

Wild Wings CSD Formation Advisory Committee

Minutes of Meeting: June 21, 2021

6:00 pm

Zoom Online Meeting

This is the second meeting

Committee: Carrie Scarlata committee Chair
Tom Hanagan committee Vice-Chair, unable to attendance
Brenda Seabert committee Secretary
Dave DeKreek committee member
Scott Picanso committee member
Rick Fenaroli committee member

Others: Tricia Valenzuela Yolo county
Kim Villa Yolo County
Phil Pogledich Yolo County
Christine Crawford LAFCo
Dotty Pritcher Deputy of Supervisor Sandy
Public: Lachi Richards
Public: Chuck Maltese
Public: Erik Hamzy
Public: Mallory Fawn
Public: Leo Refsland – CSD manager
Public: Steven Knightly – CSD manager
Public: Luzanne Martin
Public: Mark Ullrich
Public: Shawn Schwarz
Public: Chuck Maltese
Public: Alan Koerber

Call to order: The meeting was called to order at 6:02 pm by Carrie Scarlata

Introductions: Committee members introduced themselves. Committee member Tom Hanagan was unable to attend tonight.

Approval of the June 7, 2021 Minutes

Scott Picanso moved to approve minutes Rick Fenaroli seconded. Approved by members in attendance:5-0

Discussion:

Rick questioned the vote needed for the continuance of 60 days. Discussion as to whether the 60 continuance would affect meeting LAFCo's timeline. Scott understood it to mean no matter what we wouldn't be able to meet the timeline.

Rick asked committee what it takes to evaluate the need for the CSD and how long does this committee think it will take to make that decision. Contracts and other documents aside the HOA states that it is about the management of the CSA by the County. Scott stated that the letter from the HOA to LAFCo is outdated, inaccurate or partially outdated. The complaints from the HOA need to be corrected and/or addressed.

Carrie stated she is less interested in what the county did or did not do in the past but is looking forward and determining what becoming a CSD would entail and would she be comfortable with a CSD providing the needed services to her home.

Public Comment:

No public comments

Presentation including Q&A with Leo Refsland, general manager of Madison community Services District and Steve Knightley, general manager of Esparto Community Services District on their experiences managing a CSD.

Leo Refsland manages the Madison CSD, Knights Landing CSD and Cacheville-Yolo CSD. They have a combined population of 2500. Service includes groundwater wells. Knights Landing and Madison have ponds for sewer treatment, total employees 2 operators, one office staff and 5-member board in Cacheville, contracted attorneys for each district, Madison has a 5-member board with one staff, Knights Landing has one book keeper and contract out all billing for Madison. The CSD's services are water, sewer, lights, parks and pond water.

Steve Knightly, manager of the Esparto CSD, population 3500. They have sewer, lighting, parks, storm drain, retention basin. Currently they have 7 employees. 2 operators trained for all three certifications. They can alternate on-call. They have two wells; Steve sits in the water basin meetings.

Leo and Steve are the managers of their CSD's. They are both certified to manage the systems and can back up any one of their employees. Legal, outside council, is budgeted. Engineering is budgeted as well. Employees take direction from the managers.

Discussion with Leo and Steve about their respective CSD's as well as questions from committee members and the public on things they would be concerned about, in considering converting from a CSA to a CSD. Discussion and questions addressed the following:

- How well the CSA is capitalized. How financially stable are we.
- Setting up the CSD will take a large investment.
- Need to start with money in the bank and money in reserves.
- The County has better financial backing when looking at financing projects, such as grants. CSD is based on your size and economic status. With a CSA you have the backing of the county. You also need someone to management that. The county has someone who handles grants.
- With a CSA, there's a management structure with the county
- The county can move people in and out of positions better than contracted employees.
- You need to look at aging infrastructure, ever changing requirements, no matter what you're going to experience a higher rate down the road.
- Consider capital improvements needed, now and in the future.
- Concern there could be another well coming up, cost \$300,000 – \$800,000.
- As a CSD you're a non-profit.
- Need to consider what our operating revenue and expenses are and consider management. Review the previous 3-4 years of financials.
- Need to hire a manager for the CSD.
- Will need to hire employees /operators that are certified: waste water certified, water treatment certified and distribution certified. Hard to find these individuals.
- May need to purchase other equipment, vehicles, tools, etc.
- Rate studies still apply to CSD. Usually good for 5 years.
- 218 process will apply,
- Contracting for services vs. hired manager with employees
- It can be hard to keep the board member positions filled. hard to keep board members to attend so decisions can be made. Election process budgeted. Appointments vary 2-4 yrs.
- The county is the treasurer for the CSD.

- Assessments can be handled through property tax bills, or bill separately. There can be other charges associated with.
- They have a collection process for unpaid taxes, billings.
- CSD to contract out to handle the billings for members or tax assessment
- For Esparto, the County is the Treasurer, Esparto does their own in house accounting and the provide their audits to the county
- The CSD boards rely on Leo and Steve to make the decisions and make the repairs. There are some financial issues that require prior approval by the board(s).
- It's important that the manager and board build a good relationship.
- These 4 CSD's have shared costs in some instances. However, they keep each on under their own governance because of the incomes of the differences in their communities. This is important as it affects their ability to obtain some grants and other financial assistance.
- They don't file federal tax returns
- Public health and safety is the number one priority. Other items may have to wait to address priority issues first.
- There are pros and cons of being part of a regional CSD. Income level can adversely impact the ability to do this
- Provide an annual quality confidence report.

