

PLUMAS EUREKA COMMUNITY SERVICES DISTRICT
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BOARD MEETING
MINUTES
June 13, 2018

Board of
Directors
Chairperson Frank Shepard
Vice Chairperson Dave Stone
Board Director Melinda Bennett
Board Director Steve Janovick
Board Director Dan Bastian

1. Call Meeting to Order

Chairperson Frank Shepard called to order the Regular Board Meeting of Plumas Eureka Community Services District (“PECSD”) at 0903 hours.

2. Approval of May 9, 2018 Regular Board Meeting Minutes

Motion to approve the Regular Board Meeting Minutes of May as corrected.

Motioned – Vice Chairperson Dave Stone
Second – Board Director Melinda Bennett

All in Favor.

Aye – Chairperson Frank Shepard
Aye – Vice Chairperson Dave Stone
Aye – Board Director Melinda Bennett
Aye – Board Director Dan Bastian
Aye – Board Director Steve Janovick

3. Approval of June 2, 2018 Special Board Meeting Minutes

There was some confusion as to whether or not to name specific community members regarding their comments at the June 2, 2018 Special Board Meeting. John Rowden will check with the attorney’s office to confirm.

Motion to approve the Special Board Meeting Minutes from June 2, 2018 as corrected.

Motioned – Board Director Melinda Bennett
Second – Board Director Steve Janovick

All in Favor.

Aye – Chairperson Frank Shepard
Aye – Vice Chairperson Dave Stone
Aye – Board Director Dan Bastian
Aye – Board Director Steve Janovick
Aye – Board Director Melinda Bennett

4. Fire Chief's Report

a. Call Report & Training Report

Copies of the Call and Training Reports are available for viewing at Plumas Eureka Fire Department ("PEFD") Administrative Office during regular business hours.

b. Personnel

Members of both Plumas Eureka Fire Department and Graeagle Fire Department made extraordinary efforts to put on a fitting Memorial Service for Fire Chief Tom Forster. It was a collaboration worthy of Tom's vision.

c. Fire Apparatus & Equipment Maintenance

John Sea continues to have outdated tires replaced on all Fire Engines. Engine 9153 will have all 6 tires replaced this month. The remaining replacements will be conducted with budget funds from the next fiscal year.

d. Miscellaneous

Despite the early rain and clouds, the Memorial Day Pancake Breakfast fundraiser was a success, with a moderate turn out. Much thanks to the Auxiliary for their hard work and dedication.

5. Water Treatment Facility Project: Arsenic Remediation

Samples taken June 4 showed the As level at the compliance point to be 7ppb. The EPA Standard is 10ppb. The 2nd Quarter average at the compliance point was 7.7ppb. The Running Annual Average (RAA) is 9.6ppb.

Samples taken on May 10, 2018 and on June 4, 2018 showed the As level at Well 1B to be 7ppb. The 2nd Quarter Average for Well 1B is 7ppb, and the RAA for Well 1B is 7.5ppb.

Samples taken on May 10, and June 4, 2018 showed the As level at Well 2 to be 16ppb. The 2nd Quarter Average is 14ppb, and the Running Annual Average (RAA) is 14.5ppb.

Board Director Dan Bastian found the presentation of data to be somewhat confusing for the layperson, but Chairperson Frank Shepard indicated that due to the State's Compliance Order, it is prudent that readings at individual wells be included.

There was discussion about installing a VFD (Variable Frequency Drive) at Well 2 to help maintain compliant water at the Compliance point by allowing the flow of water from the non-compliant well to be adjusted. The estimated cost for the project is roughly \$30,000.00. Putting off installation to correlate with construction of the Arsenic Remediation Plant was discussed, but due to potential complications with funding from the State Revolving Fund, it was discussed that the installation should occur sooner rather than later.

Board Director Dan Bastian indicated that conservation is the key to maintaining compliant water, and suggested that this aspect should be more aggressively communicated to the district. Interim General Manager John Rowden indicated that placing a large sign at the entrance to the community would be beneficial, and it was suggested that the Stage 1 Water Conservation Notification should be included with July's Invoices.

a. Farr West Engineering has confirmed its commitment to complete the 90% design by June 22nd.

