

BELLA VISTA WATER DISTRICT

BOARD OF DIRECTORS

February 26, 2024

The regular meeting of the Board of Directors of Bella Vista Water District convened at the District Office Boardroom on Monday, February 26, 2024, at 5:30 p.m.

Any member of the public may speak during Public Comment or may email public comments to csar-tori@bvwd.org and comments will be read from each member of the public. The District will use its 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	-	Guy Walters
Director	-	Frank Schabarum
Director	-	Jim Smith
Director	-	Ted Bambino
Director	-	Bob Nash

Board Members Absent: None

Officers and Staff Present:

General Manager/Secretary-Treasurer	-	David Coxey
Finance and Administration Manager	-	Christy Sartori

Public:

Don Groundwater	-	Provost & Prichard Consulting Group
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CALL TO ORDER, ROLL CALL, AND PLEDGE OF ALLEGIANCE

1. Public Comment

None

2. Consent Calendar:

- 2-1 Approval of Minutes of January 29, 2024, Regular Meeting
- 2-2 Financial Reports for Month Ending January 2024.

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

AYE: Smith, Walters, Schabarum, Bambino, Nash; **NAY:** None; **ABSENT:** None

We are an equal opportunity employer and provider.

Old Business

None

New Business

3. Presentation of 2022-23 Annual Audited Financial Statement by HM&S Auditors

Kalah Horton and Taylor Pierrece of the firm Horton, McNulty & Saetern, LLP, Certified Public Accountants presented the 2022-2023 audited financial statements.

Kalah reviewed the Independent Auditors' Report outlining the District's and the Independent Auditors' responsibility during the Audit.

Kalah reviewed the results of income for the year and, along with David Coxey, they detailed an explanation of the unusual OPEB swings for the prior year's 2018-19 through 2021-2022 leading to the reexamination of the GASB 74/75 OPEB valuations for those years.

Taylor concluded the Auditor's presentation by stating that looking at the trends provided by the reexamination, the firm is comfortable with new trends, and the firm is comfortable these figures are presented accurately.

M/S: [Nash/Bambino] Accept the 2022-2023 audited financial statements as submitted and presented.

AYE: Smith, Walters, Schabarum, Bambino, Nash; **NAY:** None; **ABSENT:** None

4. Central Valley Project Water Rates for 2024

David explained that the U.S. Bureau of Reclamation has published the final 2024 CVP rates for both Irrigation (Ag) and Municipal & Industrial (M&I) water that become effective March 1, 2024, and provided an overview of the item along with attachments including the CVP rates Forward description, rate setting process, various rates schedules and a summary of component rates.

M/S: Discussion only. No Board action was taken.

5. Adopt Annual Adjustments for 2024 Water Rates, Charges and Fees for Service

David stated that the Board adopted Resolution 23-02 on February 27, 2023, which details the methodology for annual rate adjustments that includes a pass-through of wholesale water rates, water supply portfolio analysis and CPI-U indexing for general expenses.

David reviewed the components in the portfolio and stated that the proposed M&I water rates are factored to increase for the 2024-2025 Water Year from \$0.73 per HCF to \$0.81 per HCF, and the Irrigation (Ag) water rates will decrease from \$117.38 per AF to \$115.67 per AF. Base rates have been calculated for CPI-U plus 2% as shown in the Bimonthly Base Rates chart attached to the item.

Rate Study Consultant Don Groundwater stated that the wholesale CVP Irrigation (Ag) cost of water went down, but the operating and delivery costs for that water went up as expected, which is why you see the Irrigation (Ag) Base Rate increased while the Irrigation (Ag) water rate decreased.

M/S: [Bambino/Nash] Adopt the revised 2024 water rates, charges and fees as presented to become effective May 1, 2024, and directing staff to provide customer notification pursuant to Government Code Section 53755 et. Seq.

AYE: Smith, Walters, Schabarum, Bambino, Nash; **NAY:** None; **ABSENT:** None

Reports and Communications

6. Water Supply and Production Update

David explained that the Bureau of Reclamation announced the initial 2024 water supply allocations for Central Valley Project contractors on February 21, 2024. Based on current hydrology and forecasting, Reclamation is announcing the following initial Central Valley Project water supply allocations for North-of-Delta Contractors - Sacramento River:

- a. Municipal and industrial water service and repayment contractors are allocated 100%.
- b. Irrigation water service and repayment contractors are allocated 75% of their contract total.

M/S: Discussion only. No Board action was taken.

7. Projects and Developments Report

David presented the updates on the following projects and activities.

