



Volcano Community Services District | MINUTES

December 7, 2023 | 7:03 pm | Armory Hall, Volcano CA

Meeting called by N. Bailey

Acting Secretary: R. Korematsu

Directors Present:

C. Corral, R. Korematsu, M. Sorenson

N. Bailey

Absent: J. Norcross

CONSENT AGENDA

November 2023 Regular Minutes and November 2023 Expenditures were on the consent agenda. Checks were issued in the amount of \$10,105.15 and deposits were received in the amount of \$4116.15. M. Sorenson requested a date correction on the November minutes.

MOTION: C. Corral made a motion to accept the November 2023 Regular Minutes as corrected and November 2023 Expenditures. M. Sorenson seconded the motion.

AYES: Unanimous.

Consent Agenda APPROVED.

STAFF REPORTS

1. Secretary — R. Korematsu

SAFER Webinar attendance requested. No one from the Board will be to attend.

2. Hall/Park Manger Report—N. Bailey

February and August for the park rentals, no specific dates given.

3. Billing – Ivan Dana

No report.

4. Hall Committee

The Committee will take over the hall management January 1st. A cleaning deposit will be required in advance. The VCA will be included in this charge. There was a plumbing problem after the last renters. Rob Zehender paid for the plumbing repair, and the District will need to repay him. B. Stein is building out a more robust contract for renting the hall, and build out another website.

Meter Reader's Report — R. Zehender

A billing estimate for meter #4 caused a large credit balance. A refund check will be given to the rate payer of meter #4 minus the November bill for refund total of \$108.45.

DISTRICT ENGINEER (DE) REPORT – Nick Lawson

1. Monthly Cleveland Tunnel flow treated and untreated including diverted via black pipe. Plant 22 gpm, black pipe was shut off because it is torn apart and is not providing any water supply and is 0 gpm, tunnel flow is 20 gpm. Linda Lancaster requested a copy of the Bonneau Black Pipe Agreement, which was emailed to her by Meg Gottstein.

2. The State Water Resources Control Board is accepting written public comments on changes to the proposed Hexavalent Chromium Maximum Contaminant Level (MCL) regulation text. The public comment period ends on 15 December 2023, at 12:00 p.m. (noon). The last time the VCSD tested for the MCL it was far below the level. The DE recommended that the District does not need to supply any comment.
3. Procedure for testing Backflow Pine Grove CSD-M. Sorensen. Jeff Shortridge has not been paid for doing the testing that the VCSD requested. Jeff will send a bill to the VCSD, then the VCSD will charge the customers.
4. Build weir outside Cleveland Tunnel- N. Lawson will get some measurements. As soon as George Barnes signs the District Engineering contract, Nick and George will work on building the weir.
5. Develop a capital improvement plan so that the District can prioritize projects. M. Sorensen is working on an Excel Spread Sheet which will be presented to the Board when complete. M. Sorensen will discuss with N. Lawson. Item continued.
6. Updated District Engineers contracts-M. Sorensen. The contracts have been sent out to N. Lawson and G. Barnes.
7. Lock broken on plant door –M. Sorensen. Item continued.
8. Invoice N. Lawson. This invoice did not cover routine items. **ACTION C.** Corral made a motion to pay \$786.25 for N. Lawson for extra work as covered. R. Korematsu seconded.
 AYES: Unanimous.
 MOTION: Approved to pay N. Lawson \$786.25 for extra work.
9. Water shut off Meter 6-Information. The meter is still locked off.
10. Review of completed testing results for the current quarter. All testing has been completed.
11. Any issues, etc. to address. The state is going to let us know if we can put the redwood tank online, or will require a liner due to very small leaks. Craig Bonneau asked if N. Lawson has any personal knowledge of damage to the pipe was torn up and broken, and N. Lawson said he does not have personal knowledge, but was told this.

REGULAR AGENDA

1. Old Redwood Tank-J. Norcross Information. The VCSD does not own the old redwood tank, it is owned by Bonneau Trust, therefore any issues regarding the old redwood tank are moot.
2. Board to review internal controls as indicated in the audit and consider adoption as operational improvements- R. Korematsu. **ACTION C.** Corral moved to accept the proposal for District duties and processes as recommended by the Internal Control Letter from the auditor, and was seconded by N. Bailey.
 AYES: Unanimous.
 MOTION: Policy Proposal approved.
3. Rezoning of Ketron Property and Board Discussion and Decision – R. Korematsu **ACTION** Craig Bonneau: The Bonneau family is reviewing all claims to rights for water from the

Cleveland Tunnel. The Bonneau family would like to avoid legal issues with the VCSD. Ms. Lancaster said they are really opposed to the development. C. Corral made a motion for the Board to support the letter sent by R. Korematsu to the Planning Commission regarding the property rezoning and Notice of Exemption for Environmental Review by sending an email to the Planning Commission supporting the letter, N. Bailey seconded the motion.

AYES: Unanimous.

Motion Approved to send follow-up to Planning Commission indicating that the VCSD supports the letter contents.