John Rowden has been in contact with James Garrett, Project Manager at the State Water Resources Control Board, and was advised that two disbursements have been approved and will be mailed out "shortly". The disbursements will total \$277,896.00. It was noted that these disbursements will nearly max out the State Revolving Fund Planning Loan. Delays on the part of the State were brought up as a subject of concern moving forward into the construction phase of the project. John Rowden and Chairperson of The Board Frank Shepard will set up a meeting with the State to see if there are ways to expedite payments when the time comes for the construction loan. The District will need a commitment from the State to produce disbursements in a timely fashion if they are going to enforce the building of the plant.

Community Member Bryan Shewmake wondered why, if water is currently compliant, the District is pursuing the construction of the Arsenic Remediation Plant.

Chairperson of The Board Frank Shepard advised that the State mandates that we have compliant wells.

Community Member Corrine Zack asked if the VFD is installed at Well 2, and we are able to maintain compliant water for an extended period, would the State withdraw, or delay its mandate, and if not, would the district at least avoid penalties for non-compliance?

Chairperson of The Board Frank Shepard advised that the compliance order stands, and rates must be raised in order to demonstrate the District has the capital to pay for a construction loan.

Vice Chairperson Dave Stone indicated that the District is performing its due diligence in its attempt to become compliant.

Board Director Melinda Bennett mentioned that the VFD will not guarantee compliance. The water from Well 2 will still exceed the Federal Standard for As.

The Board will review plan specs and an engineer's estimate before taking action on the VFD.

Community Member Bryan Shewmake suggested that installing meters would help to encourage conservation, and may lessen the impact of the rate increases for some.

Board Director Steve Janovick indicated that meters would be an additional expense, causing rates to go higher, and the District would still be under orders to construct the plant.

Community Member Mr. Hull indicated that his former community installed meters, and that they did indeed reduce usage.

b. The Board was presented with Farr West Engineering Invoice #10010 for approval. This invoice included charges for potholing to locate pipes. Community Member Dave Yeargin was instrumental in assisting SNC with this.

Board Director Dan Bastian wanted to ensure that the samples used by a subcontractor were fresh, and suggested the District be provided with results of all testing the District pays for.

Motion to approve Farr West Engineering Invoice #10010.

Motioned – Vice Chairperson Dave Stone
2nd – Board Director Melinda Bennett

All in Favor.

Aye – Chairperson Frank Shepard
Aye – Vice Chairperson Dave Stone
Aye – Board Director Melinda Bennett
Aye – Board Director Dan Bastian
Aye – Board Director Steve Janovick

6. Introduction of an Ordinance Establishing Increased Fees for Water and Sewer

The Board was presented with Draft Ordinance 2018-C outlining Increased fees for Water and Sewer services in the District.

There was discussion regarding ensuring that liens levied by the District would still roll over to County Tax Rolls.

The Madora Lake Leach Field Charge, which is not changing, was omitted.

There was concern expressed that there were no buy-in fees for Plumas Eureka Estates. It was advised that, as WWTP #6 was donated to the district, there is no debt service to recover from construction within that community.

The final version of the Ordinance will be posted on the website, and additional copies will be made available upon request.

The reading of the ordinance was deferred to the next convention of The Board.

Motion to approve Ordinance 2018-C pending corrections for the 2nd reading.

Motioned – Vice Chairperson Dave Stone
2nd – Board Director Melinda Bennett

All in Favor.

Aye – Chairperson Frank Shepard
Aye – Vice Chairperson Dave Stone
Aye – Board Director Melinda Bennett
Aye – Board Director Dan Bastian
Aye – Board Director Steve Janovick

7. Committee Report

a. Personnel

John Rowden is looking into filling the currently vacant Fire Chief's position.

b. Recreation

The Recreation Committee and Auxiliary raised over \$3,000.00 at the Memorial Day Pancake Breakfast.

c. Emergency Preparedness Plan

Nothing to Report.

d. Benefits

Nothing to Report.

e. Budget Finance

Nothing to Report.

f. Conservation

The large sign for the entrance to the District is in need of a velcro-backed number in order to update it with Stage 1 conservation information. System operators will monitor the District for conservation violations. Reminder letters will be sent to those found to be out of compliance.

8. Goals & Objectives

Nothing to Report.

9. Budget for FY 18/19

The Board was presented with a Draft Budget for Fiscal Year 2018-2019, assuming passage of Rate Ordinance 2018-C.

