

Les Baugh
County Member

Irwin Fust
Special District Member

Larry Farr
City Member Alternate

Mary Rickert
County Member Alternate

Stan Neutze
City Member

Brenda Haynes
Special District Member

Julie Winter
City Member



Larry Russell
Public Member

Katharine Ann Campbell
Public Member Alternate

Joe Chimenti
County Member

George Williamson
Executive Officer

Patricia A. Clarke
Special District Alternate

James M. Underwood
General Counsel

Kathy Bull
Manager

MINUTES

Regular Commission Meeting February 7, 2019 City of Redding Council Chambers

(These minutes are not intended to be a verbatim transcription of the proceedings and discussion associated with the business on the Commission's agenda; rather, what follows is a summary of the order of business and general nature of testimony, Commission deliberation, and action taken.)

1. CALL TO ORDER

- a. Chairman Fust called the meeting to order at 9:00 a.m. at the City of Redding Council Chambers, 777 Cypress Avenue, Redding, California.

Present: Chairman Fust, Commissioners: Baugh, Chimenti, Neutze, Russell. Alternate Commissioners Clarke and Farr.

Staff Present: Executive Officer George Williamson, Office Manager Kathy Bull, General Counsel Jim Underwood.

Absent: Commissioners: Haynes and Winter. Alternate Commissioners: Campbell and Rickert.

- b. Commissioner Fust led the Pledge of Allegiance.

- c. Chairman Fust announced seating of Commissioners for new terms; County Member Joe Chimenti, and City Member Julie Winter.

- d. Chairman Fust requested nominations for Vice-Chairman.

Motion to elect Joe Chimenti as Vice-Chairman was presented by Commissioner Baugh, seconded by Commissioner Clarke and passed by the following votes:

Ayes: Baugh, Chimenti, Clarke, Farr, Fust, Neutze, Russell.

Noes: None

Abstain: None

Absent: Haynes, Winter

2. PUBLIC COMMENT

Kurt Schuhmeier informed the Commission that he was against the annexation with CSA #25 Keswick.

3. AGENDA ADOPTION

- a. Agenda Additions/Changes
b. Business/Campaign Conflict Disclosures

No changes or conflicts were provided.

4. SPECIAL PRESENTATIONS

- a. Presentation of Certificate of Recognition to David Kehoe and Francie Sullivan.

Chairman Fust presented Certificate of Recognitions to both former Commissioners Kehoe and Sullivan for their outstanding contributions. Former Commissioner Kehoe stated it had been a pleasure and an honor to work with the Commission over the years.

5. CONSENT CALENDAR

- a. Minutes from November 1, 2018 Commission Meeting
- b. Fiscal Information – October, November and December 2018; bank statements, reconciliations, disbursements

Motion to approve Consent Calendar was presented by Commissioner Russell, seconded by Commissioner Baugh and passed by the following votes:

Ayes: Baugh, Chimenti, Clarke, Farr, Fust, Neutze, Russell.

Noes: None

Abstain: None

Absent: Haynes, Winter

6. CORRESPONDENCE

- a. Letter from Kurt Schuhmeier, Cab Member CSA #25
Shasta LAFCO received letter asking for documents relating to the CSA #25 Keswick application and Ms. Bull confirmed the necessary documents were provided to Mr. Schuhmeier.

7. SCHEDULED PUBLIC HEARINGS

- a. Shasta Community Services District Sphere of Influence Amendment/Annexation, County Service Area #25 Keswick Sphere of Influence Amendment/Dissolution.

Mr. Williamson provided information regarding the dissolution of CSA #25 Keswick and then it's Annexation into Shasta CSD. The process for the completion was discussed. The Commission had some questions and concerns which Mr. Williamson provided clarification.

Chairman Fust opened the Public Hearing and the Commissioner heard concerns from the following public: Kurt Schuhmeier, Bill Austin, Bob Rusher, Walt Touch, Marcie Fernandez, and Chuck McDonald.

