

CENTERVILLE COMMUNITY SERVICES DISTRICT
REGULAR BOARD OF DIRECTORS MEETING

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

Absent: Tina Teuscher

Others Present: Roger Ankeny, Colin Bogener, Kayla Horton and Chris Muehlbacher

PRELIMINARY BUSINESS:

- I Call to Order: President Oliver called the meeting to order at 7:02 pm.
- II Public Comment Period: President Oliver opened the public comment period. No comments were received. The public comment period was closed.
- III Authorize Payment of Bills for Current Expenses: Director Woodstrom moved to pay the bills. Director Richison seconded. Mr. Muehlbacher stated that the payment to Aqua Metric is for the annual support for the handhelds. The Butler Engineering payment is for the engineering design for the new Board Meeting Room. The payment to NBS is for the quarterly admin fees for the District's assessment districts. The Superior Tank Solutions payment is for the temporary water supply when the A Tank was taken out of service. President Oliver called for a roll call vote: Vice President Whitehead – yes; Director Woodstrom – yes, Director Richison – yes; Director Hopson – yes and President Oliver – yes. Motion carried.
- IV Status of the Budget Report: Mr. Muehlbacher stated that the O&M revenues were \$792,682 verses expenses of \$715,613. He stated that both the revenue and expenses are now on target with what has been budgeted. He mentioned that Clear Creek is still one month behind on their monthly billing. He also mentioned that the SWRCB Fees were higher than budget because the District is not a disadvantaged community. He stated that the District was previously being charged the disadvantaged community rate.

Mr. Muehlbacher stated that the Capital revenue was \$25,896 and expenses were \$274,401. He explained that the high expenses were the Tank Coating Program and the final payment for the 1995-1 loan.

Reserve Fund Status Sheet: The total reserve is \$1,122,707. The O&M reserve decreased by \$30,000 to cover expenses. This will be trued up next month.

CONSENT AGENDA:

- I Approval of the minutes of December 15, 2021 Regular Board Meeting; and
- II Continue local emergency pursuant to AB 361 due to COVID-19 directly impacting members to meet in person.

Vice President Whitehead moved to approve the Consent Agenda. Director Richison seconded. President Oliver called for a roll call vote: Vice President Whitehead – yes; Director Woodstrom – yes, Director Richison – yes; Director Hopson – yes and President Oliver – yes. Motion carried.

NEW BUSINESS:

- I Approval of Financial Statements for Fiscal Year Ending June 30, 2021: Ms. Kayla Horton reviewed the Audit Report. She stated that the Independent Auditors Report states that the Financial Statements are the responsibility of the District's Management and that their responsibilities as the auditors is to express an opinion on the financial statements based on their audit. The audit was conducted in accordance with generally accepted auditing standards.

She stated that the standards require that they plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. So anything that would be of a large enough magnitude to impact the decisions of a user of these financial statements.

She stated that it is their opinion that the financial statements referred to present fairly, in all material respects, the financial position of the District as of June 30, 2021, and that the changes in its financial position and its cash flows for the year then ended in accordance with generally accepted accounting principles, as well as accounting systems prescribed by the California State Controller's Office and the state regulations governing special districts.

After going through the financials in detail, Ms. Horton stated that the audit produced no internal control deficiencies and there were no recommendations.

- II Annual Report of Active Will Serve Letters: Mr. Muehlbacher stated that there were no Will Serve Letters issued last year. There are 269 potential developable lots within the District and 72 lots that are ready for meters. The District currently has 19 Water Availability Customers (WAC). If everything was to be developed, this would mean that the District would use an additional 540 Acre-Feet. Based on our contractual water supply there is enough water should all lots be developed.

- III Annual Report of Discontinuations of Residential Services for Inability to Pay: Mr. Muehlbacher stated that pursuant to Senate Bill 998, this is an annual report that is posted to our website. There were no shut-off's for inability to pay in 2021. The inability to lock off customers for non-payment ended December 31, 2021.

- IV Muletown Pump Station Generator Project: Mr. Muehlbacher stated that the RFP for engineering services is complete and has been publicly advertised. The deadline for the proposals is February 18th. The proposals will go before the Resource and Planning Committee and Paul Reuter for them to make recommendation to the full Board. He stated that this is a FEMA project. FEMA will fund 75% of the costs, while the City of Redding is funding the remaining 25%. He stated that the District will be reimbursed for this project.

