



Volcano Community Services District | MINUTES

July 6, 2023 | 7:05 pm | Armory Hall, Volcano CA

Meeting called by J. Norcross,
Vice President

Acting Secretary: R. Korematsu

Directors Present:

C. Corral, R. Korematsu, M. Sorenson

J. Norcross

Absent: N. Bailey

CONSENT AGENDA

June 2023 Regular Minutes and June 2023 Expenditures were on the consent agenda. Checks were issued in the amount of \$32,012.12 and deposits in the amount of \$5542.84.

MOTION: M. Sorenson made a motion to accept the June 2023 Regular minutes and June 2023 Expenditures. C. Corral seconded the motion.

AYES: Unanimous.

Consent Agenda APPROVED.

STAFF REPORTS

1. *Billing Secretary – I. Dana*
Nothing new to report.

2. *Treasurer – N. Bailey*
See expenditures above.

3. *Secretary – R. Korematsu*

Correspondence received from the County regarding removal of Chinese Trees of Heaven near the water tanks, provided request attachment to Directors. Requested a decision be made so an email can be written. The Board requested that this item is put on the agenda for the next month. The community's concerns are related to using poisons close to our water supply and the potential for aerosolization is a concern close to our water supply. Because of those concerns, the County will be requested to provide alternative, non-chemical solutions to tree eradication.

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

Two dates in September and wants us to think about renting the hall to Pine Grove School. Add an agenda item for next month to discuss the renting of the hall and consider a difference in prices. C. Corral will work with B. Stein, J. Norcross and R. Zehender on bringing a proposal.

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

Will read the meters either Saturday or Sunday. Last month's information had a small error.

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

1. Monthly Cleveland Tunnel flow treated and untreated including diverted via black pipe. Nick checked tunnel at 40 gpm, plant at 16 gpm, customer meter at 2 gpm. DE increased plant rate 2 gpm today, so the wier overflow may drop to 38 gpm. M.

Sorensen made a motion to shut off the black pipe flow, R. Korematsu seconded the motion.

DISCUSSION: If the Board receives a request from an interested party, the District will consider turning the black pipe flow back on.

AYES: Unanimous.

MOTION APPROVED.

2. Lead and Copper testing June--September. Procedures and letters to customers. Lead was non-detected on all locations. Copper testing showed residual, but well below the maximum contaminant level. The DE will contact the state engineer on any additional notifications.
3. Meter #60 Status repair/replace by July 6, 2023. The meter has been replaced and the meter reader requested the numbers for record keeping.
4. Review of completed testing requirements for current quarter per Water Quality Mentoring Plan. Engineers to report on completion and Q1 requirements. Everything is up to date, disinfection byproducts testing will be done in August.
5. Build wier outside Cleveland Tunnel. Consult with D. Ketron up to \$1000.00. Nothing has moved forward on this project, J. Mottishaw will follow up next month and coordinate N. Lawson and D. Ketron working together to get some measurements.
6. Develop capital improvement plan so District can prioritize projects. M. Sorensen is working on the excel spreadsheet and will present to the Board once populated.
7. Watershed survey due October 1, 2023. Check with Water Boards. The DE has not gotten a response on the watershed survey from California Rural Water.
8. Safer Clearinghouse: M. Gottstein, N. Lawson and R. Zender. Source water and consumption report. R. Zehender sends the spreadsheet to N. Lawson and J. Mottishaw and it is filled out online by N. Lawson. (Remove from agenda)
9. Shut off water to customers who received notices and did not respond to make payment arrangements, only 1 was shut off, but the bill was paid, so the water will be turned back on.
10. Meters 42 & 59 high monthly usage? Leaks and they have been repaired. Meter 42 will be fixed by the renter. Letters had been sent to the property owners.
11. Fill Redwood Tank after July 6, 2023. Contact N. Bailey when tank is full. The DE went up and found the valve outside of the tank that was buried. It will take some time to fill the tank five to 10 days. The DE will talk to Michael Johnson tomorrow to verify if the tank can be filled.
12. The DE is stepping away from this position provisionally as of September 30, 2023. It was recommended to amend the current contract to add George Barnes, and add Mr. Barnes to the insurance policy. The 90-day time frame may be shortened contingent upon the availability of the new Engineer.

