



Volcano Community Services District | MINUTES

September 10, 2026 | 7:00 pm | Armory Hall, Volcano CA

Meeting called by: M. Sorensen

Secretary: K. Holland

Directors Present: M. Sorensen

A. Korematsu, P. Suden

Absent: Joe Wolfbrandt

CONSENT AGENDA:

1. Minutes for the Regular Meeting on August 13, 2026.

Motion to approve the August 13, 2026, Meeting Minutes by P. Suden. Second, by A. Korematsu.

Motion approved 3/0, 1 absent.

2. Minutes for the Special Meeting on August 27, 2026.

Motion to approve August 27, 2026, Meeting Minutes by P. Suden. Second, by M. Sorensen.

Motion approved 3/0, 1 absent.

DISTRICT ENGINEER'S REPORT - George Barnes, 10 minutes, read by A.K.

1. Monthly Cleveland Tunnel flow treated and untreated including diverted via black pipe.

Approximate Gallons Per Minute (gpm)

Water treatment plant flow rate: 19 gpm Tunnel output: 20 gpm Black pipe output: 1 gpm

2. Any issues, etc. to address.

Regarding the system wide low-pressure event on August 9th that was due to excessive leaking in the bottom of the redwood tank. The tank has been taken offline since the leaking was out pacing the treatment plant production. Raider painting is working on a price for a liner. The spray option may not be suitable for this tank in its condition. The liner is likely much cheaper.

Contact with a well-service company regarding the filter media replacement at the well house still needs to be done. Will try and get a company that can give VCSD a price.

Nick Lawson has been working as a back-up operator in my absence. He should still be on the insurance policy (Mike Sorensen confirmed that Nick remains on the VCSD insurance policy). I will be leaning on him a bit more as my schedule has tightened since returning to full-time with AWA. I will not be leaving the VCSD but I recommend handing the operator in charge position to Nick. He has operated plants, knows the system, and the required sampling and reporting. I will remain on board as an assistant. Nick Lawson's email is nlwsn49@gmail.com, his phone no. is 209-304-7628. Contact him to make arrangements for monthly payments to be sent to him starting in November.

Reminder my mailing address has changed to PO Box 383 Sutter Creek, CA 95685. My previous PO Box in Jackson is no longer active. Additionally, my June payment is still lost in the mail after my address change. Please reissue and send to my new PO Box.

All sampling and reporting are up to date.

A.Korematsu commented that he had tried to contact Nick unsuccessfully. It is unknown if he is willing to resume work with the VCSD.

REGULAR AGENDA – Multiple, 60 minutes

1. Public Comment - *Any person may address the Board at this time upon any subject within the jurisdiction of the Volcano Community Services District (limited to 3 minutes per person). Any matter that requires an action will be referred to the Board for a report and action at a subsequent Board Meeting.* 5 Minutes.

None

2. Board review of letters of interest and vote to fill vacant Director position – M. Sorensen. **Action.** 5 Minutes.

M. Sorensen confirms that the only letter of interest received for the vacant Director position was from Rob Zehender, who will be our newest board member. M. Sorensen gives the oath of office to Rob Zehender. Board welcomes the R. Zehender to the Board. Second signed copy of the oath of office was filed in the file room.

3. Update from the Local Agency Formation Commission, “LAFCO” in response to Resolution 2026-10, amending Resolution 2026-06 with terms and conditions related to the proposed water system transfer to Amador Water Agency “AWA” – Byron Damiano, LAFCO Executive Officer and M. Sorensen. Discussion. 10 Minutes.

Per Byron Damiano, the Amended Resolution 2026-10 is fine. The town will have to sign off on the transfer of the system before the transfer is complete. This is still an unusual situation as the VCSD is just transferring authority for the water system and not the District’s full scope of authority. There are questions that need to be answered before the transfer of the water system. Can AWA take over the water system? If AWA takes over the water system, will they also take over the water source? Can the VCSD continue to exist without the revenue from the water system?

Board comments that the VCSD is not allowed to use the water system income to fund other services. Further, the Board confirms that funds received from the County cannot go to support the water system.

Byron asks, can the District support the other services? LAFCO will need to look more closely at the VCSD to see if the District can function without the water system income. Additionally, LAFCO will need to talk to AWA to see if they are willing to take the VCSD water system on. LAFCO has the authority to force AWA to take over the system should it become a safety issue, but it would be best if it is something that AWA is willing to take on.

The Board comments that the system was put in back in the 70’s when the codes and requirements were all different. Until recently, the VCSD had an agreement with the Pine Grove Community Services District “PGCSD” for the loan of equipment to repair leaks. AWA said they were not interested in a joint maintenance effort to support the VCSD system. With the PGCSD dissolved, the VCSD has lost our District Engineer to AWA. Are there other small water districts that would be interested in opening a dialogue regarding the sharing of a district engineer? It was noted that small CSDs may not have their own water system.