OLD BUSINESS:

- I Board of Director's Annual Re-organization Session for the 2022 Calendar Year (Section 5010.50, Centerville CSD Board of Director's Policy): President Oliver stated that the current committees will remain. VP Richison moved to accept the 2022 Standing Committees. Vice President Whitehead seconded. President Oliver called for a roll call vote: Vice President Whitehead – yes; Director Woodstrom – yes, Director Richison – yes; Director Hopson – yes and President Oliver – yes. Motion carried.

President Oliver stated that there is currently no representation of CCSD on the Centerville Education Committee. The Board suggested that the vacancy be placed in the newsletter.

- II Tank Maintenance Program Update: Mr. Muehlbacher stated that the report that Superior Tank Solutions provided shows the before and after pictures. He is happy with the progress and the outcome. He mentioned that next month they will be taking the B Tank out of service to be cleaned and tested.

Director Woodstrom asked if PACE Engineering had provided any reports as to their findings when they were out inspecting. Mr. Muehlbacher stated yes. Director Woodstrom asked that those reports be made part of the project.

- III Authorize Public Bidding for the Meeting Room Conversion Project: Director Richison moved to authorize the District Manager to requests public bidding for the Meeting room conversion project. Vice President Whitehead seconded.

Mr. Muehlbacher stated that the plans were designed by Butler Engineering. He stated that he would like to give the contractors a minimum of four weeks to submit bids. The estimate at this point is \$55,000.

Director Hopson stated that he provided comments to Mr. Muehlbacher. Director Woodstrom stated that with the changes to the plans, the building permit process could take a while. The Board suggested waiting to go out to bid until the District receives the building permit.

Director Richison withdrew his motion.

Director Hopson moved to wait to bid the project until the permit has been received from the county. Vice President Whitehead seconded. President Oliver called for a roll call vote: Vice President Whitehead – yes; Director Woodstrom – yes, Director Richison – yes; Director Hopson – yes and President Oliver – yes. Motion carried.

- IV Review and Discuss Water Allocation and Water Supply: Mr. Muehlbacher stated that NOAA is now showing the possibilities of possible rain in the coming months. He stated that December ended with a total usage of 78 acre-feet, and January is trending to use a total of 65 acre-feet. In February, the District will most likely need to use some of the City of Redding water. He stated that the District should receive Reclamation's allocation in late February. He believes it is likely the District will receive an allocation of zero.

Mr. Bogener stated that Mr. Muehlbacher received a letter from Jeff Swanson with the McConnell Foundation offering supplemental water for the 2022-23 water year. Typically, this would be placed under closed session and discussed at the next meeting. However, this item needs immediate attention, so it can be placed on tonight's agenda with a motion and a second. This is a two-step process. The first the Board needs to vote to take action immediately, and secondly that the need came to the District after the agenda was already posted.

Vice President Whitehead moved to add the purchase of additional water to the Closed Session, because the Board needs to take immediate action and this item came to the District Manager's attention after the agenda had already been posted. Director

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

GENERAL BUSINESS:

I Correspondence: Mr. Muehlbacher stated that the only correspondence was a letter from Berkadia stating that the loan will be paid off in June.

II President's Report: None

III Manager's Report: Mr. Muehlbacher stated that he has completed his review of the Policy Manual and has given it to District counsel for review. An Ordinance Committee meeting will be scheduled for final review.

Mr. Muehlbacher stated that he has submitted application for another JPIA grant for the Diggins Generator.

The Field staff replaced two service lines in the Boston area. Year to date, field operators have replaced 16 service lines.

Mr. Muehlbacher also stated that repairs were made to the 4x4 system on Truck 503.

IV Committee Reports: None

V Announcements: Next month's meeting is February 16, 2022.

VI Adjournment: 9:07 pm.

CLOSED SESSION:

I Purchase of Additional Water: President Oliver stated that the Board went into closed session at 8:25 pm and returned at 9:07 pm. The Board directed the District Manager to purchase 500 acre-feet of supplemental water from the McConnell Foundation.