REGULAR AGENDA

1. Adopt 2023-2024 budget. **ACTION** The WS Electricity/wells electricity line item was proposed to increase to \$2200.

Motion: R. Korematsu made the motion to adopt the 2023-2024 budget with two modifications, the first is that the overall water revenues will be increased to reflect the rate increase adoption. The second is that the budgeted electricity costs will be changed to reflect the actual PG&E billings per each account. M. Sorenson seconded the motion.

DISCUSSION: Due to the rate increase, the budget will be adjusted to modify.

AYES: Unanimous.

MOTION APPROVED.

2. Water rate increase. **ACTION** B. Stein expressed concern with the bookkeeping errors and appreciated the conscientious efforts for people to pay their bills. Due to missing information, the District did not have all the information to get the exact details. Motion: R. Korematsu made the motion to approve as of July 1st billing (August 2023) as proposed in the Resolution 2023-02, adopting increases to water base rates. J. Norcross seconded the motion.

DISCUSSION: B. Stein recommended to pay attention to infrastructure and being proactive rather than reactive. C. Corral explained that this increase will allow the District to be more proactive.

AYES: Unanimous.

MOTION APPROVED.

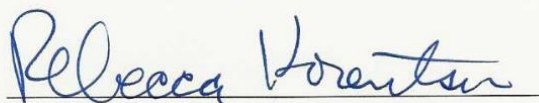
3. CCR's revised due July 2023. N. Bailey will distribute. A certification needs to be sent to the state, CCR Certification, saying when everything was sent to everyone.
4. Aqua Tech up date. Informational. N. Bailey No communication, starting to fill the tank.
5. Alliant Insurance. Informational. N. Bailey The insurance for this hall was normally \$8400 a year, it has increased to \$12,466/yr. J. Norcross will research the deductible.
6. Delinquent accounts. Informational. N. Bailey Everyone has been contacted.
7. Michael Adams contact. N. Bailey will be contacting tomorrow.
8. Sharon Owens missing documents/information. M. Gottstein three beneficial documents were received. Sharon did not send electronic documentation requested.
9. A new agenda item was requested by C. Corral to place the audit back on the regular agenda.

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

Meeting was adjourned at 9:15 pm.

NEXT REGULAR MEETING: August 3, 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 July 6, 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. June Expenditures and Income.

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-I.Dana
Treasurer-N. Bailey
Secretary- R. Korematsu
Hall/Park Manager Report – N. Bailey
Meter Reading Report & St. George Report-R. Zender

DISTRICT ENGINEERS REPORT-Joel Mottishaw & Nick Lawson

1. Monthly Cleveland Tunnel flow treated and untreated including diverted via black pipe. on..
2. Lead and Copper testing June--September. Procedures and letters to customers.
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10. Meters 42 & 59 high monthly usage.? Leaks and they have been repaired.
11. Fill Redwood Tank after July 6, 2023. Contact N. Bailey when tank is full.

AGENDA.

1. Adopt 2023-2024 budget. **ACTION**
2. Water rate increase. **ACTION.**
3. CCR's revised due July, 2023. N. Bailey will distribute.
4. Aqua Tech up date .Informational. N. Bailey
5. Alliant Insurance. Informational. N. Bailey
6. Delinquent accounts.. Informational. N. Bailey
7. Michael Adams contact. N. Bailey
8. Sharon Owens missing documents/information. M. Gottstein

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: Deposits and bills paid June 1, 2023-June 30, 2023

Deposits: 1943.46, 1507.84, 1752.50, 339.04, Redeemed El Dorado Savings Bank CD 27177.48 minus
244.96 penalty=26932.52. Total 32475.36+8024.26 on hand=40499.62