Meye Bunte, Staff Engineer at State Water Resources Control Board, Division of Drinking Water stated they regulate both the water systems and that her office fully supports the consolidation of Keswick into Shasta. Small water systems with financial viability, especially after natural disaster, merging the two water systems will hope both communities. She also provided that grant funding for an intertie was awarded the previous month and believes the amount awarded is sufficient to build the intertie. The project has already been put out to bid for contractors. The intertie should be built concurring with the services provided by the County and is estimated to be completed by the end of summer.

Pat Minturn, Shasta County Public Works Director answered Commissioner questions. He stated, both the CSA and CSD (both enterprise districts) pull off of the Spring Creek conduit and direct filtration and have always existed in parallel and constructed at same time.

Shasta CSD had about 770 customers and Keswick had about 209 before the Carr fire. Both have struggled to make things work having under 1,000 customers. Keswick CSA was insolvent until the fire and currently losing about \$5,000 each month. Shasta CSD lost about half their customers and Keswick lost about 90% of customers due to the fire. With the loss of customer base, Keswick continues to lose money. The merging of the two districts will provide a larger customer base and enable one of the water plants to be placed in reserve mode. There are currently two systems with redundant services that can be merged in order to save money. The Shasta CSD rate structure will be applied. If the annexation does not take place, Keswick would have to immediately implement a rate increase of at least 3 times current rate. The water pressure should not change after completion of the proposed intertie. Chairman Fust Closed the Public Hearing, and the Commission discussed details to the report.

Motion to approve Resolution 2019-01 was presented by Commissioner Baugh, seconded by Alternate Commissioner Clarke and passed by the following votes:

Ayes: Baugh, Chimenti, Clarke, Farr, Fust, Neutze, Russell.

Noes: None

Abstain: None

Absent: Haynes, Winter

Motion to approve Resolution 2019-02 was presented by Commissioner Chimenti, seconded by Commissioner Russell and passed by the following votes:

Ayes: Baugh, Chimenti, Clarke, Farr, Fust, Neutze, Russell.

Noes: None

Abstain: None

Absent: Haynes, Winter

8. CLOSED SESSION

a. Potential Litigation

Pursuant to Government Code Section 54956.9, the Commission entered into Closed Session at 10:10 a.m.

b. Open Session Report

Return from Closed Session to Open Session at 10:51 a.m. with Mr. Underwood stating there were no reportable action taken in Closed Session.

9. NEW BUSINESS

a. CalPERS Options

Mr. Williamson discussed the financial aspect of options for the CalPERS unfunded liability payoff obligation and more information will be forthcoming at the April 4th meeting. The Commission directed staff to include any CalPERS unfunded liability payoff obligation amounts in the budget for FY 2019/2020.

10. OLD BUSINESS

a. Planwest Partners Invoices, George Williamson for October, November, and December 2018.

Motion to approve invoices was presented by Commissioner Neutze, seconded by Commissioner Chimenti and passed by the following votes:

Ayes: Baugh, Chimenti, Clarke, Farr, Fust, Neutze, Russell.

Noes: None

Abstain: None

Absent: Haynes, Winter

- b. 2nd Quarter Financial Budget Reports – Budget vs Actual, Revenue Statement, Financial Statement, Balance Sheet.

Motion to approve the 2nd Quarter Financial Reports was presented by Commissioner Chimenti, seconded by Commissioner Neutze and passed by the following votes:

Ayes: Baugh, Chimenti, Clarke, Farr, Fust, Neutze, Russell.

Noes: None

Abstain: None

Absent: Haynes, Winter

11. EXECUTIVE OFFICER REPORT

Mr. Williamson provided he had just hit the 3 year mark for working with Shasta LAFCO.

12. COMMISSIONER ANNOUNCEMENTS

Commissioner Neutze provided information on an upcoming logging conference. Commissioner Fust announced that he will be presenting information to the Grand Jury in July regarding Special Districts.

13. STAFF ANNOUNCEMENTS

- a. Next Regular Meeting is scheduled for Thursday, April 4, 2019 at 9:00 a.m. located at the City of Anderson Council Chambers, 1887 Howard Street, Anderson, California.

14. ADJOURNMENT

There being no further business, Chairman Fust adjourned the meeting at 11:02 a.m.

ATTEST:

APPROVED:

Kathy Bull
Acting Clerk to the Commission

Irwin Fust
Chairman

DATE: _____

DATE: _____