



Volcano Community Services District | MINUTES

May 4, 2023 | 7:07 pm | Armory Hall, Volcano CA

Meeting called by N. Bailey, President

Acting Secretary: R. Korematsu

Directors Present:

N. Bailey, C. Corral, R. Korematsu, M. Sorenson
J. Norcross

CONSENT AGENDA

April 2023 Regular Minutes and April 2023 Expenditures were on the consent agenda. Checks were issued in the amount of \$2922.75 and deposits in the amount of \$1575.24.

MOTION: J. Norcross made a motion to accept the April 2023 Regular Minutes and April 2023 Expenditures. M. Sorenson seconded the motion.

AYES: Unanimous.

Consent Agenda APPROVED.

STAFF REPORTS

1. *Billing Secretary – I. Dana*

I Dana will send the March bill on the 10th. N. Bailey is working with him.

2. *Treasurer – N. Bailey*

See expenditures above.

3. *Secretary – R. Korematsu*

All correspondence has been forwarded to N. Bailey.

4. *Hall/Park Manger Report—N. Bailey*

There may be a rental this Saturday. May 20th is a Lockwood rental.

5. *Meter Reader's Report – R.Zehender*

Some estimates were corrected and bills will be sent. R. Zehender will follow up on the email from Jim Miller and also discuss his findings with N. Bailey.

DISTRICT ENGINEER (DE) REPORT – Joel Mottishaw & Nick Lawson

1. EAR information for 2022 filing. N. Lawson is working on the report and needs to supply information for the 2022 filing.
2. Monthly Cleveland Tunnel flow (treated & untreated including diverted via black pipeline) 22 gpm to plant, weir flow was estimated at 30 gpm, black pipe is 2 gpm.
3. Lead and Copper testing July-September. Procedures and letters to customers. Still scheduled for this summer. M. Gottstein will follow up directly with J. Mottishaw to finalize the procedure and documents to be mailed or delivered.
4. Meter #60 (Crosby) broken across from Barbara Stein - broken and unreadable. broken and unreadable. Status repair/replace, DE will determine.

5. Review of completed testing requirements for current quarter per Water Quality Mentoring Plan. Engineers to report on completion and results of all Q1 requirements. Sampling has been completed per DWR schedule.
6. Build wier outside Cleveland Tunnel. Consult with Doug Ketron. DE still needs to follow up.
7. Develop capital improvement plan so District can prioritize projects. DE is concerned about getting the cost estimates. M. Gottstein suggested the District look at turbidity meters, weir construction, tank floats, and vulnerable areas of distribution system with best estimates, understanding that the costs are only estimates. M. Sorenson will follow up with the DE.
8. Watershed survey due October 1, 2023. N. Bailey will follow up with the DE for more information.
9. Backflow certification. Should it be discussed with Engineers before sending letter? The Board reviewed the ordinance at the last meeting and determined Jeff Shortridge would do the testing, unless the property owners want to hire their own testers. J. Norcross and M. Sorenson need a copy of the letter and will send out.
10. Letters to delinquent water users. If they don't respond or comply, their water will be turned off. Simple customer calls are in our contract with the DE. However, it may take the DE up to 24 hours after the District notification before the water can be turned back on.

REGULAR AGENDA

1. VCA cleared brush around Redwood Tank. J. Norcross will write thank you note to VCA.
2. Water rate increase proposal for May 21, 2023 notice.
ACTION: The proposal is for the fixed fee to increase the fixed rate by \$7.00 in July 1st, November 1st \$7.00, and February 2024 \$7.00. C. Corral made a motion to raise our rates on top of all other rate increases already. J. Norcross seconded the motion.
AYES: Unanimous.
DISCUSSION: None.
MOTION APPROVED.
3. Review and adopt the 2023-2024 budget. **ACTION** C. Corral asked if we could pass a negative budget, as the proposed budget showed a negative total net income loss. It was clarified that this is a draft budget. Then, once the Board adopts the draft budget, a letter is sent to the district customers letting them know that an increase will occur. In reviewing other local water systems, Pine Grove Water District's base rate is \$105.51 per month. Drytown is \$170.00 every 2 months. The notice has to be posted by May 21st, and the posting says the letter will be postmarked on May 22 to allow for the 45-day notice before the public hearing at the regular board meeting in July. **R. Korematsu made a motion to adopt the draft budget. C. Corral seconded.**
AYES: Unanimous.
DISCUSSION: None.
MOTION APPROVED.
4. Michael Adams, H&R Block was contacted. N. Bailey waiting for a response. Informational.

5. Michael Johnson will be contacted to proceed with repair on Redwood Tank by N. Bailey. Informational. N. Bailey will tell him it has been cleaned around the tank.
6. Audit update-C. Corral. Informational. N. Bailey will go to the bank and ask for the remaining information.
7. Final letter sent to Sharon Owens. Informational. She was sent the emails and a letter.
8. Letters will be sent to customers who are delinquent in their accounts for 90 days or more. N. Bailey will send letters to the delinquent property owners. There are a number of customers who owe a lot of money, but pay a little a month.