Checking Balance June 30, 2023: 8487.50

	Meg Gottstein	Ink	53.85
6818	VOID		
6819	Matich Vukovich	Insurance Engineers	4472.66
6820	VOID		
6821	VOID		
6822	Joel Mottishaw	May	1000.00
6823	Nick Lawson	May	1000.00
6824	Nick Lawson	EAR	225.00
2101	Nancy Bailey	Ink, paper, certified mail	106.19
2102	PG&E	Restrooms	8.43
2103	PG&E	Hall	88.99
2104	Alpha	Testing	1085.00
2105	Joel Mottishaw	June	1000.00
2106	Nick Lawson	June	1000.00
2107	Aqua-Tech Company	Redwood Tank	21972.00 (448.00
	discount)		
	Total		32012.12
	El Dorado Savings Bank CD	12630.95	
	Bank of Stockton CD	5731.51	
	Bank of Stockton CD	6679.55	
	Total	25042.01	

VOLCANO COMMUNITY SERVICES DISTRICT
PO BOX 72
VOLCANO, CA 95689-0072

RESOLUTION 2023-01

WHEREAS, Government Code 56381 specifies the Commission shall adopt annually, following a noticed public hearing, a proposed budget, and

WHEREAS, a public hearing to receive comment on a proposed budget for 2023-2024 was noticed and held on July 6, 2023, and

WHEREAS, the final budget was not less than the budget adopted in the previous fiscal year; and

NOW THEREFORE, BE IT RESOLVED AND ORDERED, the Volcano Services District did approve and adopt the final budget for Fiscal Year July 1, 2023 to June 30, 2024 on July 6, 2023 as presented in the table appended to this resolution.

The foregoing resolution was duly passed and adopted by the Volcano Services District, at a regular meeting hereof held on the 6th of July 2023, by the following vote.

ADOPTED this 6th day of July 2023

AYES:

4

NOES:

0

ABSENT:

1

ABSTAINED:

0

Jane Norcross
~~Nancy Bailey~~ Jane Norcross
Vice President
Volcano Community Services District

ADOPTED FINAL VCSD BUDGET FOR FY2023/2024_RESOLUTION 2023-01

		ADOPTED FINAL FY2023/2024 BUDGET	
WATER SERVICE			
Income		\$64,918	Income based on 70 connections (non-VCSD) reflecting adopted RES 2023-02 base rates
Expenses			
	Meter Reader/Billing	-	
	WS Electricity/wells Elec	867	See note below
	Continuing Education	-	
	Health Permits	-	
	Membership/Subscriptions	600	
	Telephone for plant	300	
	Maintenance/Repair, Lab tests	12,907	
	Operator and Labor	29,435	
		\$44,109	
	Net Income (Loss)	\$20,809	
ARMORY HALL			
Income			
	Rental Fees	950.00	
	Auditor Warrants=Prop Taxes Distributed to District and allocated to cover non-water service expenses	2,330	
		3,280	
Expenses (w/out non-allocated)			
	Cleaning & Supplies	-	
	Refunds	-	
	Hall Manager Fee	-	
	Repairs	500	
	Electricity	1,179	See note below
	Phone	279	
	Propane	1,321	
		3,280	
	Net Income (Loss) after Warrants Alloc.	0	
PARK			
Income			
	donations	-	

Allocated Auditor Warrants (see above)	126	-
Expenses (wout non-allocated)	-	
Electricity	126	
Maintenance & Repair	-	
		-
Net Income (Loss) after Warrants Alloc.		0

see note below

RESTROOMS		
Income		
donations	-	
Allocated Auditor Warrants (see above)	652	
		652

Expenses (w/out non-allocated)		
Electricity	252	
Janitorial		
Maintenance & Repair	400	
Supplies		
Restroom Expenses w/out non-allocated)		652
Net Income (Loss) after Warrants Alloc.		0

