



Volcano Community Services District | MINUTES

February 12, 2026 | 7:00 pm | Armory Hall, Volcano CA

Meeting called by: M. Sorensen
Secretary: K. Holland

Directors Present:

A. Korematsu, J. Wolfbrandt
R. Korematsu, M. Sorensen, P. Suden
Absent:

CONSENT AGENDA:

1. Minutes of the regular meeting for January 8, 2026.

Motion to approve by R. Korematsu. Seconded by M. Sorensen. Motion Approved 5/0

PUBLIC HEARING, 10 minutes

1. VCSD FY 25-26 Adopted Budget – Review of the VCSD FY 25-26 Budget Adopted June 12, 2025. Consider proposed changes and further Board recommendations to amend the VCSD FY 25-26 Budget. Kim Holland. **Action.**

Comments:

- Auditor warrants are separate from the water service revenue.
- General Manager contract added to professional services under non-allocated expenses.
- Water service revenue is trending over budget and averaging \$21.5K per quarter.

Budget Changes:

- Change names under non-allocated expenses as noted below
 - Accounting Services changed to Accounting Services/Audit
 - Secretary/Treasurer/Bookkeeping changed to Billing/Bookkeeping
- Adjust water service revenue from \$64,918 to \$80,000
- Apply funds from prior year carry-forward to balance the budget

Motion to approve budget with changes as discussed by A. Korematsu. Seconded by P. Suden

Motion approved 5/0.

2. Resolution 2026-04 to Adopt VCSD FY 25-26 Budget with changes as approved by the Board. **Action.**

Action deferred. Resolution needs to be amended to reflect Board approved changes. Amended resolution to be presented at the March 12, 2026, meeting.

3. Mid-Year Review of VCSD FY 25-26 Adopted Budget. K. Holland. Discussion.

Mid-Year review reviewed and discussed. No action taken.

DISTRICT ENGINEER'S REPORT - George Barnes, Report provided via email and read by A. Korematsu

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: 23 gpm Black pipe output: 1 gpm

2. Review of completed testing results for the current quarter.

Not discussed in report

3. Exercise of hydrant.

Not discussed in report

4. Any issues, etc. to address.

Wells – The wells are operational at this time. There has not been a storm event or a tunnel sluff off in the last couple of years that has required their use. This is a bit unusual as the tunnel, historically, would receive high turbidity in the mine water during large storms. This hasn't happened for some time. The wells are back up for any event that would require the tunnel plant to be taken offline.

System Inventory – In response to the Board's interest in a system inventory of the water infrastructure of the VCSD system, including life span and replacement costs. Although VCSD is a small system, this task would be time consuming and require a professional. Liam Baily, who has provided engineering services to VDSD in the past, has been contacted. As of February 11, 2026, Bailey has not responded.

Reminder and Recommendation – Pine Grove Community Services District (PGCSD) is slated to be absorbed by Amador Water Agency (AWA) in the next few months. With rising material costs and increased sampling costs, I would recommend that VCSD Board consider the possibility of doing the same. The infrastructure at VCSD is aging and replacement costs are increasing. Again, my availability may be impacted after the AWA acquisition of PGCSD.

Future PFAS Testing Required – Both wells and the tunnel are required to undergo PSAF testing in the coming year. These tests are fairly expensive.

PFAS are a large group of man-made "forever chemicals" (Over 12,000-15,000 types) used in products like nonstick cookware, waterproof clothing, firefighting foam, food packaging and more. They earn the "forever" nickname because they persist in the environment, don't break down easily, and can accumulate in the body and water supplies. They are invisible, odorless, and tasteless, so testing is the only way to know they are present.

State Water Board Regulator – I will be with the state water board regulator to do a routine inspection of the VCSD water facilities on February 23, 2026.

REGULAR AGENDA – Multiple, 45 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.

None

2. Transfer of water system to Amador Water Agency A. Korematsu. Discussion.5 Minutes.

A. Korematsu presented the transfer of the water system to the AWA due to the upcoming loss of our District Engineer (DE)and cost of maintaining the aging system to the Board for consideration. Pointing out that AWA has the resources needed to maintain the water system and that It has become extremely difficult to locate community members to participate on the Board. Recommends that the Board consider sending a letter to the AWA requesting that they assume the water district. The CSD would still manage the Armory Hall, restroom, etc. A letter to the AWA Interim Director, Mr. Ambercrombie to explore the transfer, had been drafted and was presented to the Board. Draft letter read aloud.

Question from the public – Does anyone know the terms of PGCS D’s transfer to AWA?

No, VCSD does not know the terms. R. Korematsu reiterates that the purpose of the letter is to initiate those conversations as it relates to VCSD. M. Sorensen notes that PGCS D is also an aging system and wonders if AWA is taking over the hardware and the billing.

Additional Comments:

Public comments – Waiting 6 months to start the process could be detrimental.

