

CENTERVILLE COMMUNITY SERVICES DISTRICT
REGULAR BOARD OF DIRECTORS MEETING

Directors Present: President Richison, Vice President Woodstrom, Director Oliver,
Director Willis and Director Whitehead
Absent: None
Others Present: Donald Spellman, Paul Reuter, Dan Peters, Tina Teuscher and Chris
Muehlbacher

PRELIMINARY BUSINESS:

- I Call to Order: President Richison called the meeting to order at 7:07 pm.
- II Public Comment Period – Open Time: President Richison opened the public comment period. No comments were received. The public comment period was closed.
- III Approval of the Minutes: Vice President Woodstrom moved to adopt the minutes from the Regular Board Meeting held May 20, 2020. Director Willis seconded. President Richison called for a roll call vote: Director Willis – yes; Director Oliver – yes; Director Whitehead – Absent; Vice President Woodstrom – yes and President Richison – yes. The vote was unanimous. Motion carried as amended.
- IV Authorize Payment of Bills for Current Expenses: Director Oliver moved to pay the bills. Vice President Woodstrom seconded. Mr. Muehlbacher stated that the payments to Bat Electric were for troubleshooting and repairs at the Turnout and the Muletown Pump Station. The payment to Campora is for the new office generator. The Exponent payment is for the AC Pipe Project. The payment to Giles Lock and key is for rekeying the locks. He explained that Mr. Angel's keys were stolen. The payment to Golden State Flow Management is for new IPERLS. The RAS Contractor payment is for the annual inspection and testing of the new septic system.
- President Richison called for a roll call vote: Director Willis – yes; Director Oliver – yes; Director Whitehead – yes; Vice President Woodstrom – yes and President Richison – yes. The vote was unanimous. Motion carried.
- V Status of the Budget Report: Mr. Muehlbacher stated that the O&M revenues were \$1,054,483 versus expenses of \$1,092,114. He stated that consumption revenue is on target with the budget. Miscellaneous revenue increased due to recycling. He mentioned that generally the only item not within, or on target with the budget, is the Clear Creek O&M Adjustment. Vice President Woodstrom asked if Clear Creek had indicated when the new adjustment figures would be available. Mr. Muehlbacher stated that he would contact them and ask if it can be completed before year end.

The Capital Budget's revenue is \$615,528 versus expenses of \$434,272. Mr. Muehlbacher stated that everything is tracking on budget. Vice President

Woodstrom stated that the AC Pipe account shows an additional \$52,000 remaining on the project. He asked how much was left to be paid for the testing. Mr. Muehlbacher stated that he would have a breakdown of all costs associated with the AC Pipe testing as well as the office generator at next month's meeting.

The Reserve Fund Status balance is \$1,059,841. Mr. Muehlbacher stated that since last month the DWR increased by \$45,699 consisting of taxes and interest. The Texas Springs Water Project also increased due to taxes and interest. The Board asked why the general taxes were not showing in the reserves. Mr. Muehlbacher explained that they have not yet been transferred. They also asked that the projected balances be reviewed.

Mr. Muehlbacher went over the intra fund loan activity balance sheet. The Board asked that the Equipment Storage Building and the 24-inch Main Line loans be cleared prior to 6-30-20.

NEW BUSINESS:

President Richison stated that Mr. Peters was here to discuss items II and VI. He stated that he was going to go directly to those items first.

- II Review and Adoption of Resolution 2020-08 – Determination of Surplus Property: Mr. Muehlbacher stated that Mr. Peters was the Interim Lead Operator while Mr. Angel was out on Family Medical Leave. Mr. Muehlbacher stated that both Mr. Peters as well as Mr. Angel made recommendation that we sell the dump truck, the trailer and the F450 truck. He explained that the F450 truck has cost approximately \$11,000 in repairs over the past two years. It is desired that we sell these products and purchase a new truck.

Mr. Peters stated that the dump truck is not needed. He explained that the dump trailer is more useful. He also mentioned that in the past the District would pay for operators to obtain their Class A license; however, he does not believe that provides a good return on investment for the District. Operators do not need a Class A license when operating a regular truck and trailer. He also mentioned that they would like to use the area that the equipment is stored now to store C-900 pipe and get it out of the sun.

Director Willis moved to adopt Resolution 2020-08, determination of Surplus Property. Director Oliver seconded.

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

- VI Review and Adoption of Resolution 2020-09 – Determination to Utilize District's Force Account for Repairs and Clearing Projects: Mr. Peters stated that the clearing of the Zone C Tank Project and the Pipeline Easement to the Zone B Tank can be done by the District. He explained that the District needed to rent a bulldozer and chipper, along with hiring some temporary employees through an agency.

Vice President Woodstrom asked about hiring a chipping company. He mentioned that there were companies that can clear 10-acres in a day. He has heard that it might cost \$500 an acre.

Mr. Muehlbacher stated that we have until the end of this calendar year to complete the project. He will look into using a chipping service as well as using the Force Account to complete the project in a timely and cost-effective manner.

Director Whitehead moved to adopt Resolution 2020-09, Determining to use the District's Force Account for Repairs and Clearing Projects. Director Willis seconded. President Richison called for a roll call vote: Director Willis – yes; Director Oliver – yes; Director Whitehead – yes; Vice President Woodstrom – yes and President Richison – yes. The vote was unanimous. Motion carried.

- I Review and Adoption of Resolution 2020-05 – Establishing the Tax Appropriation Limitation for Fiscal Year 2020-21: Mr. Muehlbacher stated that this is a house keeping item. Director Whitehead moved to adopt Resolution 2020-05; Vice President Woodstrom seconded.