See note below

		Annualized Amounts (estimated)
STREET LIGHTS & TRASH		
Income: Alloc. Auditor Warrants (see above)		5,553
Expenses (w/out non-allocated)		
Street Lighting Electricity	4,085	
Trash Collection	1,468	
		5,553
Net Income (Loss) after Warrants alloc.		0
Total Service Income (after Warrants alloc)		74,403
Total Service Expense (not including non-allocated expenses)	53,593	
Net Service Income (Loss)		20,809

See note below

NON-ALLOCATED INCOME

Auditor Warrants (not allocated to services)	\$9,806	Total of \$18,466 est. based on 2022 actuals. less amts allocated
Interest	-	
Other income	-	
Non-Allocated Income	\$9,806	

NON-ALLOCATED EXPENSES

Accounting Services (external)	13,850
Attorney Fees	400
Bank Fees	-
Insurance	15,000
County Admin Fee	500
Legal Notices	100
Website	700
Office Supplies/postage	700
Secretary/Treasurer (incl. bookkeeping)	5,300
Uncategorized	-
	36,550

Non-Allocated Net Income (Loss)	(26,744)
Total Income	84,208
Total Expense	90,143
Other Contingencies	1,500
Net income (loss) before Deprec	(7,435)
Depreciation/Amortization	\$20,892
Total Net Income (Loss) incl Deprec	(28,327)

incl. depr estimate for tank rebuild

Note: PG&E electricity costs for budget based on actual billings from July 2022 thru June 2023. Electricity costs for the pump house/wells under "water" may be higher if the wells are needed more in the next fiscal year, but this cannot be forecasted accurately, so we took the last 12 months of actuals. PG&E 2022 electricity costs were increased by 8% to anticipate potential rate increases in 2023/2024



Volcano Community Services District
P.O. Box 72
Volcano, CA 95689
Nancy Bailey President, contact (209) 296-4899
VolcanoCSD@gmail.com

NOTICE OF PROPOSED RATE INCREASE Date of Notice, May 10, 2023

Notice all Volcano Community Services District (VCSD) property owners and occupants

The VCSD is proposing a much-needed rate increase. The proposed increase will only affect the base rate and not the usage tiers. Below are the current and proposed changes.

The proposed rates will help the VCSD continue to provide reliable, high quality water service to District properties. They are needed to cover the cost of the water service. Over the past few years, the District has experienced significant increases in primarily fixed expenses due to state and other requirements.

The VCSD rate structure for water service fees has two components: 1) a fixed monthly service charge, the base rate; and 2) a variable water usage charge component, usage tier rates. The base rate is designed to cover the system fixed costs, which include, but are not limited to: billing, collections, meter reading, meter maintenance, insurance, labor, equipment, annual financial audits and state required reporting, capital infrastructure replacements costs, district engineer services, and lab testing. The usage tier rates cover the variable costs of water production, including chlorine, filters, power, etc.

The vast majority of cost increases are those relating to fixed costs, which is the purpose of the proposed change to the base rate in VCSD rate structure. In particular, the district has experienced an increase in repairs—including a major rebuild of the redwood water tank underway to put it back online—due to an aging infrastructure. The engineering requirements for regular and emergency services has increased in obligations, requiring a significant increase in costs. Many of the other fixed costs mentioned above have increased significantly.

Last summer, the Board adopted a budget that projected income and expenses for fiscal year (FY) 2022/2023, which runs from July 2022 through June 2023. We have posted in town a table that presents a comparison of this budget with 9 months of *actual* revenues and expenses, plus our May 4 adopted *draft budget* for FY2023/2024

assuming no further rate increases are adopted.¹ A copy of this draft budget is also posted on our website at www.VolcanoCSD.org and available upon request. This document clearly indicates that the **base rate levels in effect as of July 1 will not keep up with the system cost increases facing the District.**

During the past year, the Board has sought to reduce costs wherever feasible, especially in the area of services contracting, but the types of cost increases facing the District are largely beyond the direct control of the Board. That being said, the Board will continue to look for cost cutting/efficiency improvements going forward, and actively seek out possible sources of state or federal funds for future capital improvements to our aging infrastructure. But the reality is that there are only a total of 70 connections/customers in our District (including double meters) which means that the costs of providing reliable and safe water that complies with all the water quality/regulatory requirements is spread over a very small customer base.

