

Minutes

WASHINGTON COUNTY WATER DISTRICT

Special Meeting

August 25 , 2020

6:15 P.M.

Washington School

Please Note: In compliance with the Federal "Americans with Disabilities Act", any person who requires special accommodations in order to attend or participate in the meeting, please contact 265-4720 - prior to the meeting.

Open Meeting : 6:18

Approval of the Agenda: no Agenda

Public Comment for Agenda items only : Sandi Amell , Denis Amell, and Lighting Joe present... Comment from Sandi A. stated that she felt people were putting false statements on facebook and brought in a letter that Gene's pine aire wrote to there permanent residents Debbie S. read letter into record. (see attachment) Lighting Joe stated that he put in his own sub meteor in and that he only uses a little over 400 gallons a month. And then he left.

Water Agency Meeting :

I. New Business: for information, discussion and possible motion

Budget Proposal and Discuss for Rate increase : (Debbie S. Charity J.) Charity J. handed out settlement proposal packets and went over all the things that were in the packet, Sandi and Denis Amell stated that they are willing to help with the rate structure and that they are fixing all the leaks in Gene's pine aire because they just bought the campground and stated that the water usage in the campground will be going down when that is done so that will change the rate structure . Charity and Debbie both stated that until we can get all the real numbers in and all the bookkeeping done and the audit done that a rate structure and a budget can not be put up for a vote. Board is trying to get real numbers to make a real rate increase and wait for the campground to fix leaks . Which will make usage go down which is going to change water usage data. Which again is going to change the numbers. The Board has agreed to have a third party make sure all changes are legal. It doesn't matter if it is by Mary Flemming or someone like her does it. Charity is going to ask Jim Grill if we can use the Boardes rate for

one year because of all the changes going on for one year . The Board would hire a private person to look at all property not anyone with ties to the community. So there is no conflict of interest . The rate structure that the board has come up with has a 2% rate increase for any and all people using the water for ever , where the other proposal has a set rate with no increase for future budget. Charity is asking Jim Grill for one year at the rate structure the Board has come up with because of 1. Gene's Pine Aire was sold and the new owners are fixing all the leaks that are on the property , which will bring down the water consumption and will change the numbers again, 2. Waiting for our Budget and Audits to be done so there is real Number to make a good rate structure with. 3. No Reserves accounted for. Charity J. has stated that the accounting firm has finished our bookkeeping end , we are waiting for them to send it to us and the Auditor too, with that done we will have real numbers to really do the rate structure with . (Please see attachments).

Close of the Water District Meeting: 7:50

**IF ANY BOARD MEMBER NEED TO ATTEND THE MEETING VIA CONFERENCE CALL,
OR ANYONE WISHING TO JOIN THE MEETING BY CONFERENCE CALL CAN DIAL
1-978-990-5000 WITH THE CODE OF 890273# FOR ALL BUT CLOSED SESSIONS.**

SETTLEMENT PROPOSAL NO. 3
DEFENDANT WCWD'S "PROPOSED NEW RATE STRUCTURE" (See attached Exhibit A)
and PLAINTIFF'S JAMES GRILL ("GRILL") RESPONSES THERETO

WCWD Proposal:

"Charge all residents directly \$60/mo. - regardless of meter (those who live in the campgrounds, and those who live on other private residential or commercial properties)".

GRILL Response:

OK, but exclude those residents, both inside and outside River Rest and Pine-Aire ("Gene's") who have occupancy of not more than 60 days per year (hereafter "permanent campers").

WCWD Proposal:

"Charge 'permanent campers' directly \$10/mo.".

GRILL Response:

OK to charging permanent campers \$10/mo. assuming that this rate applies to all permanent campers where ever they reside in WCWD's district.

WCWD Proposal:

"A 2% fee for transients (aka regular campers and hotel guest)".

GRILL Response:

No. Use Commercial Base Rate as outlined in GRILL Response below.

WCWD Proposal:

[A] "A higher "Commercial Base Rate" for all active businesses of \$159/mo.; General Store, Washington Hotel, River Rest and Gene's [all active businesses]"

[B] "General Store, Washington Hotel, River Rest and Gene's".

[C] "Gene's will be charged only 1 base rate, not 3 as they are now"

[D] "The single metered residence at the top of Gene's will be charged independently".

GRILL Response:

[A] No. Charge a "Commercial Base Rate" for the four active businesses as a percentage of the each annual budget, beginning with the 2020/2021 budget based on their individual 2019 annual water usage as percentage of the total 2019 annual WCWD district water usage of 13,066,836 gallons as follows:

River Rest: 1,473,131 gal/yr. equals 11% of the budget;

Pine Aire: 2,882,481 gal/yr. equals 22% of the budget;

Washington Store: 81,528 gal/yr. equals .6% of the budget;

Washington Hotel: 265,332 gal/yr. equals 2% of the budget;.

[B] OK.

*Rate & structure reviewed
either by Mary Flemming
or lawyer etc.*

1

* 2 year review by
3rd party*

[C] OK.

[D] OK.

WCWD Proposal:

"This draft structure does include a general increase to the base rate for everyone to \$60/month for unlimited water*".

GRILL Response:

OK, assuming increases to \$60/month for "everyone" means residents, but not permanent campers and commercial customers (see above).

WCWD Proposal:

"This rate structure should also include an automatic increase of 2% per year to all types of base rates".