Hearing for those who wish to address the board (limited to 3 minutes per person) None.

Meeting was adjourned at 8:20 pm.

NEXT REGULAR MEETING: June 1, 2023 AT 7:00 PM

Submitted by: 
Rebecca Korematsu, Secretary (A)



Volcano Community Services District
P.O. Box 72
Volcano, California 95689

BOARD OF DIRECTORS

NANCY BAILEY, Chair (209) 296-4899
CYNTHIA CORRAL (408) 646-7997
REBECCA KOREMATSU (209)296-1995
JANE NORCROSS (209) 296-4959
MIKE SORENSEN (209)296-7664

AGENDA
GENERAL MEETING
Thursday May 4, 2023
Armory Hall, Volcano
7:00 P.M.

In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability related modification or accommodation to participate in this meeting, then please contact Nancy Bailey at 209/296-4899 Requests must be made as early as possible and at least one-full business day before the start of the meeting.
Floor discussion at board discretion will be limited to 5 minutes per subject per individual.

CONSENT AGENDA: Items on the consent agenda are considered routine and may be enacted by one motion. Any item may be removed for discussion and made part of the regular agenda under Agenda items at the request of a Board member.

1. Minutes of the previous regular meeting.
2. April Expenditures

MEETING CALLED TO ORDER: Minutes of regular meetings are recorded on the Secretary's computer.. Any person may address the Board at this time upon any subject within the jurisdiction of the Volcano Community Services District. Any matter that requires an action will be referred to Staff for a report and action at a subsequent Board Meeting.

STAFF REPORTS:

Water Billing-Ivan Dana
Treasurer. –Nancy Bailey
Secretary –Rebecca Korematsu
Hall/Park Manager Report – Nancy Bailey
Meter Reading Report-Rob. Zender

DISTRICT ENGINEERS REPORT-Joel Mottishaw & Nick Lawson

1. EAR information for 2022 filing. Further information still needed to complete..
2. Monthly Cleveland Tunnel flow treated and untreated including diverted via black pipe.
3. Lead and Copper testing July-September. Procedures and letters to customers.
4. .Meter broken across from Barbara Stein' broken and unreadable.. Status repair/replace.
5. Review of completed testing requirements for current quarter per Water .Quality Mentoring Plan. Engineers to report on completion and results of all Q1 requirements.

6. Build wier outside Cleveland Tunnel. Consult with Doug Ketron.
7. Develop capital improvement plan so District can prioritize projects.
8. Watershed survey due October 1, 2023. Who conducts?
9. Backflow certification. Should it be discussed with Engineers before sending letterrr?

AGENDA

1. VCA cleared brush around Redwood Tank. J. Norcross will write thank you note.
2. Water rate increase proposal for May 21, 2023 notice. **ACTION**
3. Review and adopt the 2023-2024 budget. **ACTION**
4. Michael Adams, H&R Block was contacted. N. Bailey waiting for a response. Informational
5. Michael Johnson will be contacted to proceed with repair on Redwood Tank by N. Bailey. Informational.
6. Audit update-C. Corral. Informational.
7. Final letter sent to Sharon Owens. Informational
8. Letters will be sent to customers who are delinquent in their accounts for 90 days or more. N. Bailey

Follow up from previous meeting (s)

Hearing from those who wish to address the Board (limited to 3 minutes per person)

To: VCSD Board of Directors: Cynthia Corral, Rebecca Korematsu, Jane Norcross, Michael Sorensen
From: Nancy Bailey
Subject: Bills paid April 1, 2023-April 30, 2023 and Income

6800	PG&E	2/15-3/16 restroom lights	23.51
6801	Volcano Communications		114.24
6802	Void		
6803	Alpha	Testing	785.00
6804	Joel Mottishaw	April	1000.00
6805	Nick Lawson	April	1000.00
Total			2922.75

Deposits: 1575.24 (Warrant 34.42)

Checking Balance 4/30/2023 5217.49

Balance with the March Bank Statement

El Dorado Savings Bank CD	26952.71
El Dorado Savings Bank CD	12630.95
Bank of Stockton CD	5731.51
Bank of Stockton CD	6679.55
Total	79630.45

Budget versus Hand-Entered Actuals (see account notes and methods worksheets)_April 25_2023 UPDATED