Not including depreciation, **the VCSD is facing a projected net income loss of \$18,355 over the July 2023-June 2024 fiscal year, assuming no change in base rates beyond the step increase to \$62.70 that takes effect automatically on July 1.** The Board is therefore proposing additional increases to base rates that will serve to quickly dampen this negative cash flow, in light of the financial urgency.

The proposal is as follows: A 3-step increase to Base Rates of \$7 each (for single meters) and \$14 (for double meters to base rates) effective July 1, 2023, November 1, 2023 and February 1, 2024. We estimate that each \$7 increase to the base rates will produce an increase in revenues of approximately \$5,800. Accordingly, this proposal will serve to step-wise reduce, if not fully eliminate, the gap between revenues and expenses (before depreciation) that we project for FY2023/2024.

Current Rates as of July 1, 2023:

	Single Meter	Double Meter
Base Rate	\$62.70	\$125.40
Usage Rates (3 Tiers):		
0-10,000 gallons	\$2.35/k	0-20,000 gallons
10,001-15,000 gallons	\$2.75/k	20,001-30,000 gallons
15,000+ gallons	\$4.05/k	30,001+ gallons
	k- per 1,000 gallons	

¹ On August 5, 2021, after receiving public input, the Board adopted a \$2.50 step increase to current (\$60.20) base rates that will automatically take effect for the July 2023 billings, with no further Board action required. See also Resolution 2022-02 available at www.VolcanoCSD.org

Proposed Base Rate Increases:	July 1, 2023	November 1, 2023	February 1, 2024
Single	\$7.00	\$7.00	\$7.00
Double	\$14.00	\$14.00	\$14.00
New Base Rates:			
Single	\$69.70	\$76.70	\$83.70
Double	\$139.40	\$153.40	\$167.40

Note: The proposed increases will not change the tiered usage rates

Public Hearing: In Compliance with Proposition 218, compliance with the procedural requirements of Article XIII D, Section 4(c)-(g), the VCSD will hold a public hearing no less than 45 days after the date of notice, which will be held at the regular VCSD board meeting, July 6, 2023, 7:00 pm, at the Armory Hall.

At the public hearing on July 6, the Board of Directors will consider all comment and objections, if any, to the proposed water rate structure increase. The public hearing is intended to provide an opportunity for water users to obtain more information about the proposed increase. Any person interested, including all persons owning property served by the VCSD may appear and be heard as to whether the proposed user rates are discriminatory, excessive or will not be sufficient.

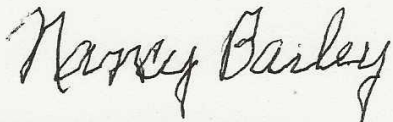
Written comments should be addressed to the Board of Directors, Volcano Community Services District, P.O Box 72, Volcano CA, 95689 or emailed to nance@volcano.net and should be received by the close of the public hearing on the rate increase. Any questions regarding the information in this notice may be directed to Nancy Bailey, President at (209) 296-4899.

Under Proposition 218, any owner or ratepayer may submit a written protest letter regarding the proposed increase. Protests must be in writing and filed with the VCSD. The protest may be filed with the VCSD at anytime before the close of the public hearing. Written protests may be mailed to the address noted above, or hand-delivered before the close of the public hearing, but all protests must be signed by the property owner and must include the service address or assessor's parcel number (APN). Please

include the property water meter number as well. Only one protest may be filed per parcel.

Please attend the public hearing and find out more.

This notice will be postmarked on or before May 22, and the public hearing will be July 6, allowing the public hearing to be no less than 45 dates after the distribution of the notice.

A handwritten signature in cursive script that reads "Nancy Bailey".

