

Regular Meeting

5:00 pm

DIRECTORS PRESENT: Richard Blood
J.W. Dell’Orto
Brady McCartney
Kevin Sparks

MEMBERS ABSENT: Jack Tressler

STAFF PRESENT: Travis Small, General Manager
Mathew Roberts, Water System Superintendent
Adam Brown, District Legal Counsel (Remote)
Carissa Bear, Clerk of the Board

OTHERS PRESENT: None

1. CALL THE MEETING TO ORDER: The regular meeting was called to order by Vice President Blood at 5:02 P.M.
2. ROLL CALL OF DIRECTORS: Directors Blood, Dell’Orto, McCartney, and Sparks were present. Director Tressler was absent.
3. PLEDGE OF ALLEGIANCE
4. PUBLIC COMMENT (Limit 3 minutes per person/15 minutes per subject): None
5. CONSENT ITEMS
 - a. April 16, 2024, Special Board Minutes
 - b. April 30, 2024, Regular Board Minutes
 - c. Claim Summary

Director Dell’Orto inquired about the Ferguson (Neptune) invoice. Travis Small, General Manager, informed him that is the meter reading program software. Director Blood inquired why the Peterson Brustad invoices were being coded as grant writing. Mr. Small explained that he changed the general ledger account for grant writers to be consultants – planning grant in the old accounting software but while migrating to the new software it defaulted back to the old description. Director Blood asked if the Peterson Brustad invoices will be paid with the planning grant money. Mr. Small confirmed they will be. Director Sparks inquired on how many board members signed up for the dental and vision plan. Carissa Bear, Clerk of the Board, informed him that two members signed up. A motion was made by Director Dell’Orto, seconded by Director Sparks, to approve Consent Items a-c. A roll call vote was taken. Directors Dell’Orto, McCartney, Sparks, and Blood voted yes. Motion carried 4-0.

6. RESOLUTION 2024-07 UPDATE POLICY 3108 – DRUG AND ALCOHOL TESTING
Mr. Small informed the Board that effective January 1, 2024, the State of California updated the law on recreational cannabis use and the testing of it in the workplace. Employers cannot discriminate against recreational use. Mr. Small worked with the employees, the SEIU representative, the

negotiations committee, and the District's legal counsel to produce the new Drug And Alcohol Testing Policy. Adam Brown, District Legal Counsel, made the appropriate changes to the policy to align with the state law. A motion was made by Director Dell'Orto, seconded by Director McCartney, to approve Resolution 2024-07: Update Policy 3108 – Drug And Alcohol Testing. Directors Dell'Orto, McCartney, Sparks, and Blood voted yes. Motion carried 4-0.

7. RESOLUTION 2024-08 CalOES DESIGNATION OF APPLICANT'S AGENT
RESOLUTION FOR NON-STATE AGENCIES

The District needs to designate an authorized agent for CalOES. This needs to be updated every 3 years. The previously authorized agent was the District Manager. Mr. Small recommends keeping the same position as the authorized agent and updating the title to General Manager. If this is not approved, CalOES can withhold funding from awarded grants. A motion was made by Director Dell'Orto, seconded by Director Sparks, to approve Resolution 2024-08 CalOES Designation Of Applicant's Agent Resolution For Non-State Agencies. Directors Dell'Orto, McCartney, Sparks, and Blood voted yes. Motion carried 4-0.

8. BUDGET UPDATE 2023/24

Mr. Small provided a budget update through April 30, 2024. The District is in the process of migrating from QuickBooks Desktop to QuickBooks Online. Everything should transfer over properly, but he is paying close attention for errors. A copy of the OPEB Trust statement has been included in this update as it was not available for the last meeting. The monthly update on the loan covenant ratio is 3.08. Mr. Small noted that the debt payments category looks like it is over budget as of now but that is due to only a couple of payments left for the backhoe for this fiscal year. Included in the packet is the Calaveras County Tax Statement that shows the funds collected by the County from delinquent accounts placed on the tax rolls as requested at a prior Board Meeting.

9. 2024/2025 DRAFT BUDGET WORKSHOP

Mr. Small went over the 2024/25 Draft Budget. The first page is the table directly from the rate study. For good fiscal management, the budget needs to be based off of this table. Director Dell'Orto informed Mr. Small that there was a typo on page 2. The fiscal year should be stated as FY 24/25 not FY 24/29. Director Blood inquired about the project grant amount. Mr. Small clarified that the whole \$483,000 grant balance from fiscal year 2023/24 has not been an expenditure yet. The remaining balance will carry over to the fiscal year 2024/25. Director Blood asked for clarification on what was included in the original grant; Mr. Small clarified. Mr. Small stated that the upcoming year will be focused on planning. The electrical and environmental aspect of the State Revolving Fund Grant is being worked on at this time. Director Blood inquired why the District outsourced the environmental; Mr. Small clarified. Mr. Small recommends that in the future, the District have an additional engineer on standby to handle designs while our current District Engineer handles constructions. Director Blood expressed his concern that the amount of water being sold has been continuously declining for the past few years. He expressed his interest in the District looking into the cause of it. Mr. Small believes the first place to look for a discrepancy between sold and treated water would be within a meter replacement program. Mr. Small continued to go over the proposed budget. He is projecting the loan covenant ratio to be at 4.58. Mr. Small is waiting on the Master Plan to be complete before he can budget for capital outlay. In the future, Mr. Small would like to see the reserve policy updated. The Other post-employment benefits (OPEB) is currently funded at 92%. Mr. Small recommends the District paying the retiree health out of OPEB for the fiscal year 24/25. It is not recommended to be over 100% funded and the District is heading in that direction. He would like to see the District around 80% funded. Paying the retiree health with it will allow the District to bring down the amount funded as well as take some burden off of the ratepayers. Director Dell'Orto