Board Director Dan Bastian questioned whether the raises indicated for employees were based on merit or just automatic. Interim General Manager John Rowden explained that the raises were step increases, which would be approved at the GM's discretion, and would be based on an employee performance review.

10. Resolution 2018-4 For Obtaining a District Credit Card

The Board was presented with Resolution 2018-4 notifying the Board of the intent of the District to establish a credit card, and to designate Interim General Manager John Rowden as the District Agent to establish a District credit card with IBB (Plumas Bank).

Credit card usage policies and credit limits were discussed. It was also suggested that the authorization not name a specific individual, but be position-based.

Motion to approve Resolution 2018-4 as corrected

Motioned – Vice Chairperson Dave Stone
2nd – Board Director Melinda Bennett

All in Favor.

Aye – Chairperson Frank Shepard
Aye – Vice Chairperson Dave Stone
Aye – Board Director Melinda Bennett
Aye – Board Director Dan Bastian
Aye – Board Director Steve Janovick

11. General Manager's Report

a. Finance

i. The Board was presented with the District's financial reports for the month of May. These reports illustrated that Water, Wastewater, and Fire are all operating under budget for the fiscal year.

Motion to approve the May Financial Reports as submitted.

Motioned – Vice Chairperson Dave Stone
2nd – Board Director Melinda Bennett

All in Favor.

Aye – Board Chairperson Frank Shepard
Aye – Vice Chairperson Dave Stone
Aye – Board Director Dan Bastian
Aye – Board Director Melinda Bennett
Aye – Board Director Steve Janovick

b. Administration

Nothing to report.

c. Operations

Water system flows were calculated at 6,478,800 gallons for the Month of May. So far, Well 1B has been able to keep up with demand. Operators are running the pump at Well 2 to ensure the chemical pump is primed and ready to provide water if needed. A Bi-Annual flushing of the water mains was conducted for water quality purposes.

Wastewater system flows were calculated at 1,051,486 gallons for the month of May. A pump failure occurred at WWTP #6. Operators discovered that debris was slowing the ability of the pump to move water. The pump was disassembled, and the debris removed. Operators will work to mitigate this issue by possibly installing a basket strainer to catch debris before it reaches the pumps. The new lift station control panel was installed at WWTP#7, but operators were receiving “pump fail” alarms intermittently. When investigated, it was discovered that both pumps were functioning properly. Sierra Controls was called in to investigate, and it was discovered that a misconnected wire in the panel was causing the alarm. The wiring connections were corrected and there have been no issues since.

d. Miscellaneous

Nothing to Report.

13. Written Correspondence to the Board

The Board received a letter from Jason & Erin Klemesrud requesting a refund for sewer services which were never connected. The Board discussed refund policies and statutes, and directed Interim General Manager John Rowden to address the situation accordingly

14. Public/Board Comment Period

Nothing to report.

15. Future Agenda Items

Nothing to Report.

16. Adjournment

At 1208 hours, Chairperson Frank Shepard adjourned the regular Board meeting to resume June 27, 2018 at 0900 hours.

On June 27 at 0905 hours Chairperson Frank Shepard reconvened the Regular Board Meeting of Plumas Eureka Community Services District ("PECSA").

6. Introduction of an Ordinance Establishing Increased Fees for Water and Sewer

Chairperson Frank Shepard opened the public hearing regarding ordinance 2018-C.

Interim General Manager John Rowden explained the CA Proposition 218 process, and advised those in attendance that the District had pens and paper available should anyone wish to file a protest before the formal count was taken.

Community Member Corrine Zack expressed concern regarding connection size and fire codes.

Chairperson Frank Shepard advised that the district would consider this issue at the time of billing.

Community Member Bryan Shewmake inquired as to the current Running Annual Average (RAA) for As in the drinking water system.

Interim General Manager John Rowden advised there had been no change in the average since June 13, 2018.

Mr. Shewmake questioned the need for an Arsenic Remediation plant since the District was currently in compliance.

Chairperson Frank Shepard replied that the District is under a compliance order from the State and EPA, regardless of the current situation.

Community member Tim Berry asked if rates would continue to rise, or would there be a decrease once the plant was funded.

Chairperson Frank Shepard advised that a rate study had been performed to determine what the increases would be. The Board did not choose the optimal rate plan for the District because it would have made the increases even higher.

Mr. Berry also asked about whether the Board had considered alternative funding, such as bonds.