4. Letter to PG&E from D. Ketron and Director Follow-up Assignment. **ACTION** M. Sorenson will be reaching out to the PG&E Coordinator.
5. Letter from M. Gottstein **ACTION**. The letter indicated that due to the lack of records from the former General Manager and the absence of balances due that the District may be owed more money than is currently shown on the billings sent to customers. N. Bailey stated that all monies have been collected, and monies were not zeroed out. C. Corral suggested getting all the billing documents to Michael Adams from all sources, Meg Gottstein and Nancy Bailey, Rob Zehender, and Ivan Dana. Nancy Bailey will get her documents to Michael Adams, and all the other sources for documents will coordinate with C. Corral and Meg Gottstein. This is to be done as soon as possible.
6. Response to letter from M. Gottstein-N. Bailey **ACTION** N. Bailey shared her response above.
7. State Water Board, Division of Drinking Water- N. Bailey Information Citation was managed and approved by the State Water Board.
8. Resignation letter from J. Norcross **ACTION** Tabled until January.
9. Letter from Joe Wolfbrandt regarding interest in serving on the Board. Informational.
10. Review billing criteria-C. Corral **ACTION** C. Corral wanted to have the previous balance, payment, current amount due, and total due all showing the water bills. R. Korematsu made a motion to have the bills show the previous balance, amount paid, current amount due, and total due, C. Corral seconded.

AYES: Unanimous.

MOTION APPROVED.

11. El Dorado CD. Procedure for removing a name. Recommendation for changing the term. Add a new signer if staying at El Dorado. R. Korematsu made a motion to close the account at El Dorado Savings and open a CD at Bank of Stockton, C. Corral seconded the motion. Rebecca Korematsu and Mike Sorensen will be the signers on the account.

AYES: Unanimous.

MOTION APPROVED.

12. CSDA 1 complimentary Special District Board Member/Trustee Handbook N. Bailey Information. The Secretary will be the recipient.
13. Second Post Office key to a Director. The key was given to R. Korematsu.

14. Improvements and Updates to VCSD Website – R. Korematsu Information. Ongoing development and improvement to the Website and now online Portal is available to upload and permanently house all documentation electronically.

Hearing for those who wish to address the board (limited to 3 minutes per person)

M. Sorenson requested all the action items to be listed first, then the informational items to prioritize our time more effectively.

Meeting was adjourned at 9:28 pm.

NEXT REGULAR MEETING: January 4, 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 (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 December 7, 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 regular meeting of November 2, 2023
2. November 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 the Board for a report and action at a subsequent Board Meeting.

STAFF REPORTS:

Secretary-R. Korematsu
Billing-I. Dana.
Hall Committee-
Meter Reading-R. Zender

DISTRICT ENGINEER'S REPORT- Nick Lawson

1. Monthly Cleveland Tunnel flow treated and untreated including diverted via black pipe.
2. The State Water Resources Control Board is accepting written public comments on changes to the proposed Hexavalent Chromium Maximum Contaminant Level (MCL) regulation text. The public comment period ends on 15 December 2023, at 12:00 p.m. (noon). **ACTION**
3. Procedure for testing Backflow Pine Grove CSD-M. Sorensen.
4. Build weir outside Cleveland Tunnel- D.Ketron. N. Lawson will get some measurements.
5. Develop a capital improvement plan so that the District can prioritize projects. M. Sorensen is working on an Excel Spread Sheet which will be presented to the Board when complete. M. Sorensen will discuss with N. Lawson.
6. Updated District Engineers contracts-M. Sorensen. **ACTION**.
7. Lock broken on plant door –M. Sorensen **ACTION**
8. Invoice N. Lawson. **ACTION**
9. Water shut off Meter 6-Information.
10. Review of completed testing results for the current quarter.
11. Any issues, etc. to address.

AGENDA

1. Old Redwood Tank-J. Norcross Information
2. Board to review internal controls as indicated in the audit and consider adoption as operational improvements- R. Korematsu **ACTION**
3. Rezoning of Ketron Property and Board Discussion and Decision – R. Korematsu **ACTION**
4. Letter to PG&E from D. Ketron and Director Follow-up Assignment. **ACTION**
5. Letter from M. Gottstein **ACTION**
6. Response to letter from M. Gottstein-N. Bailey **ACTION**
7. State Water Board, Division of Drinking Water- N. Bailey Information
8. Resignation letter from J. Norcross **ACTION**
9. Letter from Joe Wolfbrandt regarding interest in serving on the Board. Informational
10. Review billing criteria-C. Corral **ACTION**
11. El Dorado CD. Procedure for removing a name. Recommendation for changing the term. Add a new signer.
12. CSDA 1 complimentary Special District Board Member/Trustee Handbook N. Bailey Information.
13. Second Post Office key to a Director.
14. Improvements and Updates to VCSD Website – R. Korematsu Information

Follow up from previous meeting (s)

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

To the VCSD Board of Directors: Rebecca Korematsu, Cynthia Corral, Jane Norcross, Michael Sorensen