Water rates will increase. M. Sorensen responds that VCSD has the best rates in the area. An internet search provided the following information related to AWA rates, a ¾” meter \$69.41 service charge and \$38.11 for a debt service charge for certain areas. Per cubic unit charge 5.25. A 1” meter has a \$105 service charge

R. Korematsu comments that it would not be bad idea to initiate these conversations.

P. Suden points out that our DE will be gone by June. Even if a transfer is approved, it would not be instantaneous. Can we contract with AWA for district engineer services in the meantime?

A. Korematsu had spoken to an AWA representative regarding his thoughts on the matter and AWA sounded open to the idea. We are facing the loss of our DE, additionally, our DE has been using PGCS D’s equipment.

M. Sorensen noted that VCSD would still need a revenue stream of \$30K to cover PGE, trash, insurance, etc.

Public Comment - Recommend adding a paragraph stating the need for interim DE services due to the potential loss of DE assistance during the transition period.

3. Draft letter regarding transfer of water system to Amador Water Agency. A. Korematsu. **Action.** 5 Minutes.

Motion to send the letter to AWA with additional verbiage regarding DE services by R. Korematsu. Second by Joe Wolfbrandt.

Motion approved 5/0

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

2 meters unreadable due to dirt and debris. Notes have been added to the new billing cycle.

5. FY 24-25 audit – Richardson & Company, LLP audit estimate for FY 24-25. K. Holland. **Action.** 5 Minutes.

Richardson & Company, LLP audit estimate for FY 24-25 is \$13,200.

Motion by R. Korematsu that the District proceed with Richardson & Co for the FY 24-25 audit. Second by P. Suden.

Motion approved 5/0

6. Prop 68 Project Manager – Resolution 2026-04 to accept Ellie Routt as Project Manager for the Prop 68 grants. A. Korematsu. **Action.** 5 Minutes.

A. Korematsu reports that Ellie Routt did confirm her interest in servicing as the Prop 68 project manager. VCSD will need to draft a contract for the Board to consider at the next meeting.

Motion by P. Suden to accept Ellie Routt as the Project Manager for the Prop 68 grants. Second by A. Korematsu.

Motion approved 5/0

7. Ad Hoc Committee recommendation to apply the Prop 68 grant funds in full to the Armory Hall roof, pending cost estimate. **Action.** 5 Minutes.

A. Korematsu reports that after a review of the bids, the ad hoc committee recommends exploring the condition of the Hall roof and if needed using the Prop 68 grant funds towards replacing the roof. If the Board approves, requesting a change to the scope of the work.

Public comment – Agreement regarding the Hall roof and painting of the outside of the Hall.

P. Suden comments that the building structure should be sound before addressing cosmetic improvements. Someone would need to take a look and see if the bones are still good.

J. Wolfbrandt agreed that VCSD needs to have an evaluation of the Hall roof. Is there an inspector that can be used?

A. Korematsu informs the Board that Joaquin offered to assist the VCSD to explore the condition of the Hall roof. It may be possible to apply the remaining grant funds towards the Hall roof. Requests the Board's approval to have the Hall roof/eaves evaluated.

Motion pursuant to the Ad Hoc committee's recommendation to work with Joaquin to have an evaluation of the Hall roof system integrity by R. Korematsu. Second by P. Suden.

Motion approved 5/0.

8. Potential litigation – Discussion. 5 Minutes.

M. Sorensen informs the Board that the VCSD has been sued by the tenant for meter #6. Additionally, M. Sorensen and J. Wolfbrandt have been personally sued by the same individual.

M. Sorensen has been in contact with an attorney who has agreed to represent the VCSD, M. Sorensen, and J. Wolfbrandt. Additionally, the attorney has provided counsel regarding the appropriate response for each party being sued. There is a retainer of \$2,000 required to secure these services.

Attorney reasoning and recommendations omitted from the minutes due to attorney client privilege.

R. Korematsu informs that VCSD needs to include a letter with this tenant's billing regarding the separation of owner and tenant accounts.

Per J. Wolfbrandt, the fencing that has been put up to prohibit access to meter #6 is on the County's easement.

Public comment – What if the VCSD writes a letter to the County regarding the County's easement? Did that place sell. Owner of meter 6 is suing the mortgage company. Also, Swift vs Campbell issue coming up next week.

Motion to approve the attorney retainer paid for by the water district by R. Korematsu. Second by A. Korematsu.

Motion approved 5/0

9. A/R Report - K. Holland. Information. 5 Minutes.

Summary of Receivables

- Amount received to date: \$57,767.69
- Amount outstanding: \$6,084.29
- 2 accounts have their outstanding balance applied to their property taxes: \$2,215.61 received, \$2,215.61 will be received in April.
- Outstanding amount uncollected: \$3,868.68
- 18 accounts – 2nd notices sent to delinquent accounts over 31 days.

CLOSED SESSION (10 Minutes)

None

NEXT REGULAR MEETING: March 12, 2026, at 7:00 PM