

MINUTES OF BELLA VISTA WATER DISTRICT**BOARD OF DIRECTORS****October 24, 2022**

The regular meeting of the Board of Directors of Bella Vista Water District convened at the District Office Boardroom on Monday, October 24, 2022, at 5:30 p.m.

MODIFIED BROWN ACT PROCEDURES IN LIGHT OF COVID-19:

In compliance with CA Executive Orders N-25-20 and N-29-20 some members of the Board of Directors and all members of the public will participate in this meeting by teleconference. There is not office space available for the public to participate in-person. The call-in information for the Board of Directors and the public was as follows:

Weblink:<https://us02web.zoom.us/j/81363650166?pwd=SEN0W0DN4aFlsbXveVBYbG5rMFISdz09>
 Dial in: US: +16694449171,,81363650166#,,,,*981698# +16699009128,,81363650166#,,,,*
 Meeting ID: 813 6365 0166
 Passcode: 981698

Any member of the public on the telephone may speak during Public Comment or may email public comments to cwade@bvwd.org and comments will be read from each member of the public. During this period of modified Brown Act Requirements, the District will use best efforts to swiftly resolve requests for reasonable modifications or accommodations with individuals with disabilities, consistent with the Americans with Disabilities Act, and resolving any doubt whatsoever in favor of accessibility.

Board Members Present:

President	-	Ted Bambino
Vice-President	-	Jim Smith
Director	-	Bob Nash
Director	-	Frank Schabarum
Director	-	Guy Walters

Board Members Absent:

None

Officers and Staff Present:

General Manager/Secretary-Treasurer	-	David Coxey
District Engineer	-	Wayne Ohlin
Finance and Administration Manager	-	Connie M. Wade/Christy Sartori

We are an equal opportunity employer and provider.

PLEDGE OF ALLEGIANCE

1. Public Comment

None

2. Consent Calendar

- 2-1 Approval of Minutes of September 26, 2022, Regular Meeting
- 2-2 Financial Reports for Month Ending September 2022
- 2-3 Adopt Ordinance 22-01 Board Compensation
- 2-4 Quarterly Investment Portfolio (ending September 2022)
- 2-5 Variance Requests:
 - a. J. Knartzer

M/S: [Smith /Schabarum] The Board approved and accepted the consent calendar as presented.

Roll Call:

Bambino – AYE
Smith – AYE
Nash – AYE
Walters – AYE
Schabarum – AYE

Old Business:

None

New Business:

3. Drought Conditions and Water Supply Update

District Engineer, Wayne Ohlin reviewed the graphs showing we are trending approximately 30% lower than last year, i.e., 690 AF less from last year. Wayne reviewed the projected water delivery graphs and graphic for statewide reservoir storage and the current drought monitor graphic. Things continue to look very dry in the forecast and do not bode well for initial water allocations. The State continues to be at the extreme drought stage.

Discussion Only. No Board action was taken.

4. Presentation of 2021-2022 Annual Audited Financial Statements by HM&S Auditors

Kalah Horton of HM&S presented the Financial Audited Statements for 2021-2022. Kalah reviewed a few highlights and pointed out some layout changes and additional wording due to new audit standards that went into effect. The opinion was moved to the start of the report. Kalah

reviewed the standards and new language. The wording in this report is more robust than it has been in the past and additional responsibilities as auditors.

Kalah reviewed the results of income for the year and detailed an explanation of the unusual OPEB swing as a result of staff turn-over and presentation in the actuary rates, which brought the liability down.

Kalah reviewed the footnotes and the implementation of accounting standards, specifically leases. Page 21 further identified how the cell tower lease receivable is calculated. The next page of that is on Page 41 which discussed the specific terms of the lease and future payment structure. Page 45 is the trend schedules and the OPEB liability and again because of those changes above, the liability has declined.