agreed; even with paying the retiree health out of OPEB, the balance should be able to grow with the current returns. The training budget has been adjusted to allow the District to send a few employees to specific trainings. The board and staff discussed the estimated cost for each training and the time requirements. Director Blood asked for clarification on the software program updates. Mr. Small clarified that it is for all of the programs used throughout the whole District. Outside Services budget will increase due to the new requirement from the Federal Energy Regulatory Commission (FERC). The District will need to have a Potential Maximum Flood Study done. Mr. Small has responded to the Federal Emergency Management Agency (FEMA) for assistance on the District's Hazard Mitigation Plan. Calaveras Public Power Agency (CPPA) will not be raising their rates this year, which will keep the District's electricity budget about the same as last year's. The \$600,000 for Capital Improvement is a place holder of what is left over from the current fiscal year. The District is obligated to the Backwash Reclaim Project which has an Integrated Regional Water Management (IRWM) Grant. Design and Environmental for the Backwash Reclaim Project is to be paid from the Planning Grant. Most of the District's expenses for Capital will be for Design and Planning for future projects. Director Dell'Orto would like the District to look into getting more water rights use off of the Mokelumne River. Mr. Small agreed, stating that he would like to see more irrigating agreements in the future. The other Board members agreed. Mr. Small would like to set up a Finance Committee meeting tentatively for Wednesday, June 5, 2024, to review the final draft of the budget before presenting it to the Board at the June Board meeting.

10. REPORTS

a. Legal Counsel's Report

No report this month.

b. Water System Superintendent's Report

Mathew Roberts, Water System Superintendent, went over his monthly maintenance report. Jeff Davis reservoir is 6' below spill. The District drained down the new Clearwell tank for the inspection. All repairs were noted and have since been completed. The District is awaiting the results of the Volatile Organic Compounds (VOC) samples. The South Fork Pump Station is 6-12" over spill. Both hydros are running at Schaads. Schaads is 0-10' below spill. There were a couple of small leaks on the San Andreas Distribution line. A 4" main steel line leak at Pope and Main and another 4" main steel line leak at Pope. Additionally, there was an 8" main line leak in Paloma. This month, the Crew has completed their Confined Space Training. The crew is continually working on the Lead Service Line Inventory program for the new requirements going into effect from the California Division of Drink Water.

c. District Engineer Report

The Engineer Report has been covered.

d. General Manager's Report

The District held a training and field tour that ended with a staff barbecue at the Water Treatment Plant. Field crew took the office staff on a tour of the District. None of the office staff have ever been on a facility tour before. Director Dell'Orto asked if the Office Staff enjoyed it. Ms. Bear reported that the Office Staff really appreciated the tour. It gave them a better understanding of the District and what the crew is responsible for. She gave many compliments to the crew for taking the time to do the tour as well as how well maintained and clean every facility was. Mr. Small attended the Association of California Water Agencies (ACWA) Conference in Sacramento. The Governor presented on the Bay Delta Conveyance. There was discussion on upcoming changes to the Proposition 218 guidelines. Mr. Small sat in on an AI in the water world presentation and some water conservation presentations. Mr. Small will be attending the General Manager Leadership Summit in

Anaheim at the end of June. He is looking into sending a couple of employees to the 2024 CUSI National User Summit which will be held in October.

e. Directors' Comments:

Director Dell'Orto informed the Board that the Calaveras Amador Mokelumne River Authority (CAMRA) meeting was postponed until July. He thanked the staff on their fast response time on a call out he made regarding a leak. He notified the Board that he may be appointed to the Calaveras County Fair Board and asked District Legal Counsel if that would cause a conflict. Mr. Brown asked Director Dell'Orto to forward him more information and he will look into it. He does not believe there will be a conflict though. Mr. Small informed the Board of an upcoming Board conference. He will forward the information to anyone who is interested. He is also looking into credit card options that will help streamline attending conferences for staff and board in the future. He and Ms. Bear visited Utica Water and Power Authority (UWPA) where they had the privilege of viewing the current credit card program they are using. Mr. Small thinks the District will benefit from a similar program.

11. ADJOURNMENT

There being no further business to come before the Board, President Tressler adjourned the meeting at 7:24 pm.

Respectfully Submitted,



Carissa Bear, Secretary/Clerk of the Board

