

RESOLUTION NO. 2018-06
RESOLUTION NO. PFA-03
ORDINANCE NO. 2018-01

MINUTES

**CALAVERAS COUNTY WATER DISTRICT
REGULAR BOARD MEETING**

FEBRUARY 28, 2018

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

Staff Present: Jeffrey Meyer, Director of Administrative Services
Mona Walker, Clerk to the Board
Matt Weber, General Counsel
Jesse Hampton, Interim Director of Operations
Peter Martin, Manager of Water Resources
Stacey Lollar, Director of Human Resources and Customer Service
Joel Metzger, Mgr. of External Affairs, Conservation, and Grants

Others Present: Shawn Koorn, HDR Engineering Inc.
Elaine St. John
Ralph Alldredge, Calaveras Enterprise
Ms. Mooreland, Calaveras Enterprise

ORDER OF BUSINESS

CALL TO ORDER / PLEDGE OF ALLEGIANCE

1. ROLL CALL

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

2. PUBLIC COMMENT

Elaine St. John commented on the Assembly Bill 142 report regarding wild and scenic designation suitability for segments of the Mokelumne River and discussed the special provisions of wild and scenic designation.

3. CONSENT AGENDA

MOTION: Directors Davidson / Thomas – Adopted Consent Agenda Items: 3a, Adopted Resolution No. 2018-06 Declaring District Vehicles and Equipment Surplus; and 3b, Approve Position of “Oppose Unless Amended” on SB 623 (Monning) Water Quality: Safe and Affordable Drinking Water Fund; and the Safe and Affordable Drinking Water Act Budget Trailer Bill

3a Approve to Declare District Vehicles and Equipment Surplus
(Jeffrey Meyer, Director of Administrative Services) **RES 2018-06**

3b Approve Position of “Oppose Unless Amended” on SB 623 (Monning) Water Quality: Safe and Affordable Drinking Water Fund; and the Safe and Affordable Drinking Water Act Budget Trailer Bill
(Joel Metzger, Mgr. of External Affairs, Conservation, and Grants)

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

4. NEW BUSINESS

4a Discussion / Action Regarding State Legislation in 2018-19 Session:
(Joel Metzger, Mgr. of External Affairs, Conservation, and Grants)

- Resolution of “Support” of the 2018 Water Bonds: Proposition 68 California Drought, Water, Parks, Coastal Protection, and Outdoor Access for All Act of 2018, and the State Water Supply Infrastructure, Water Conveyance, Ecosystem and Watershed Protection and Restoration, and Drinking Water Protection Act of 2018 **RES 2018-07**

MOTION: Directors Davidson / Strange – Adopted Resolution No. 2018-07 “Supporting” the 2018 Water Bonds: Proposition 68 California Drought, Water, Parks, Coastal Protection, and Outdoor Access for All Act of 2018, and the State Water Supply Infrastructure, Water Conveyance, Ecosystem and Watershed Protection and Restoration, and Drinking Water Protection Act of 2018

DISCUSSION: Mr. Metzger described the water bonds proposed for the June and November elections and if passed in the 2018 elections, would allow available bond proceeds to help agencies fund forest management, drinking water, and groundwater management projects.

PUBLIC COMMENT: There was no public comment.

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

5. OLD BUSINESS

5a Discussion / Direction Regarding Cost of Service and Rate Design Analysis
(Jeffrey Meyer, Director of Administrative Services)

Mr. Shawn Koorn of HDR Engineering Inc. reported that at the February 14th Board meeting, the Board of Directors gave direction to move forward with the rate study approach and rate model, and identified a water analysis based on classes of service, e.g. residential, non-residential, and irrigation/landscape, and agriculture users. He reviewed the “smoothing level” of rate increase enhancements and tiered structure. He explained that the proposed water rates presented today do not have water allowance in fixed charges. Proposed tier consumptive water rates are for residential customers only, non-residential and landscape/irrigation classes have a uniform consumption rate.