Page 48 contained the other large liability with the pension and probably overall a temporary decrease. These numbers are based on year-old data and with the recent changes in market trends, we doubt we will see this year. Page 52 discusses internal control and compliance and how they are reviewed and their risk assessment over the work that they do. There were no internal control or compliance issues identified.

Kalah continued on the report to the Board of Directors and reviewed the report and changes and explained how they take a close look at overrides and controls. Kalah reviewed and implemented the lease standard for the year and the next statement is the depreciation and the OPEB liability and unbilled receivables. “Significant and unusual transaction” is also new, and none were identified. Auditors did not identify any misstatements as a result of the audit. The rest is standard.

M/S: [Nash/Smith] Accept the 2021-2022 audited financial statements as submitted and presented.

Roll Call:

Bambino – AYE
Smith – AYE
Nash – AYE
Schabarum – AYE
Walters – AYE

5. Authorize Engineering Services Agreement with PACE for Moody Creek Drive Pipeline Replacement Project

Wayne explained this project is on our EOMR schedule and was delayed by one year due to pipe supply availability but is back on our schedule now. A request for proposal was sent to both PACE Engineering and Jacobs Engineering. PACE is the only one that responded. Wayne reviewed the scope of work and David explained this was a project that needs to be completed as a result of inadequate materials during the original installation.

M/S: [Schabarum/Nash] Authorize the General Manager to execute a contract with PACE Engineering for Design of Moody Creek Drive Water Main Replacement in the amount of \$53,600 and authorize the General Manager to approve change orders up to 10% of design cost (\$5,360)

Roll Call:

Bambino – AYE
Smith – AYE
Nash – AYE
Schabarum – AYE
Walters – AYE

6. Authorize Watermain Extension and Pump Station Construction Agreement with Bethel Church

General Manager, David Coxe explained this agreement is for the project's offsite improvements, which includes a pump station, pipeline extension and appurtenances. Separately and not contained within this agreement is a requirement to augment water supply in shortage years, which needs to be addressed in a separate agreement. The District will be responsible for integrating the new pump station. Pressure management for a second pump station into a common zone was recently evaluated by PACE Engineering and will require the installation of a two-way pressure-reducing/sustaining valve, with pressure sustaining in both directions. Director Schabarum had a few questions on change orders and other items and whether it would come back before the Board or if David can execute a change order. David said it would depend on the amount. Director Bambino stated there is a timeline and if we have unavoidable time delays during the process this could go on and that would change the terms of the repayment. Greg Moore of Bethel clarified this article is for the construction not the repayment. He feels that the repayment will be met within the 15-year period after the completion of construction and the language in the Agreement is related to the construction. Director Nash had a question about the map and the property boundaries of undeveloped lots. David explained the Agreement Exhibit C, which indicates the minimum planned expansion of the Simpson Zone, based on topographical information and minimum pressure requirement. Director Schabarum had a question about prevailing wage requirements.

M/S: [Schabarum/Walters] Authorize the General Manager to execute the Watermain Extension and Pump Station Construction Agreement with Bethel Church

Roll Call:

Bambino – AYE
Smith – AYE
Nash – AYE
Schabarum – AYE
Walters – AYE

7. Will Serve Requests

- a. Oasis North – 219 Single Family Residences (MD Development)
- b. The Oasis – 145 Single Family Residences (Brian Burk)

Wayne summarized the Will Serve requests for Oasis North and The Oasis, explaining the requests and location. They both will need to use and are requesting to use a Water Supply Augmentation with the City of Redding. We have realized and discussed serious limitations in the Agreement as evidenced this year with a zero Central Valley Project water allocation, which need to be corrected before using this as an instrument of conveyance for development and water supply. David updated the Board on the annual report of previous Will Serve commitments. David further explained that lot splits of less than 4 parcels do not require Board approval. Presently, we have over 1,000 lots that have existing Will Serve commitments. Wayne discussed how those will sunset in 10 years if no development has occurred. Director Bambino suggested it would be appropriate to table these requests unless or until a shortage year agreement is corrected and amended since we have a responsibility to our current customers first and foremost. David explained he will be meeting with legal counsel and discussing the Augmentation Agreement with the City of Redding staff. Director Walters had several comments and questions regarding the existing agreement and suggested termination of the existing agreement.