1. District Projects/Facilities

- a. USBR Water Smart Grant - 3MG Tank, SCADA for 3 existing wells
 - 100% Design Drawings received and reviewed for tank and pump station (not included in Grant) and provided to USBR and DDW. USBR review completed.
 - PG&E power rerouted, contract for new service pending
 - CEQA Initial Study, Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program completed. USBR NEPA pending.
 - Proceed to bidding pending NEPA completion and financing
- b. Wintu Substation – Application for BIL Aging Infrastructure Account (AIA) funding – USBR Application Submitted

2. Developments Under Design/Construction

- a. Bethel Campus and Offsite Improvements

- Campus – grading and make-ready improvements completed, “Building C” under construction – currently receiving temporary construction water service and limited fire flow. A shortage-year supply agreement is required prior to occupancy.
 - Offsite Improvements/Twin Towers Pipeline, etc. (GHD) – 30% Design
 - Pump Station – Design Agreement with PACE Engineering, design underway
 - Campus Site and Frontage Plans (GHD) – Plans reviewed and District comments provided. Additional hydraulic modeling completed.
- b. Gold Hills Reserve – Plans reviewed; comments provided
- c. Phoenix Charter Academy (adjacent to Simpson University)
- Comments provided to the City of Redding along with a recommendation for the applicant to submit a Water Service Availability Request
- f. Hollywood Heights Subdivision Palo Cedro - Will Serve Letter requested, considering reconfiguration
- g. Miscellaneous Developments (on existing parcels that don’t require a Will Serve) – Simpson College STEM building addition, Redding School of Arts High School, Mercy Oaks building addition, Palo Cedro Feed Store water and fire service, CS-8 SOI update expanding Sewer District to Deschutes Road (3 parcels)
3. PG&E Infrastructure “Hardening”
- Upgrading poles and undergrounding utility for fire resilience – Continuing. Additional work is planned for 2024 along the Hwy 299 corridor.
 - Damaged 30-inch CCP damages claim analysis – Under review by USBR Technical Services Center (TSC) in Denver.
4. Public Works in Planning
- City of Redding 35 acre “Jubilee Annexation” – Comment Letter sent December 18th
 - City of Redding Old Oregon Trail Widening – Paso Robles to Bear Mountain Road – 100% design reviewed by District and comments provided – Construction Summer of 2024
4. SGMA Compliance – EAGSA Update
- Grant application submitted, funding awarded!
 - EAGSA Groundwater Sustainability Plans Approved! (with six corrective actions)
5. Shortage Year Supply Augmentation
- No discussion for several months, although informed that an agreement is in the works

M/S: Discussion only. No Board action was taken.

8. Manager's Report

David reported the District's Treatment Operators are doing a great job adjusting to various source water conditions and water quality. Current releases are 35,000 cfs and will be ramping down to conserve storage over the next several days. Hopefully, additional spring precipitation will allow Shasta to be filled brim full. With the completion and adoption of the Audited Financial Statements, we intend to retain a financial consultant to take a close look at financing for the 3 MG Tank Project as well an OPEB liability strategy.

At discussed at the recent Finance & Personnel Committee meeting, we recently received a resignation letter from our only Distribution D-3 Lead Operator Position and we have recently had two failed recruitments that include the District Engineer and for the D-3 Position. Staffing and succession planning has become a top priority. We will revise the job description and title for review by the Committee and begin another recruitment. The D-3 position remain open for now and we fully recognize we are going to need to be more competitive and creative regarding this position. On a positive note, we have received a very good response for the advertised position of Meter Reader and interviews will be scheduled soon.

The City of Redding will be taking the Draft General Plan 2045 and the Final Environmental Impact Report (Final EIR) to the Planning Commission Meeting on Tuesday, February 27. David reported he will be making a presentation to the new LAFCo Executive on Wednesday and will be meeting with Michael Webb, the City's Public Works Director on Friday. He also recently met with PG&E representative regarding upcoming projects. PG&E has additional wildfire hardening projects that will be beginning soon. The projects generally following the Hwy 299 corridor through the District in several phases. We presently have not received detailed maps to evaluate conflicts. David reported he intends to explore a ground lease buyout or lease extension for the existing Cell Tower located at the Treatment Plant. Staff will be sending out a newsletter to coincide with March billings that will include the CVP Allocation and rate adjustments information.

M/S: Discussion only. No Board action was taken.

9. Board Member's Comments and Reports

None

10. Adjourn

The Meeting was adjourned at 7:31 pm.

BELLA VISTA WATER DISTRICT

STATE OF CALIFORNIA)
) SS
 COUNTY OF SHASTA)

I, DAVID J. COXEY, Secretary to the Board of Directors of the Bella Vista Water District, presented to the Board of Directors the minutes of the Meeting of February 26, 2024, for approval by the Board of Directors.

David J. Coxey

 David J. Coxey, Secretary of the Board of Directors

STATE OF CALIFORNIA)
) SS
 COUNTY OF SHASTA)

I, DAVID J. COXEY, Secretary of the Board of Directors of Bella Vista Water District, DO HEREBY CERTIFY that the aforementioned minutes attached hereto were approved by the Board of Directors of said District at their meeting of March 25, 2024.

- Ayes: Bambino, Nash, Schabarum, Smith, Walters
- Noes: 0
- Absent: 0
- Abstain: 0

David J. Coxey

 David J. Coxey, Secretary to the Board of Directors

Date: March 26, 2024