From: Nancy Bailey

Bills paid and checks received: November 2023

2138	Nick Lawson	October	2000.00
2139	Streamline	Web 7/23-7/24	600.00
2140	Aces	10/1/23-12/31/23	364.65
2141	Kamps	Propane	283.25
2142	Domain Listings	Annual Website	288.00
2143	Upcountry Pool Center	Chlorine	286.31
2144	Jeffrey Randall	Replace floats & Labor	1000.00
2145	Alpha	Testing	1765.00
2146	CSDA	Annual Membership 1/1/24-12/31/24	343.00
2147	Volcano Communications	Account #19537	58.13
2148	Volcano communications	Account #53540	55.12
2149	Water Boards	Water System Fees 7/1/22-6/30/23	365.00
2150	PG&E	Hall	142.44
2151	PG&E	Wells & Pump House	157.46
2152	PG&E	Street Lights	363.86
2153	Meg Gottstein	Staples printer ink	65.93
2154	Nick Lawson	November	2000.00
	Total		10105.15

Deposits: 1907.89 (Warrant 419.25), 2208.26

Total	4116.15
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Balanced with the October Bank Statement; November Bank Statement not available yet.

VOLCANO COMMUNITY SERVICES DISTRICT INTERNAL CONTROLS ADOPTED DECEMBER 7, 2023

ISSUES/COMMENTS FROM AUDITOR	PROPOSED PROCEDURES	DOCUMENTATION	RESPONSIBLE PERSON/BACKUP
Duties related to processing customer bills and collecting bills are not adequately segregated.	Customer Billing Collecting, Recording, Depositing Customer Payments Bill Collection	Copies of Bills/Portal 1. Mail pickup 2. Document on Excel File/Portal 3. Electronic Deposit/File physical checks in File Room Provide monthly report to Board of any bill collection activities.	I. Dana/Accountant Secretary/Director Director/Director
A list of billing adjustments should be generated from the system and reviewed by the Board.	Billing Adjustments	Electronic copies.	Accountant
Board should review the Accounts Receivable Aging Report monthly from the Utility Billing System.	Accounts Receivable Aging Report	Electronic copies.	Accountant
Board should review Bank reconciliations.	Bank Reconciliation	Electronic copies.	Accountant
Ensure water readings AND water billings are done at the end of each month.	As possible, last Saturday of each month.	Excel Sheet/Portal	Meter Reader/Bill Creator
Enter water readings into the System.	Meter Madness Excel Sheet in place	Excel Sheet/Portal	
Documentation of the water readings maintained.	Meter Madness Excel Sheet in place	Excel Sheet/Portal	
Water readings and water billings should be backed up.	I. Dana and R. Zehender access on Portal	Portal provides backup	
District unable to provide board packets that included monthly financial reports and other financial reports provided to management and Board members should retain and upload into cloud so any board member can access them.	Board Packets	Packets are being uploaded as of 7/2022 to VCSD website.	Secretary/Director
District unable to provide bank statements for EDSB; District to obtain bank statements for each bank account each month and review activity, interest accrued on the accounts needs to be reflected in the accounting system.	Accountant to access online banking and download bank statements as needed. Preference to be all banking activity with one banking provider.	Multiple directors to have online banking access, accountant will download banking information into QuickBooks program, which is backed up locally and at H&R Block headquarters in Midwest.	Accountant/Directors
District to develop internal control procedures to create a responsible structure for accurate financial reports and proper separation of duties.	Request cash flow and budget comparison quarterly, A/R aging, water sales & expenses monthly.	Portal for reports and contained in minutes packets.	Professional bookkeeping service/Treasurer
District to develop procedures to prepare required reconciliations at year-end ad throughout the year.	Statement of Financial Transactions/Audits	QuickBooks and Portal	Professional bookkeeping service
District to develop P&P to ensure proper separation of duties and oversight.	Ongoing development of Policies and Procedures	Website/Portal	Directors
District did not maintain records on hall rental. Adopt procedures including maintaining a receipt book to track and record hall rental revenue.	Obtain receipt book, create 1-page instructions on how to manage hall and park rental with prices, insurance requirements	Website/Portal	Director/Hall Committee
District to estimate and record the amount of developer-donated assets and related depreciation.	See recommendation.	Portal	President
A couple of accounts did not have assigned account numbers. Assign an account number in a logical sequence to identify the purpose of the account.	Request from professional bookkeeper accounts that have no numbers and numbering suggestions.	QuickBooks	Accountant

VOLCANO COMMUNITY SERVICES DISTRICT INTERNAL CONTROLS ADOPTED DECEMBER 7, 2023

<p>District to draft and implement an investment policy, capital asset policy, and other P&P as needed.</p>	<p>See recommendation.</p>	<p>Website</p>	<p>President</p>
<p>No procedures for periodic inventories of moveable fixed assets. Develop a capitalization policy for capitalizing items and useful lives for depreciating items.</p>	<p>See recommendation.</p>	<p>Website</p>	<p>President</p>