

**HILTON CREEK COMMUNITY SERVICES DISTRICT
REGULAR BOARD MEETING**

March 8, 2022

5:00 P.M.

**Crowley Lake Community Center
58 Pearson Road, Crowley Lake, California
& Teleconference - ZOOM**

Minutes

1. Isabel Connolly called the meeting to order at 5 p.m.

A. ROLL CALL

Members Present: Cindy Adamson, Windsor Czeschin, Isabel
Connolly and Garrett Higerd
Members Absent: Steve Shipley
Staff Present: William Czeschin, Keith Hafner, Lorinda Beatty

2. ADDITIONS TO AGENDA - None

3. PUBLIC COMMENT- None

4. CONSENT AGENDA

A. Financial Reports

1. Consideration & Approval of Disbursements List
2. One-signor Checks

B. Review Acceptance of Monthly Financial Reports

1. Account Balances – All Funds
2. Budget Report: YTD Actual to Budget Report February 2022
3. Southern California Edison Report

C. Approval of Minutes

1. Minutes of the Regular Board Meeting of February 8, 2022

Motion: To accept the Consent Agenda Items as presented.

Moved by Ms. Czeschin, Second by Ms. Adamson

Ms. Adamson	Ms. Connolly	Ms. Czeschin	Mr. Higerd	Mr. Shipley
Aye	Aye	Aye	Aye	Absent

5. SEWER FACILITIES UPDATE - GENERAL MANAGER UPDATE

A. General Manager Report on Status of Facilities and Operational

Mr. Hafner reported that the plant is working well and expects to start pumping sludge to the drying beds soon. Quarterly monitoring well samples

were completed today. A submersible pump will need to be replaced and will likely cost over \$1,000.

6. NEW BUSINESS

A. Equipment Use Hours

Minimal use this month, diesel cost is above \$5.50 which triggers an additional 5% cost to the equipment rental.

B. Budget Review

Nothing to report

7. OLD BUSINESS

A. SoCalRen

Waiting for updates and a signature from the Board President

B. RDN Rate Study Update

Mr. Higerd reported that we had a good meeting with RDN. RDN presented a preliminary model of the rate study. The data needs additional work, and especially the Capital Budget and identifying capital necessities, which will help with the analysis and development of the rate study. The rate study is based on the current budget, which includes salaries for the general manager and the OIT position and operating reserves. The model shows significant rate increases with various scenarios. The worksheet will be shared with the entire board to allow them to review and discuss at the next meeting.

The model increases are expensive but essentially other surrounding areas have already doubled for sewer rates.

Ms. Czeschin noted that, per the preliminary rate study, the sewer reserve recommendations should have at minimum three months of operating expenses which is equal to approximately \$150,000 by fiscal year 2026-2027 which does seem attainable. Ms. Czeschin also noted that it is recommended that capital reserve should be 20% of our current asset value by maintaining \$650,000 at all times in the event of an emergency and this amount can be built up through the 5-year plan.

Mr. Higerd stated that one of the mitigating factors on our rates going up has to do with our access to other capital if needed. This could be in the form of a loan through the County Investment Pool, which has been a helpful resource to the District in the past.

Ms. Beatty suggested that one strategy could be to earmark the District's current investment funds for emergencies and consider taking a loan from our own investments and paying the interest to the District fund instead of another agency. Ms. Beatty noted that property taxes are kept in the investment pool fund until needed for operations because it is an interest-bearing account.

A public comment regarding the preliminary information stated that we are in a period of inflation and the reality is that the impact of inflation will be at least 10% for a couple of years, which impacts the ability to fund projects. Another element of concern, based upon assumptions, the importance of developing a capital expenditure and a 5-year plan is important, taking into consideration staffing changes in the current year before we rely upon assumptions given originally otherwise you will have nothing to sell.

Mr. Higerd stated that inflation, for at least a couple of years, is packaged into the preliminary rate study model and it is certainly a concern for everyone. One thing the Board can do is to identify critical needs for the plant and operations.

C. Employee Handbook- Update

Ms. Beatty reported the employee handbook is progressing and hopes to have a rough draft to the board by the next meeting.

8. NEW ITEMS/ADDITIONS FOR FUTURE AGENDAS

None

9. BOARD MEMBER COMMENTS/REPORTS

None

10. ANNOUNCEMENTS

A. Regular Board Meeting April 12, 2022, at 5:00 p.m. at the Crowley Lake Community Center – Covid restricts allowing.

11. CLOSED SESSION

A. - Government Code §54957

No adjournment into closed session.

11. ADJOURNMENT

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Motion: To Adjourn the March 8, 2022, Regular Board Meeting at 5:58 p.m.

Moved by Ms. Czeschin, Second by Ms. Adamson

Ms. Adamson	Ms. Connolly	Ms. Czeschin	Mr. Higerd	Mr. Shipley
Aye	Aye	Aye	Aye	Absent