

**Linden County Water District
Regular Board of Trustee Meeting Minutes
February 20, 2020**

Directors Present: President Paul Brennan, Vice President David Fletcher, Director Myron Blanton, Director Elaine Reed and Director Lawrence Knapp

Board Secretary Barbara Kascht, General Manager John Villierme, District Legal Counsel Dean Ruiz and District Engineer Matt Ospital were also in attendance

Directors Absent: None

Public Comment: None

Agenda Items:

1. NEW BUSINESS

- a. **2018-2019 Audit.** District CPA David Vaughn was in attendance to present his audit findings. Current assets increased \$276,381 over last year as a result of an increase in cash and investments. Other assets increased \$6,626 over last year. Net capital assets increased \$32,271 due to current year additions less current year depreciation. The District's net position at June 30, 2019 was \$4,967,379, which is an increase of \$316,323 from June 30, 2018. Net assets of \$1,318,351 are assigned for future capital improvements. David Vaughn advised of a new California law, effective next year, that a CPA cannot audit an entity for more than six consecutive years. Vaughn has been with the District for about 20 years. He recommended Croce and Company in Stockton. Lawrence Knapp moved to approve the financial report as presented, seconded by David Fletcher. **AYES: 5 NOES: 0 ABSTAIN: 0 ABSENT: 0** Motion carried.

- b. **Water Storage Tank.** District Engineer Matt Ospital explained that he enlisted KASL Consulting Engineer Jack Scroggs' assistance to create a hydraulic model of the system to address any deficiencies prior to finalizing specifications for the water storage tank. Scroggs' team, along with District staff, flow tested hydrants to obtain data for the modeling, which is yet to be completed. After reviewing the Engineer's Estimate, Mr. Scroggs recommended a welded steel tank instead of the bolted steel tank as proposed by Matt Ospital. The District could seek bids for both types to see if the cost increase was justifiable. Jack Scroggs presented his report on the District's fire protection and system reliability improvements. He further explained the pros and cons of bolted vs. welded steel tanks and can provide studies regarding the longevity of welded over bolted. Scroggs estimated six to eight weeks to draft a set of plans and specifications, which includes the tank, pump station and possibly add an alternate item of some SCADA improvements. President Paul Brennan noted that relocation of the District office should also be included in the plan estimate. Building an office onto the current District shop was preferable to Board and staff.

- c. **F&M Bank Loan.** President Paul Brennan will follow up with Ryan Streeter regarding the loan. There is flexibility to adjust the loan amount upward, pending the revised Engineer's Estimate.

2. OLD BUSINESS

- a. **Water – Sewer Replacement Project.** General Manager John Villierme reported that all projects are completed. Resolution 20-02 Accepting Work on the Water and Sewer Replacement Project was presented. David Fletcher moved to approve, seconded by Myron Blanton. **AYES**: 5 **NOES**: 0 **ABSTAIN**: 0 **ABSENT**: 0 Motion carried.

Abandoning and rerouting the water main under the hardware store was discussed. General Manager John Villierme and District Engineer Matt Ospital have devised a way to rework the project and reduce costs. The initial cost estimate provided at the last meeting was \$346,500. However, there may be an additional section of main that needs to be included in the replacement project. Vice President David Fletcher suggested to wait until the water modeling is complete to decide. President Paul Brennan agreed the item should be tabled pending further information.

- b. **Solar Project.** General Manager John Villierme met with Frank Neto of NC Solar, who is ready to begin the project. Villierme stated he might shut the project down on Monday if Frank Neto does not have communication from PG&E giving the approval to proceed. Director Elaine Reed voiced concern about the level of service NC Solar will provide in the future.
- c. **Sustainable Groundwater Management.** Vice President David Fletcher reported the GSP is being reviewed by the Department of Water Resources (DWR) and also the first annual report is due by April 1, 2020. There is nothing more to do until DWR either accepts or asks to modify the GSP.
- d. **Prop 218 Water & Sewer Rate Study 2020.** President Paul Brennan and Vice President David Fletcher, working as the subcommittee, along with Matt Ospital and Barbara Kascht met with Catherine Hansford and Schaelene Rollins on January 22nd. Scheduling, expectations and public outreach were discussed. Board members were contacted and can respond by phone or email. Rate structures could change and an increase may not happen until January 2021, if at all. Vice President David Fletcher is concerned about the disparity in current water usage and how that will play out as they look at water rates. Future costs, such as SGMA fees, the tank project, and deferred maintenance also should be taken into account.

3. CONSENT CALENDAR

The Board was in agreement not to incur an additional expense to join the Linden Historical Society. Myron Blanton moved to approve the consent calendar as follows:

- a. Minutes – January 16, 2020
- b. Warrant Listing
- c. Financial Reports
- d. Operations Report
- e. Compliance Log
- f. Correspondence
- g. Water Usage Reports

seconded by Elaine Reed. **AYES**: 5 **NOES**: 0 **ABSTAIN**: 0 **ABSENT**: 0 Motion carried.

4. ADJOURNMENT

There being no further business, the meeting was adjourned.