Nancy Bailey, President
(209) 296-4899
nance@volcano.net



Contact Us

Your name:	Eric Mayberry
Your email:	agriculture@amadorgov.org
Subject:	Tree of Heaven Eradication project
Message:	<p>The Amador County agriculture department is attempting to eradicate the invasive tree of heaven populations in the county. Volcano CSD has a parcel on a hill with a water tank north of Volcano that has a substantial number of young trees. Based on the size of the trees, I suspect that you may have tried to control them about 10 years ago and are seeing regrowth from the old roots. We would like to try a technique to kill the trees with Herbicides [Imazapyr & Tryclopypyr] using County staff and our herbicide. I would appreciate an opportunity to meet someone in your company to discuss what we would like to do and if it fits within your vegetation management program. I have enclosed a flyer you can share that may explain the project. Eric Mayberry Agricultural Commissioner 223-6487</p>

Norrah Phillips / Meter 14

norrah.phillips@gmail.com

May Stmt

Hello, Nancy had called me last month that we had overpaid on our last payment and that there would be approximately a \$50 credit on our next stmt (attached). I don't see any credit though, would you please clarify and let me know what is owed? Thank you! Norrah

Spotted Lanternfly

Spotted lanternfly (*Lycorma delicatula*) is a new and emerging pest in the United States. Its preferred host is tree-of-heaven; however, it can be a serious pest on a wide variety of important agricultural crops, including grapes, fruit trees, hops, and ornamentals.

Spotted Lanternfly Identification



Spotted Lanternfly Impacts

Nymphs and adults damage plants by sucking sap from stems, trunks, and leaves. They also secrete large amounts of honeydew which hosts pathogens such as sooty mold.

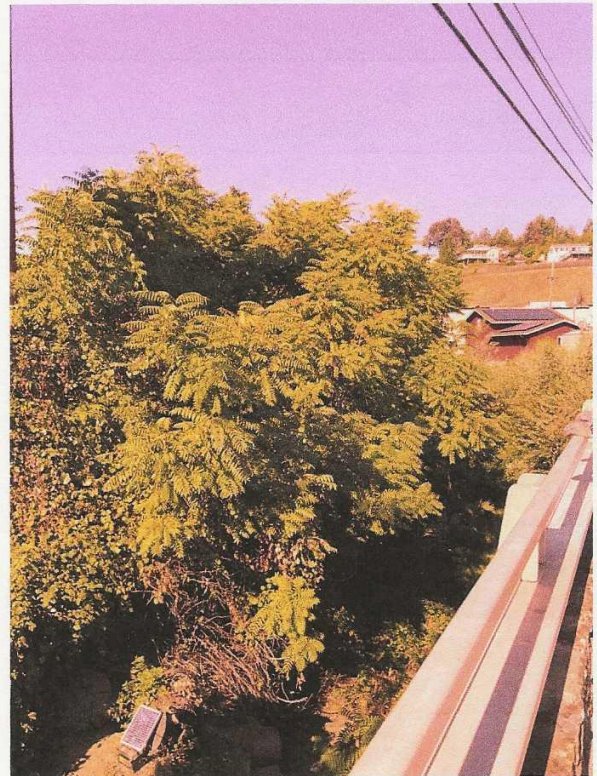
Get Involved!

Spotted lanternfly is not currently in Amador County but is likely to first infest tree-of-heaven populations if it arrives. Mapping known tree-of-heaven populations allows for strategizing control efforts. Reporting any sightings of tree-of-heaven will help our inspectors when we begin our 2023 Weed Management Program. In some cases, we can apply herbicides to control young plants prior to the development of extensive roots. At no cost to you.

Contact Us

If you have questions about tree-of-heaven identification and control, please contact us:
Amador County Department of Agriculture
209-223-6487
agriculture@amadorgov.org

Tree-of-Heaven



Tree-of-Heaven Identification

Tree-of-heaven (*Ailanthus altissima*) is a fast-growing, deciduous tree native to China and Taiwan. Growing to 65 feet or taller, trees develop a taproot and lateral roots, which sprout stems and forms thickets.

Tree bark is smooth and gray, leaves alternate and pinnately compound, stems have large heart to shield-shaped leaf scars, leaves and stems have a rancid peanut butter or popcorn-like smell when crushed.