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

- III Review and Adoption of Resolution 2020-06 – Adopting the Capital Budget for FY 2020-21: Mr. Muehlbacher stated that this budget does not include any projects or purchase of vehicles. It does include the Water Treatment Plant Backwash Recycling Project payment and utilizes \$45,000 of the O&M Reserve for the WINN Act Contract Conversion.

The Board discussed the revenue from the surplus items and the purchase of the new vehicle. They agreed to amend the budget when they know how much the new vehicle will actually cost.

Vice President Woodstrom moved to accept the Capital budget as presented and approve Resolution 2020-06. Director Oliver seconded.

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

- IV Review and Approval of LAFCO Ballot for the District: Mr. Muehlbacher stated that there are two seats and one alternate. Staff is recommending to vote for Erwin Fust, Brenda Haynes and Frank Schabarum.

The Board opted not to vote.

- V Review and Adopt Resolution 2020-07 Amending the District's Investment Policy: Mr. Muehlbacher stated that the Finance Committee reviewed the Investment Policy amendment, and it is their recommendation that the Board adopt the amended policy. He explained that this policy reflects the actual investment practices of the District. It removes more speculative investments and simply identifies LAIF and banking institutions insured by the Federal Deposit Insurance Corporation.

Vice President Woodstrom moved to adopt Resolution 2020-07, amending the District's Investment Policy. Director Oliver seconded. President Richison called for a roll call vote: Director Willis – yes; Director Oliver – yes; Director Whitehead – yes; Vice President Woodstrom – yes and President Richison – yes. The vote was unanimous. Motion carried.

- VII Review and Approval for Issuance of a Request for Qualifications and Proposal for the Tank Coating Program: Mr. Muehlbacher stated that over the past years the District has considered alternate methods of managing the coatings of the tanks. He stated that the City of Shasta Lake has received bids and moved forward under a maintenance contract. He stated that both he and Mr. Reuter have discussed this option and shared it with the Resource and Planning Committee.

Mr. Reuter stated that in the past we would put it out to bid to recoat the tank, however, this approach allows us to structure the agreement to have the tanks recoated at the beginning then have the maintenance for the remaining years. He stated that he does not have any experience with any of his clients with this type of program, however, it does seem like an attractive way to go.

Director Willis asked if anyone knew what the City of Shasta Lake was paying. Mr. Muehlbacher stated that it was approximately \$250,000 a year. They have six tanks that their agreement covers.

Mr. Muehlbacher stated that he would propose all of the tanks with A, A1 and B being done first within the first three years. Then they could do the C Tank a year or two later. The Board agreed to solicit bids for the coating and maintenance of the tanks.

Vice President Woodstrom moved to develop a request for qualifications for the Tank Coating Project. Director Whitehead seconded. President Richison called for a roll call vote: Director Willis – yes; Director Oliver – yes; Director Whitehead – yes; Vice President Woodstrom – yes and President Richison – yes. The vote was unanimous. Motion carried.

- VIII Review and Approval of District Engineering Services: Mr. Reuter stated that the \$150 District Engineer fee was established in 1980 which included more services than just attending Board meetings. He stated that Centerville is PACE's only client that he attends every meeting. He further observed that the Board has relied more on Mr. Muehlbacher over the years. He believes that with Mr. Muehlbacher being a Professional Engineer, it would benefit the District to only attend when needed. It is recommended that the Board approve Option 2 which is billing for actual time based on current rates. If the Board does want him to attend a meeting, he asked that they move those items to the beginning of the meeting to minimize costs.

Director Whitehead moved to adopt Option 2 for District Engineering Services. Director Willis seconded. President Richison called for a roll call vote: Director Willis – yes; Director Oliver – yes; Director Whitehead – yes; Vice President Woodstrom – yes and President Richison – yes. The vote was unanimous. Motion carried.

OLD BUSINESS:

- I Update on the Carr Fire Projects: Mr. Muehlbacher stated that the B Tank Easement clearing, the Zone C Tank clearing, the coating repair on the Zone A Tank and replacing some meter boxes is all that remains to be completed. He mentioned that Clear Creek CSD received \$3 million dollars through FEMA for the backwash pond repairs. It is anticipated that there would be no out of pocket expenses to Centerville for this project. He will present an update for the Water Treatment Plant next month.
- II Update on the Office Generator: Mr. Muehlbacher stated that the generator is installed and we are waiting for the final inspection from the County and the final invoice from the electrician. He mentioned that the generator runs its own diagnostics once a month and will send reports letting us know if it needs oil or maintenance.

GENERAL BUSINESS:

- I Correspondence: Mr. Muehlbacher stated that he placed a copy of the engagement letter from Horton, McNulty and Saeteurn, LLP for the upcoming audit in the Board packet.

Mr. Muehlbacher stated that he also placed a rate increase breakdown in the Board packets. He stated that the Board packet for the special meeting will go out Friday. Director Willis stated that she will be out of town and needs her packet emailed to her.

- II President's Report: None
- III Manager's Report: Mr. Muehlbacher went through the attached Manager's Report. He stated that the EDD employees are working out great. They have painted 35 hydrants, uncovered valves and painted the valve lids blue. Field staff has installed 38 new IPERLS.
- IV Committee Reports: Nothing more to mention.
- V Announcements: The Special Board Meeting will be held on June 24th. The next regularly scheduled Board Meeting will be held July 15th.
- VI Adjournment: President Richison stated that the Board would take a five-minute break at 8:50 pm, then resume the meeting with Closed Session.

CLOSED SESSION:

- I Review and Approval of Proposal for Attorney Services: The Board went into closed session at 8:58 pm and came out of closed session at 9:07 pm. President Richison stated that the Board, with a 4-0-1 vote, with Vice President Woodstrom abstaining, directed the Manager to award the legal services contract to Moore & Bogener.