How would being a CSA be different from being a CSD cost wise. Steve Knightly advised, as CSD you're paying hourly rate vs. contracted rates. Leo added that with contractors you get other expertise and personnel, management, general maintenance, that may not be available otherwise. They also come with the appropriate tools, vehicles. As a CSD you need to consider the need for vehicles and other tools as well.

Kim Villa advised there are funds available for the arsenic issue removal. Review the 5-year total from last year, reserve and for each fund there's an unassigned balance that can be used for anything water related. Money had been put away for water replacement.

Mark Ulrich – we are small. Number of connections for Madison 137, Migrant housing 90, Knights Landing 250+, Cacheville 146, Esparto 1000 connections. Makes it easy to spread the costs out. Small communities will have higher costs.

Leo advised that both he and Steven K are available to answer other questions at any time.

Discussion and Action Items (public comment will be considered for items A-D collectively)

**A. Review Reports and Research Conducted by the Committee Members
(List of documents is Attachment A-documents found on:**

Carrie referenced the long list of documents and financials that we had pulled together, regarding the CSA as well as from the other CSD's. Carrie felt that the financials from the other CSD's were not like comparing apples to oranges. It might be helpful to look at just our own financials.

Rick stated that there are some things regarding financials that we need to go deeper into but not tonight. We need to determine if we are on good footing with financials of the CSA. It appears we are ok on water but not on waste treatment. Rick would like to know how much have we spend on paying the county over the last five years for management of the CSA? Broken out specifically, separately from other items.

Kimberly advised the billings of county staff time is a per hour bases, spent on the CSA. However, there are other items that are not billed for such as procurement. They are not included because they are absorbed by general fund.

Kim will separate out, for the last 5 years, the costs for:

- Management
- Accounting
- Legal services

Carrie –agrees this would be a good idea as it will help the committee with determining if a CSD will cost more or less.

We are required to hire a general manager. It may or may not need to be full time. It would depend on many factors that need to be identified.

Are there any CSDs that want or needed to convert back to a CSA? No, however Knights Landing CSD was down to 2 board members. You cannot have a quorum with just two. Boards have 5 members. CSD board members are elected. When someone resigns, the service district only has 60 days to appoint someone in their place. Otherwise the Board of Supervisor can appoint someone.

Kimberly advised that when CSD's have significant financial troubles, the county remains responsible. Recently there have been discussions as to when does the county need to step in? Ultimately, if no one else steps up it falls to the county.

Carrie advised let's move pass this item until the next meeting.

B. Discuss development of a pro forma 2022-23 FY Community Services District Budget

Rick Fenaroli would like have a sit-down meeting, with one other community member, with Tricia and Kim, SUSP, & Kemper. This is to go over what makes up a budget. We need to determine is the budget adequate or are there other opportunities to consider. This would be an initial look. Community members are beginning to ask "Is this going to cost me more or less?" Dave DeKreek volunteered to attend with Rick.

Carrie asked Rick and Dave to ask the question of SUSP and Kemper: what would they think of contracting with a CSD rather than the county or a CSA?

Rick Fenaroli asked Patricia and/or Kim, to send an email to Kemper and SUSP to set meeting date/time. The two will give the committee a status report in two weeks.

C. Recommendations for Future Meeting Topics

Scott Picanso recommended that the committee view the waste system and the wells; Rick Fenaroli agrees. Tour for the committee will be at 4:30 pm on July 6th of the Pintail well and the waste treatment plant. Meet in the WW parking lot. A 6 PM Zoom meeting will take place on July 6th after the tour.

Lachi Richards also recommends that the committee tour the golf course. Brenda Seabert agreed this would be good to do. Rick Fenaroli recommends making it at another time. Golf course tour set for Monday, July 19th at 4:30 pm, then 6PM Zoom meeting after. Scott Picanso will not be available July 8th – 21st.

Brenda Seabert recommended developing a timeline to help us with our planning process, to develop some check points and develop priorities. Carrie supports this. Brenda and Tricia will work on a time line for review on a next meeting. Plot in when we need to report to the BOS.

Brenda also suggested that the committee find ways to reach out to the community about this committee and what it is tasked with. It has always been challenging to notify community members about issues that will affect them. Dave DeKreek and Scott Picanso agree.

Brenda motioned and Dave seconded that Tricia write up a letter to all homeowners. That will advise about the committee, why it was formed and include next meeting information. Tricia thought she could have the letter out by the end of the week.

Kim Villa working to put a town hall meeting together the first week in July to discuss short term and long term water issues. Will be sending out a letter (or flyer) to the community. She is also sending out the water billings and the summer newsletter which this information could be included in.

Carrie motioned to keep the two letters separate, one from Tricia on this committee and one from Kim about the town hall meeting on the water issues and possible new well. Motion approved by all.

D. Schedule Future Meetings

Next meeting is July 6, 2021 at 6 PM via Zoom and July 19, 2021 at 6 PM via Zoom.

Items for July 6 meeting are needed by June 28th

Call for Future Agenda Items

Scott Picanso would like the election process for the CSD to be added to the agenda. It is a protest vote.

Adjournment

The meeting was adjourned at 7:42 pm. Carrie made the motion.