GRILL Response:

OK if wording is changed to "This rate structure maybe increased up to 2% per year if needed to meet annual budget requirements.

WCWD Proposal:

"This rate structure provides for a balanced budget that includes all required/recommended reserves [\$60,172] as well as a \$15,000 budget allowance to the Fire Department".

GRILL Response:

OK assuming that the reserves of \$60,172 are only an item for the 2020/2021 proposed budget. Thereafter, future budgets shall only include the dollar amount that was used for the previous year's reserve requirements insomuch that that a reserve of \$60,172 is maintained for each annual budget thereafter.

WCWD Proposal:

"*We will continue to read meters to monitor water usage, collect data and look-out for leaks, theft, etc.".

GRILL Response:

OK assuming that this means there will be no metered charge for water, but rather all customers will be allowed unlimited water except if they do not fix leaks, are stealing water, etc.

EXHIBIT A

Proposed New Rate Structure

- Charge all residents directly \$60/mo., regardless of meter (those who live in the campgrounds, and those who live on other private residential or commercial properties)
- Charge "permanent campers" directly \$10/mo.
- A 2% fee for transients (aka - regular campers and hotel guests)
- A higher "Commercial Base Rate" for all active businesses of \$159/mo., ~~which~~
~~includes a base allowance of 75,000 gallons~~
 - General Store, Washington Hotel, River Rest and Gene's.
 - Gene's will be charged only 1 base rate, not 3 as they are now.
 - The single metered residence at the top of Gene's will be charged independently.
 - The total combined usage of the remaining 2 meters will be used for billing purposes.

This draft rate structure does include a general increase to the base rate for everyone to \$60/month for unlimited* water.

This rate structure should also include an automatic increase of 2% per year to all types of base rates.

This rate structure provides for a balanced budget that includes all required/recommended reserves as well as a \$15,000 budget allowance to the Fire Department.

*We will continue to read meters to monitor water usage, collect data and look-out for leaks, theft, etc.

Notes:

PROFORMA ORDINARY INCOME USING SETTLEMENT PROPOSAL 3

Ordinary Income/Expenses:

Water Sales	River Rest	\$ 15927
	Pine Aire.....	31855
	Washington Hotel	2896
	Washington Store	869
	Residents (152).....	109,444
	Permanent Campers	7632
	Proposition 172 for WF&R	6193
	Current Unsecured Taxes.....	525
	Current Secured Taxes	<u>32447</u>
<u>Total Revenue</u>		207,788

NOTE 1: See attached Exhibit B, WCWD's 2020/2021 Proposed Budget.

NOTE 2: Water sales income for the 4 "active businesses" may be reduced in the following years budget by as much as \$60172 because that amount for reserves was raised in the 2020/2021 budget and their percentage "Commercial Base Rate" being a fixed rate, their income contributions would decrease accordingly.

WCWD 2020/2021 Proposed Budget

Ordinary Income/Expense			
Water Sales		165802	
Proposition 172 for WF&R		6193	
Current Unsecured Taxes		525	
Current Secured Taxes		32447	
Total Revenue			204967
Fire Department Budget		*15000	
Salary & Wages		66534	
Payroll Taxes		5563	
Workman's Comp		1737	
Total Payroll Expenses			88,835
Automobile Expenses		2460	
Nevada County Accounting Fees		325	
Computer & Internet Expense		1538	
Billing Software		2388	
Insurance Expense		9386	
Misc./Petty Cash		2740	
USDA Loan		5272	
Office Supplies		1687	
Postage & Delivery		495	
Reserves		*60172	
Professional Fees			
	Auditor	5527	
	Legal	4504	
	Repairs & Maintenance	14029	
	Permits & Licenses	1774	
	Telephone Expense	2395	
	Utilities	1440	
Total Expenses			204,967
Net Ordinary Income			0

Edwin Swisher, Manager
Gene's Pine Aire Campground LLC
Correspondence Address: 10171 Sawmill Loop, Grass Valley, CA 95949
Phone: (916) 412-5371 (Includes Texting)
Email Address: EDatGPAC@gmail.com

September 30, 2019

Re: 90-Day Notice of Rent Increase

Dear Permanent Resident,

As you know, prices on everything have been increasing over the years. For several years at Gene's Pine Aire Campground the increases were not passed along. Gene subsidized the tenants' rents by adding personal funds to the business account.

During the previous 8 months, water bills have no longer been billed at a flat rate to us, but are now charged according to usage plus a flat monthly rate. The average monthly water bill has been almost double compared to our previous flat rate billing. The water board recently sent us a letter stating they are considering an additional increase in the base rate which would almost quadruple the flat rate portion of the bills.

We find that rent increases are overdue in order to pass along a portion of the increased costs to remain open for business. However, we are not attempting to charge you for the past several months of our higher expenses. We do request your help in keeping our water bills as low as practical by not allowing water to run needlessly and by not wasting water. This will benefit all of us in the long run. If our expenses continue to increase, monthly rental rates will also have to be adjusted accordingly.

For all of our permanent residents, effective January 1, 2020 your base monthly rent will be \$75.00 extra.

All future payments, effective immediately, need to be mailed to Edwin Swisher at the address shown at the top of this letter. Please pay by check, money order, or cashiers check. There will be a \$20.00 charge for any check returned due to insufficient funds.

Sincerely,



Edwin Swisher
Manager