

March 18, 2020

CENTERVILLE COMMUNITY SERVICES DISTRICT
REGULAR BOARD OF DIRECTORS MEETING

Directors Present: President Richison, Vice President Woodstrom, Director Oliver, and
Director Willis
Teleconference: Director Whitehead
Absent: Paul Reuter and Tina Teuscher
Others Present: Chris Muehlbacher

PRELIMINARY BUSINESS:

- I Call to Order: President Richison called the meeting to order at 7:00 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: Director Willis moved to adopt the minutes from the Regular Board Meeting held February 19, 2020. Vice President Woodstrom seconded. Director Willis stated that on Page 2, the second paragraph, first sentence needs to say, that there were only a couple “of” suggestions. She also mentioned that under Old Business Item II, it needs to state that the Finance Committee will determine what calculation will be used to determine the COLA, not what the COLA figure will be. 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 as amended.
- IV Authorize Payment of Bills for Current Expenses: Vice President Woodstrom moved to pay the bills. Director Oliver seconded. Mr. Muehlbacher stated that the payment to Centerville CSD Texas Springs Water Project is pass through tax dollars. The Eddie Axner Construction payment was for help with two emergency leak repairs. The payment to Ferguson is related to the AC Pipe project. The Griswald payment is for the rebuilding of the Cla-Valve at the Zone C Pump Station. The Horton, McNulty and Saeturn payment was the final payment for the 2019 Audit. The Rural Community Assistance Corporation payment is for the Income Survey. 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 \$808,677 verses expenses of \$851,135. He stated that the Consumption Surcharge revenue was \$16,748. Mr. Muehlbacher stated that revenues are trending on budget; however, expenses are over.

The Capital Budget’s revenue is \$462,933 versus expenses of \$376,910. Mr. Muehlbacher stated that there were only a few minor changes since last month. The AC Pipe project and the Bond Admin Fees of \$2,500 each.

The Reserve Fund Status sheet shows a total reserve of \$1,048,312. Mr. Muehlbacher stated that this includes Carr Fire Funds of \$271,879. The notable change was the deposit of tax dollars in the amount of approximately \$71,000 to the Redemption Fund.

NEW BUSINESS:

- I Review and Adopt Ordinance 2020-02 Amending the Delinquency and Service Termination Policy: Mr. Muehlbacher stated that this is an action item regarding Senate Bill 998 known as the Water Shut-Off Protection Act. This policy defines the process to handle non-payments of Residential customers. The District cannot shut off a customer unless they are delinquent at least 60 days.

Director Whitehead asked if this was going to leave the District with a lot of unpaid water bills. Vice President Woodstrom stated no. Even if someone did not pay their bill, the District can place a lien on the property.

Director Whitehead moved to adopt Ordinance 2020-02, amending the Delinquency and Service Termination Policy. 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.

- II Review and Adopt Resolution 2020-02 Amending Construction Standards: Director Willis moved to adopt Resolution 2020-02 Amending the District's Construction Standards. Director Oliver seconded.

Vice President Woodstrom asked who's Construction Standards these were taken from. Mr. Muehlbacher stated that they were the City of Redding's however, he modified them to the District's standards and mentioned that PACE Engineering and the operator staff had made comments that were incorporated into them. Vice President Woodstrom stated that these standards were mainly used when a developer or new home owner were going to build in the District. He asked if the County had their own standards? Mr. Muehlbacher stated that they would refer to the District's standards for the water distribution. Vice President Woodstrom asked who was going to make sure that these standards were met. He mentioned that he read a few of them and they are very specific and he does not want the District to not be following their own standards. He also wondered who would be making sure that these stay up do date with any industry standard changes.

It was the Board's desire to table this item until Vice President Woodstrom could go through the document and provide comments to Mr. Muehlbacher.

- III Review and Adoption of Ordinance 2020-03, Amending Ordinance 96-1 Section 2, Plant Capacity Fee. Mr. Muehlbacher stated that this is an annual house keeping item. PACE Engineering is recommending that we increase the Capacity Charge to keep up with capital improvements in the future. This item was presented to the Resource and Planning Committee and it is their recommendation that the Board set the public hearing and adopt the Ordinance.