		For FY2023/2024 Planning			
		FY2022/2023	9 months	Annualized	
		Budgeted	Actuals: June	Amounts	
			2022-Feb 2023	(estimated)	
WATER SERVICE					
Income		\$58,400	\$36,508	\$52,668	Assumes all 70 paying connections remain current with fixed charges. Assumes fixed charge of \$62.70 as 3rd step increase. For comparison, a \$70 fixed charge (assuming paid current) would produce \$58,800 in income. Volumetric charges would be additional.
Expenses					
	Meter Reader/Billing	4,380	-	-	
	WS Electricity/wells Elec	2,200	498	600	
	Continuing Education	-	-	-	
	Health Permits	500	-	-	
	Membership/Subscriptions	675	566	600	
	Telephone for plant	610	209	300	
	Maintenance/Repair, Lab tests	7,000	11,603	12,907	
	Operator and Labor	28,900	22,076	29,435	
		\$44,265	\$34,953	\$43,842	
Net Income (loss)		\$14,135	\$1,555	\$8,826	Much lower net income than projected
ARMORY HALL					
Income					
	Rental Fees	\$ 500.00	\$700	950.00	
	Auditor Warrants=Prop Taxes Distributed to District and allocated to cover non-water service expenses	\$ 1,900.00	\$1,078	2,050.55	
		\$ 2,400.00	\$1,778	\$ 3,000.55	
Expenses (w/out non-allocated)					
	Cleaning & Supplies	100.00	-	-	
	Refunds	-	-	-	
	Hall Manager Fee	300.00	-	-	
	Repairs	500.00	-	500.00	
	Electricity	600.00	\$577	900.00	
	Phone	500.00	\$209	279.21	
	Propane	400.00	\$991	1,321.33	
		\$ 2,400.00	\$1,778	\$ 3,000.55	
Net Income (Loss) after Warrants Alloc.		\$ -	\$ -	\$ -	
PARK					
Income					
	donations	-	-	-	
	Auditor Warrants (see above)	275.00	-	-	
		\$ 275.00	-	-	
Expenses (wout non-allocated)					
	Electricity	225.00	-	-	? No electricity?
	Maintenance & Repair	50.00	-	-	is there another acct for the park?
		\$ 275.00	-	-	
Net Income (Loss) after Warrants Alloc.		\$ -	-	-	
RESTROOMS					
Income					
	donations	475	-	-	
	Auditor Warrants (see above)	-	414	425	
		475	414	425	
Expenses (w/out non-allocated)					
	Electricity	165	19	25	electricity seems off?
	Janitorial	-	-	-	need to recheck billings for this account?
	Maintenance & Repair	300	395	400	
	Supplies	-	-	-	
Restroom Expenses w/out non-allocated)		465	414	425	
Net Income (Loss) after Warrants Alloc.		10	-	-	

	For FY2023/2024 Planning			
	FY2022/2023 Budgeted	9 months	Annualized	
		Actuals: June 2022-Feb 2023	Amounts (estimated)	
STREET LIGHTS & TRASH				
Income: Auditor Warrants (see above)	4,450	3,719	5,122	are required to cover service cost increases
Expenses (w/out non-allocated)				
Street Lighting Electricity	3,150	2,628	3,654	
Trash Collection	1,300	1,092	1,468	
	4,450	3,719	5,122	
Net Income (Loss) after Warrants alloc.	-	-	-	
Total Service Income (after Warrants alloc)	66,000	42,418	61,215	
Total Service Expense	51,855	40,864	52,389	
(not including non-allocated expenses)				\$10,609 9 mos
Net Service Income (Loss)	14,145	1,555	8,826	\$18,466 12 mos
NON-ALLOCATED INCOME				
Auditor Warrants (not allocated to services)	\$9,375	\$5,399	\$10,869	
Interest	\$100	-	-	interest on CDs unknown
Other income				
Non-Allocated Income	9,475	\$5,399	\$10,869	
NON-ALLOCATED EXPENSES				
Accounting Services (external)	20,000	6,645	13,850	Balance due for Auditor Fees
Attorney Fees	-	-	400	
Bank Fees	-	-	-	
Insurance	8,400	13,340	15,000	now incl engineers liability policy
County Admin Fee	480	-	500	
Legal Notices	-	-	100	
Website	621	630	700	
Office Supplies/postage	550	521	700	
Secretary/Treasurer (incl. bookkeeping)	6,720	108	5,300	see "methods" worksheet
Uncategorized	50	-	-	reflects new contracts for these services
	36,821	21,244	36,550	
Non-Allocated Net Income (Loss)	(27,346)	(15,846)	(25,681)	
Total Income	75,475	47,817	72,084	
Total Expense	88,676	62,108	88,939	
Other Contingencies	1,500	-	1,500	
Net income (loss) before Deprec	(14,701)	(14,291)	(18,355)	greater net income loss than forecasted
Depreciation/Amortization	14,642		20,892	incl. depr for tank rebuild--see account notes
Total Net Income (Loss)	(29,343)		(39,247)	
		Difference from Budgeted	(9,904)	greater total net income loss (incl depreciation) than forecasted

NOTES: 64 connections (not incl. VCSD properties) +6 double meters = 70 fixed charges

Res 2022-01: Current planned 3rd-step base rate increase July 1, 2023 = \$2.50

70x12x\$2.50 = \$2,100 in increased annual revenues

70x12x\$3.50 = \$2,940 in increased annual revenues

70x12x\$4.50 = \$3,780 in increased annual revenues

To produce \$5,000 more income = approx \$6 increase in base rate over today's \$60.20 is needed

Summary: Each \$1 increase in base rate will produce \$840 additional annual revenues