Davidson asked how that was determined. There was significant discussion regarding commercial accounts. The Board asked for a report on how commercial account Equivalent Dwelling Units (EDU's) are calculated.

Customer Type	Current	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28
Residential	\$210.63	\$239.39	\$272.90	\$311.09	\$354.64	\$365.26
Non-Residential	\$206.18	\$239.39	\$272.90	\$311.09	\$354.64	\$365.26

Mr. Isaac reviewed the Bi-Monthly Wastewater comparison chart which compared CCWD with neighboring agencies.

Director Underhill read off all the proposed rates for each year and asked about cost saving measures the District has taken.

Mr. Isaac listed the next steps in the process leading to the Public Hearing on September 13, 2023 and options were discussed about implementing rates if they are approved in September.

PUBLIC COMMENT: Ralph Copeland commented on the public outreach and thanks Director Secada and Underhill for continued concern for ratepayers. He also commented on a possible Grants committee.

Jessica Self addressed the Board regarding a possible mistake on the UPUD and Angels Camp rates listed on the comparison chart.

Bob Dean asked if the Board was more concerned about conservation or covering costs.

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

5. REPORTS

- 5a Report on the June 2023 Operations Departments
(Damon Wyckoff, Director of Operations)

DISCUSSION: Mr. Wyckoff presented the June 2023 Monthly Operations report. He reviewed items of interest and answered questions from the Board.

PUBLIC COMMENT: There was no public comment.

- 5b General Manager's Report
(Michael Minkler)

DISCUSSION: Michael Minkler reported on the following items: 1) various meetings with developers; 2) the JPIA Leadership seminar Thursday and Friday; 3) the CPPA meeting next week; 4) the Wallace Community Service District on Wednesday the 19th at 7:00 p.m.; 5) the Wildfire Preparedness Workshop in Murphys coordinated by Joel Metzger and Jessica Self; and 6) thanked staff for all the dedication and hard work on the rate study. He stated all staff are concerned about customer and appreciates the Boards courage in this process.

6. BOARD REPORTS / INFORMATION / FUTURE AGENDA ITEMS

Director Secada will miss the next Board meeting.

Director Underhill reported on the Wildfire Preparedness Workshop.

Director Davidson had nothing to report.

Director Thomas reported on the Wildfire Preparedness Workshop and Electric Fleet standards.

Director Ratterman asked for the Grants update at the next meeting. He also stated he would be traveling during the next meeting but would still attend and participate under the Brown Act exception AB2449.

7. NEXT BOARD MEETINGS

- Wednesday, July 26, 2023, 1:00 p.m., Regular Board Meeting
- Wednesday, August 9, 2023, 1:00 p.m., Regular Board Meeting

8. CLOSED SESSION

Closed Session was cancelled.

- 8a Conference with Legal Counsel – Anticipated Litigation. Significant exposure to litigation pursuant to subdivision (d)(2) of Government Code section 54956.9. 1 potential case

9. ADJOURNMENT


With no further business, the meeting adjourned at 3:58 p.m.

Respectfully Submitted:



Michael Minkler
General Manager

ATTEST:



Rebecca Hitchcock
Clerk to the Board