

January 20, 2021

As Amended

CM 2/19/21

CENTERVILLE COMMUNITY SERVICES DISTRICT
REGULAR BOARD OF DIRECTORS MEETING

Directors Present: President Woodstrom, Vice President Oliver, Director Richison,
Director Whitehead and Director Hopson

Absent: None

Others Present: Roger Ankeny, Eugene Campbell, Kalah Horton, Colin Bogener,
Paul Reuter, Tina Teuscher and Chris Muehlbacher

PRELIMINARY BUSINESS:

- I Call to Order: President Woodstrom called the meeting to order at 7:00 pm.
- II Public Comment Period: President Woodstrom opened the public comment period. Roger Ankeny stated that he wanted the new Board member to know that he has lived in the District over 42 years. He stated that he had asked that the Personnel Committee address his concerns regarding the health insurance for the District and has not seen any changes to the cost. He would like to know what if anything has been done to address his concerns. He stated that line item 45400-Miscellaneous Revenue shows a decrease of approximately \$11,000 he asked where the money had gone. In his review of the Profit and Loss statement for December, revenues are down, he asked if this was normal for this time of year. He stated that he can see that people are cutting back their usage and he believes it is because of the higher rates. He stated that the payroll information he requested is only showing the net amount. He wants to see the actual gross wages for each employee. He believes that this information is public and should be provided to him. There were no other public comments. President Woodstrom closed the public comment period.
- III Approval of the Minutes Director Whitehead moved to adopt the minutes from the Regular Board Meeting held December 16, 2020. Vice President Oliver seconded. President Woodstrom called for a roll call vote: Vice President Oliver – yes; Director Whitehead – yes; Director Richison – yes; Director Hopson - yes and President Woodstrom – yes. The vote was unanimous. Motion carried.
- IV Authorize Payment of Bills for Current Expenses: Director Richison moved to pay the bills. Vice President Oliver seconded. Mr. Muehlbacher stated that the payments to both the Centerville CSD Redemption and Centerville Texas Springs Water Project are pass through tax dollars. The payment to Exponent is for the AC Pipe project. The payments to NBS are for the quarterly admin fees. The Northwoods Backflow payment is for the annual backflow testing. The O2 Staffing payment is for the staff to complete the Zone C clearing FEMA project. The Peterson payment is for the annual maintenance of the generators at Zone A and A1. The Rental Guy payment is for the wood chipper for the Zone C FEMA project. The Wagner Electric payment is for replacement lighting for the District Office sign.

President Woodstrom called for a roll call vote: Vice President Oliver – yes; Director Whitehead – yes; Director Hopson – yes; Director Richison – yes and President Woodstrom – yes. The vote was unanimous. Motion carried.

- V Status of the Budget Report: Mr. Muehlbacher stated that the O&M revenues were \$853,504 verses expenses of \$634,771. He mentioned that the majority of the late payment customers have entered into deferred payment programs. He will bring this information to the Finance Committee for review. Regarding 45400 – Miscellaneous Revenue, this item changed due to moving the monies from the sale of the trucks and trailer to the capital budget. Director Whitehead asked why the power for the Muletown Pump Station was trending higher. Mr. Muehlbacher stated that it is due to testing and maintaining the pumps. Director Whitehead asked that Mr. Muehlbacher look into the matter further.

Mr. Muehlbacher stated that the Capital revenue was \$89,858 verses expenses of \$106,432. He stated that line item 45400 - Miscellaneous Revenue is showing the proceeds from the sale of the trucks and the trailer. The notable changes to the capital expenses is the Exponent payment for the AC Pipe study.

Reserve Fund Status Sheet: There is a total reserve of \$1,134,185. He stated that the O&M Reserve increased by approximately \$14,253 which included the transfer of the RSF and the WTP. The Capital Improvement reserve increased by the sale of the truck and trailer.

NEW BUSINESS:

- I Approval of Financial Statements for Fiscal Year Ending June 30, 2020: Kayla Horton, CPA with Horton, McNulty & Saeteurn, LLP presented the Auditor's Report regarding the District's Financials for year ending June 30, 2020. She stated that the auditor's responsibility is to form and express an opinion about whether the financial statements that have been prepared by management with the Board's oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States as well as accounting systems prescribed by the State Controller's Office. She stated that the information provided for the audit was found to be sufficient and appropriate. Mrs. Horton then went through the report and shared her findings. She stated that they did not find anything that was non-compliant nor were there any deficiencies to report.