However, AWA has the manpower and the assets to manage the system and the District needs that help.

Byron asks if the District has an idea of future repair costs? The Board states that the VCSD does not have a written estimate of future capital improvement repair costs and currently responds to failure. In the past AWA has, at times, given the District old equipment. The current outstanding capital asset in need of repair or replacement is the redwood tank that recently sprung a leak and is estimated to cost approximately \$50k to repair or replace in addition to a costly filter that will need to be replaced at some point. The Board also notes that AWA may support the transfer. Regardless, the District will not be able to continue running the water system for any length of time with the current uncertainty noting that the VCSD is run by community volunteers.

R. Allen (public comment) asks if the water rights belong exclusively to the town, will AWA be willing to take on the water system under those circumstances?

Board also asks if the VCSD situation is unique? Per Byron, PGCSO is the closest to the VCSD, however, they are completely dissolving and had been purchasing water from AWA. The PGCSO protest hearing will be heard on September 11th. If the VCSD situation becomes a water quality issue, or a maintenance issue, those will be considered in the water system transfer. Additionally, AWA will need to know if they are taking over a large debt, what the water supply is, what the maintenance obligations over the next few years will be, and if AWA may need to supply additional water and do they have the capacity to do that?

The Board briefly discussed the contaminated testing result received a few months back. If that contaminated test had been confirmed, the filter to address the contamination would have cost the District approximately \$130k. Thankfully, follow up tests came back clear. One last question, what is the timeline for the transfer process to be completed, 6 to 8 months?

Per Byron, yes, 6 to 8 months is a reasonable timeframe for the transfer. The only issue might be if AWA is not interested. LAFCO could force the issue if there are safety concerns, but LAFCO prefers not to force another agency unless there are safety issues. However, we don't want to wait until there are major safety issues before moving forward. As the process moves forward, LAFCO will reach out to the VCSD General Manager for the financials to show that AWA will not go belly up from taking on the water system.

4. Meter Reading/Park – R. Zehender. Information. 5 Minutes.

Meter # 6, 17,500 added.

Meter # 25, new account has been set up.

Meter # 42, used an excessive amount of water. Per A. Korematsu, they were filling their pool. Next month we should know if there is another issue.

Meter # 53 was covered by the tractor and unable to be read.

Meter # 58 is overgrown and client has been informed.

K. Holland informs the Board that BeeBee, who processes the billing, will be out of town October 5th-14th and would like to do the billing no later than October 3rd. R. Zehender comments that he can do a flat rate for the month of September.

5. Prop 68 Grant Projects Update – E. Routt. Information. 5 Minutes.

No report.

6. Contract discussion of new District General Manager with Aimee Gillespie. A. Korematsu. Discussion. 15 Minutes.

A. Korematsu modified the General Manger contract to address the transfer of the water system and changing duties should that occur. The contract will cover the time signed until or if the water system transfer takes place. The official date of the transfer would be the end of the contract. Once the District understands the remaining finances and duties, a revised contract will be needed.

Significant board discussion with A. Gillaspie regarding the current scope of duties and those that are currently outsourced. A. Gillaspie confirms her experience with Current Software billing as well as bookkeeping and willingness to take on those tasks in her role as General Manager for the pay of \$2k per month. Board reminds A. Gillaspie that if she has additional expenses that she should submit the receipts for reimbursement.

A. Korematsu receives agreement from the Board to expand the General Manager's scope of expand the scope of duties to include bookkeeping and water service billing. A. Gillaspie's start date is September 10, 2026. With those changes to the contract, the contract was signed by both the Board president M. Sorensen and A. Gillaspie.

M. Sorensen will work on getting the General Manger and the other Board members set up with the bank.

7. Transfer of accounts and signing authority of former board member R. Korematsu. Discussion. A. Korematsu. 5 Minutes.

Due to the resignation of R. Korematsu from the Board, her signing authority needs to be transferred to another Board Member. R. Zehender volunteers to be the account administrator. Board needs to have R. Korematsu removed from the bank account and R. Zehender and the General Manager added. M. Sorensen reminds the Board that when the Board changes, all members will need to go to the bank in person to be added or reverified. Additionally, QuickBooks needs to be made available to General Manger. R. Zehender suggests that a lock box should be installed at the Hall for customer payments.

8. General Manger's Report and Audit Update - K. Holland. Information. 5 Minutes.

A/R Report

Summary of Receivables

- Amount received FY 26-27 to date: \$ 20,045.05
- Amount outstanding less July-Dec meter 6 balance, applied to property taxes and meter 6-1. \$3,388.50

M. Sorensen comments that the erratic billing has been stressful for a couple of customers on fixed income and that they should not be charged late fees due to delays in the billing system.

CLOSED SESSION (10 Minutes)

Update given on case No. 26CV15040

None

NEXT REGULAR MEETING: NEXT REGULAR MEETING: October 8, 2026, at 7:00 PM