M/S: [Schabarum/Walters] Table the Will Serve requests unless or until the current Water Supply Augmentation Agreement with the City of Redding is revised or superseded.

Roll Call:

Bambino – AYE
Smith – AYE
Nash – AYE
Schabarum – AYE
Walters – AYE

8. Adopt Revised Administrative Policy for Non-Represented Employees

David introduced the item that is for the management staff and two additional non-represented positions, i.e., Administrative Assistant and Engineering/GIS Tech. David explained there is no significant changes and briefly summarized the corrective edits. Some discussion ensued regarding revising language to “spouse”.

M/S: [Schabarum/Smith] Adopt the revised Administrative Policy as presented subject to one change under Article 11.2 which should be amended to “their spouse”.

Roll Call:

Bambino – AYE
Smith – AYE
Nash – AYE
Schabarum – AYE
Walters – AYE

9. Revise Regular Board Meeting Date for December

David requested that with the holiday season that the regular Board meeting in December be rescheduled to December 19, 2022.

M/S: [Nash/Smith] The Board authorized the regular Board meeting of December 26, 2022, to be changed to December 19, 2022, at 5:30 pm.

Roll Call:

Bambino – AYE
Smith – AYE
Nash – AYE
Schabarum – AYE
Walters – AYE

Reports and Communications

10. Engineer's Report – Project Updates

Wayne updated the Board on the following projects:

- Seven Bridges Phase II (Monroe) – The developer has purchased 15 meters with 10 set to date. We are having supply shortages on meters and the remaining 5 will be set upon receipt of the meters.
- Bethel Campus – With the approved infrastructure agreement, what will come next will be the Water Supply Agreement and they cannot occupy the building until the Water Supply Agreement is in place.
- Stillwater Ranches – At this point everything is built to our standards and we will receive a capital conveyance agreement after all punch list items are completed. The acceptance of this project will probably be at the next Board meeting.
- USBR Water Smart Grant – The District is meeting with the consultant team on Wednesday and this is the first step on the design phase.
- PG&E Infrastructure “Hardening” – Reviewed the line break on the 30’ Main that got hit. The Bureau of Reclamation did engage as a result of this incident. This location was not identified by PG&E submittal to Reclamation. Wayne explained what it took to shut down the valve completely in order to initiate repairs. A discussion on repair and costs ensued.

11. Manager's Report

David reported the District is utilizing all surface water supplies and monitoring water demands. We are also closely monitoring water quality, which has resulted in additional flushing due to water age. Long-range weather forecasts indicate continued dry conditions. The District continues to experience supply chain issues and greatly increased rates for materials. For example, the Cow Creek 2 Pump Station remains on low pressure for the past several weeks pending a bronze impeller replacement. An offer of employment for our vacant Meter Reader position and we will soon be posting for a Customer Service Position as well as for the position of District Engineer.

David reported that he is exploring funding options for the replacement of the Wintu Transformer, considered "Reserved Works", through the bipartisan infrastructure law and Reclamation's Aging Infrastructure account. Staff is also working on an updated water rate study.

The informational packet includes Reclamation's Letter to PG&E dated October 18, 2022, Water Loss Regulation, Department of Water Resources (DWR) in September released a memo that included recommendations for an outdoor water use efficiency standard, variances for unique water uses, bonus incentives for potable reuse, and CII best management practices.

12. Board Member Comments and Reports

Director Bambino suggested getting our elected officials involved to fight the zero allocation in the next water year if it happens again. David explained he does push out news items to Supervisors and other elected officials.

Adjourned 7:44 pm