Director Richison moved to approve the Financial Statements for fiscal year ending June 30, 2020. Vice President Oliver seconded. President Woodstrom called for a roll call vote: Director Whitehead – yes; Director Hopson – yes; Director Richison – yes; Vice President Oliver – yes and President Woodstrom – yes. The vote was unanimous. Motion carried.

- II Annual Report of Active Will Serve Letters: Mr. Muehlbacher stated that this is an annual report. He mentioned that only one (1) will serve letter was issued last year and none expired. The District continues to have enough water to serve all of the outstanding will serve letters.

- III Annual Report of Discontinuations of Residential Services for Inability to Pay: Mr. Muehlbacher stated that this is a new annual report that the District is required to post on the website per Senate Bill 998 the Water Shut-off Protection Act. The most notable change to the District's procedures is that customer's must be 60 days late prior to receiving a shut-off notice. In April of 2020 Governor Newsom stated that no one could be shut off due to COVID.

Mr. Muehlbacher stated that in the beginning of 2020 prior to COVID and its regulations, the District had locked off one (1) customer; however, that service was reinstated. No other services were locked off.

OLD BUSINESS:

- I Board of Director's Annual Re-organization Session for the 2021 Calendar Year: President Woodstrom stated that after speaking to all Directors regarding the committees, the Standing Committee listing included in the Board packets would be the Committees for 2021. He acknowledged that the District does not have a member for the Education Foundation. He asked that if anyone was interested or wanted additional information to please contact him.

Director Whitehead moved to accept the committee assignments as presented. Vice President Oliver seconded. President Woodstrom called for a roll call vote: Director Whitehead – yes; Director Hopson – yes; Director Richison – yes; Vice President Oliver – yes and President Woodstrom – yes. The vote was unanimous. Motion carried.

- II Authorize Interview Phase for the Tank Coating Program: Mr. Muehlbacher stated that based upon direction from the Board a Resource and Planning meeting was held with the District's Engineer. It is recommended that three of the four companies be asked to interview. Director Whitehead explained that each candidate will be asked why they are suggesting the improvements they believe are necessary.

Director Whitehead moved to authorize the Resource and Planning Committee to begin the interview process. Director Richison seconded. President Woodstrom called for a roll call vote: Director Whitehead – yes; Director Hopson – yes; Director Richison – yes; Vice President Oliver – yes and President Woodstrom – yes. The vote was unanimous. Motion carried.

- III Review and Discussion of a Purchasing Policy: Mr. Muehlbacher stated that it is his and the District Attorney's recommendation to adopt the CUPPPA. This item was tabled and referred to the Finance Committee.

- IV Update for the AC Pipe Condition Assessment Study: Mr. Muehlbacher provided a brief summary of the report's findings. In general, the District has very acidic soil in the test location. The smaller pipe is decaying faster because it has a smaller pipe wall. Based upon that, a greater emphasis needs to be placed upon the smaller pipe.

Mr. Reuter stated that the challenge going forward will be coming up with a long term phased plan to replace the most acidic pipelines. Director Whitehead asked

if the soils would also deteriorate other types of pipe, like PVC and ductile iron. Mr. Reuter stated no. He stated that PVC is not affected by acidic soils.

The Board decided that the Resource and Planning Committee should review this further.

GENERAL BUSINESS:

I Correspondence: Mr. Muehlbacher stated that the only correspondence was a public records request response.

II President's Report: None

III Manager's Report: Mr. Muehlbacher stated that the EDD grant workers are continuing to clear tank sites. Once completed, they will move to other locations throughout the District that need clearing.

He stated that the Meter Exchange Program should be completed soon. This month they installed an additional 33 meters. He also mentioned that a new meter was sold in the Centerville Oaks subdivision.

IV Committee Reports: Personnel Committee: President Woodstrom stated the committee met twice to hear two separate proposals for health insurance. Once they have compared the two quotes, they will make a recommendation to the full Board.

V Announcements: The next Board meeting will be held February 17th, 2021.

CLOSED SESSION:

I Conference with Legal Counsel – Anticipated Litigation – Significant exposure to litigation pursuant to §54956.9 (b): The Board went into closed session at 8:30 pm. President Woodstrom stated that the Board provided direction to staff regarding anticipated litigation.

GENERAL BUSINESS CONTINUED:

VI Adjournment: The meeting adjourned at 9:05 pm.