In his presentation, Mr. Koorn included the scenario of Drought Water Rates to be included in the Proposition 218 process. This would be a rate structure that could be utilized when the State mandates emergency water use reductions and/or a drought declaration is implemented. CCWD was under a drought declaration from 2014-2017 and was impacted by a revenue loss during the State-mandated declaration. The purpose of a drought rate is to maintain the continued rates without shortfalls in revenue during the drought conditions. Staff recommends that the proposed drought rate increase be included as part of the rate process. If any drought rate adjustments meet certain conditions and become necessary as part of a State mandate, the CCWD Board would have the option to take future action to implement the rates, if already adopted during the upcoming Proposition 218 process. Each of the Board Members expressed their views on the drought water rates.

Mr. Meyer reported that the District’s current agriculture rate is set at \$9.70 per acre-foot (af); CCWD receives about \$7,000 annually from agriculture users. This rate has not increased since their inception sometime in the 1970’s. Staff proposes to increase the rates to allow CCWD to recoup its costs and are more in accordance with valley agencies. As part of the Proposition 218 water and sewer rate increases, it is proposed to increase and include the agriculture rates for a five (5) year period as follows: \$12 af (in 2018/19), \$15 af in 2019/20; and \$18 af in 2020/21 to 2022/23.

Mr. Koorn reviewed the rate adjustment level for the proposed sewer rates. The proposed preferred alternative rate plan recommended by the ad hoc committee is to implement a transition over the full 5 years that are equal rate adjustments each year. The transition plan will also repay the water fund for funding shortfalls in FY 2015/16 and FY 2016/17.

Mr. Koorn gave a timeline of the rate plan and the next steps for the Proposition 218 process. Mr. Meyer indicated that it may be March 28th that the Board will set the proposed rate structure and set a public hearing for May, 2018.

PUBLIC COMMENT: There was no public comment.

- 5b Update on Actions of the Eastside Groundwater Sustainability Agency and JPA
(Peter Martin, Manager of Water Resources / Russ Thomas, Director)

DISCUSSION: Mr. Martin gave a PowerPoint presentation with an update on the actions of the Eastside Groundwater Sustainability Agency and Joint Powers Agency including an approved cost share for all Groundwater Sustainability Agencies and funding agreement with the Department of Water Resources for a \$1.5 million grant award for Groundwater Sustainability Plan Development. This item was for information only; no action was taken.

PUBLIC COMMENT: There was no public comment.

6. GENERAL MANAGER REPORT

Nothing to report.

7. BOARD REPORTS / INFORMATION / FUTURE AGENDA ITEMS

Director Strange commented on his trip to South Korea and attending the Winter Olympics. He requested to have consultant John Mills address the Board with a presentation or provide a written update on his activities for the District.

Director Davidson – nothing to report.

Director Underhill commented on the incoming storms and expected snowfall.

Director Thomas welcomed Ms. Mooreland of the Calaveras Enterprise in attendance.

Director Ratterman reported on his attendance at the Feb. 21st meeting of the Calaveras-Amador Mokelumne River Authority meeting, and the Upper Mokelumne River Authority meeting on Feb. 26th.

8. NEXT BOARD MEETINGS

- Wednesday, March 14, 2018, 1:00 p.m., Regular Board Meeting
- Wednesday, March 28, 2018, 1:00 p.m., Regular Board Meeting

The Open Session ended at 2:30 p.m.

9. CLOSED SESSION

The meeting adjourned into Closed Session at approximately 2:35 p.m. Those present were Board Members: Scott Ratterman, Russ Thomas, Bertha Underhill, Jeff Davidson and Terry Strange; staff member Jeffrey Meyer, Director of Administrative Services; and Matt Weber, General Counsel.

- 9a Conference with Legal Counsel – Existing Litigation
Government Code § 54956.9(a)
La Contenta Investors, LTD vs. CCWD (Calaveras County Superior Court
#11CV37713)

Approved March 14, 2018

- 9b Conference with Legal Counsel – Initiation of Litigation
Government Code § 54956.9(c) – 1 case

10. REPORTABLE ACTION FROM CLOSED SESSION

The Board reconvened into Open Session at approximately 2:52 p.m. There was no reportable action.

11. ADJOURNMENT

With no further business, the meeting adjourned at approximately 2:52 p.m.

By:



Dave Eggerton
General Manager

ATTEST:



Mona Walker
Clerk to the Board