Vice President Woodstrom asked if the Resource and Planning Committee reviewed how the proposed fees compared to other Districts. Mr. Muehlbacher stated no. Vice President Woodstrom stated that he looked at the City of Redding's and theirs is a third of what is being proposed. He also stated that Bella Vista's was also significantly less. Director Whitehead stated that we could not compare ourselves to the City of Redding because they have many more meters.

President Richison stated that the Committee decided to stay consistent with the Water Master Plan. Vice President Woodstrom stated that the farther away our fees get from the City of Redding's and other District's, our District will not have the capacity revenue to make the needed capital improvements.

Director Whitehead moved to set the public hearing for April 15th. 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.

Director Whitehead asked that Mr. Muehlbacher provide the Board with a capacity fee comparison of surrounding Districts.

- IV Review and Adopt Resolution 2020-03 Amending the Employee Handbook Regarding Annual COLA; and Meal and Rest Periods: Mr. Muehlbacher stated that this is in regards to creating a policy for determining the COLA as well as a change to our meal and break policy. Our current policy states that employees must take a lunch after five hours of continuous work; however, occasionally there are extenuating circumstances that prevent that from happening. He mentioned that as an essential employer, we are exempt from the law regarding breaks and lunches.

Director Willis stated that there is case law that states that we are not bound by all labor ordinances of California. She stated that when there is an emergency, meal breaks can be suspended. This amendment addresses these issues and the Employee Handbook now mirrors the State Law.

Vice President Woodstrom stated that he wanted the Finance Committee to decide how the COLA was going to be determined. Then the Personnel Committee would make a recommendation to the Board as to whether or not the employees received a COLA. Vice President Woodstrom stated that approving the budget does not guarantee that the employees will receive a COLA, that needs to be a recommendation from the Personnel Committee to the Board and it would be a Board action item. He stated that the Handbook does not reflect the changes that he had suggested at last month's meeting.

Vice President Woodstrom asked that this item be tabled until next month's meeting. The Board agreed.

- V Review and Approve Employee COLA for Fiscal Year 2020-21: Vice President Woodstrom stated that this item needed to be deferred until the Finance Committee can review it. The Board agreed. Item was tabled until the next meeting.

- VI Review and Approve District EOC Back-up Generator Project: Mr. Muehlbacher stated that the District was one of five District's awarded the Risk Control Grant from JPIA for \$10,000 for a new generator.

Director Willis moved to approve the Generator Project. Director Oliver seconded.

Vice President Woodstrom asked if the 22 kilowatts was too much for the District Office. He asked what the need was for such a large generator. Mr. Muehlbacher stated that PACE Engineering determined how large the generator needed to be. He stated that if we were going to do both offices it would need to be 30 kilowatts.

Director Whitehead suggested that the Board move ahead and obtain bids for the project.

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 Recovery Projects: Mr. Muehlbacher stated that the hydrant parts have arrived. Once the AC Pipe testing is complete, the hydrants will be done.

Mr. Muehlbacher stated that he needs to confirm if he can use the Force Account to hire temporary employees to clear the brush around the Secluded Valley area and going toward the tank as well as the C Tank. Once confirmed he will seek approval from the Board.

- II Accept Income Survey from RCAC: Mr. Muehlbacher stated that the Income Survey came in at \$94,000. Director Oliver moved to accept the Income Survey. 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.

GENERAL BUSINESS:

- I Correspondence: Mr. Muehlbacher stated that he included Governor Newsom's Executive Order regarding the Brown Act and Social Distancing in the Board packets.

- II President's Report: None

- III Manager's Report: Mr. Muehlbacher went through the attached Manager's Report. He stated that Mrs. Teuscher attended a Collection Law class. He also mentioned that he submitted the paperwork for the EDD Grant workers to help with debris clearing at four sites.

He mentioned that sixteen new meters were installed since the last meeting, and three service lines were replaced. The Potosi Road mainline leak claim has been submitted and the AC Pipe samples should be completed this week.

Mr. Muehlbacher stated that he hired Mr. James Leviness to fill the Water Service Worker I position. Mr. Leviness currently holds a T2. He was planning to take the D2 test; however, it was cancelled due to COVID. As soon as it is available, he will be taking it.

IV Committee Report: None.

V Announcements: The next Regular Board Meeting will be held April 15, 2020.

VI Adjournment: The meeting adjourned at 8:21 pm.