Chairperson Frank Shepard advised that the State Revolving Fund Loan is similar to a bond debt. It has an interest rate of 2.5% whereas a loan from a bank would have a rate closer to 6.5%. The District has been looking at alternatives to building the plant for the last 10 years. Test wells have been drilled, collaborations with other communities have been explored, and treatment of other ground or surface water has been considered. All of these options were determined to be more expensive than the current proposition.

Community Member Corrine Zack asked the Board why rates have not been steadily increasing over the last several years, as it would have meant a lesser impact for homeowners now.

Chairperson Frank Shepard replied that the Board was concerned about property values, and did not wish to raise rates during an already difficult economy.

Community Member and former Board Director Larry Walker added that the Board would have had to justify rate raises each time, and that accumulating \$3 million in reserves would have raised other issues.

Board Director Melinda Bennett added that the rates being recommended by the Board were carefully calculated and supported by the rate study performed by Farr West Engineering.

Interim General Manager John Rowden explained that the Board is currently foregoing other capital projects in order to keep rates at bay, which may place the Board in this position again.

Board Director Melinda Bennett reiterated that the Board did not know 10 years ago that the plant would have to be built, and instead explored and worked on other alternatives.

Community Member Corrine Zack commended Interim General Manager John Rowden for being thorough in his work, and communicating with the community the reasons for the rate increases.

Board Director Steve Janovick added that it is possible that federal regulators could lower the standard for Ar again. The building of the treatment plant would protect the District from future regulations.

Ms. Zack inquired as to the Districts efforts to conserve water in order to keep Ar levels low.

Interim General Manager John Rowden advised that the District is currently in a Stage 1 water conservation level. System operators are monitoring the District and reminder letters are being sent to those found in violation.

Ms. Zack expressed concern about individuals transporting water from the community to more remote locations like Johnsville, and stated that Oroville has a policy against such a practice.

Mr. Rowden advised the District may consider such a policy at a later date.

Community Member Bryan Shewmake asked why this issue was not handled by distributing ballots. He felt the onus was unduly on homeowners.

Mr. Shepard advised that the District followed protocols outlined in CA Proposition 218.

Mr. Rowden added that the District followed the advice of its attorney.

Mr. Shewmake stated that it was ridiculous for the District to have to pay so much for 1ppb.

Mr. Shepard agreed, but advised that it did not change the status of the mandate from the State and EPA.

Community Member Corrine Zack suggested conservation notices be placed in vacation rentals within the community to encourage visitors to conserve water.

Community member Bryan Shewmake suggested meters to curb usage.

Board Director Steve Janovick reiterated that meters would cost the District at least \$1million dollars in addition to still constructing the treatment plant.

Chairperson Frank Shepard added that meters would increase Operating & Maintenance costs for the District as well.

Another Community Member inquired about whether the District may qualify for grant funds.

Mr. Shepard stated that PECSD did not qualify as a disadvantaged community, and therefore did not qualify for grant funds, but advised that the District would continue to seek out other forms of income.

At this time all in attendance were given the opportunity to file a protest against the proposed rate increases.

Clerk of The Board Jillian Cole counted the protests received regarding the proposed rate increases. If a majority (50%+1) of the Plumas Eureka Community Services District property owners, 315 for water or 197 for sewer, file valid written protests, the scheduled rates for the service receiving a majority number of protests cannot be approved as proposed. The total counts are as follows:

Protests Water: 14

Protests Sewer: 14

Chairperson Frank Shepard declared the Public Hearing closed.

Motion to waive the second reading of, and adopt Ordinance 2018-C establishing increased fees for Water and Sewer.

Motioned – Board Director Steve Janovick
2nd – Board Director Melinda Bennett

All in Favor
Roll Call Vote

Board Director Dan Bastian – Aye
Board Director Steve Janovick – Aye
Vice Chairperson Dave Stone – Aye
Chairperson Frank Shepard – Aye
Board Director Melinda Bennett – Aye

16. Adjournment

Chairperson Frank Shepard adjourned the regular Board meeting at 1002 hours.

In Attendance:	Chairperson Frank Shepard
	Vice Chairperson Dave Stone
	Board Director Steve Janovick
	Board Director Dan Bastian
	Board Director Melinda Bennett.

Respectfully Submitted,

Jillian Cole
Board Clerk

