

CANEBRAKE COUNTY WATER DISTRICT
Board of Directors Meeting
Saturday, June 10, 2023

The regular meeting of the Board of Directors of Canebrake County Water District was called to order by President Jerry Bucheit at 9:00 am in McKenney Hall. Please see Attachment 1 for the meeting Agenda.

ROLL CALL: Bucheit called the roll with Daryl Holmes, Jr., Robert Mooney, Gunnar Ramstrum and Ellyn Hae in attendance. Also in attendance was Dean Kuns, Water Manager.

PLEDGE OF ALLEGIANCE:

Holmes led the Pledge of Allegiance.

WELCOMING OF GUESTS: Guests in attendance at the meeting were: Charlie Holmes

APPROVAL OF MINUTES MAY 13th, 2023

Hae asked for two corrections. First, the Board did not vote to approve the financial report in the meeting. She makes a motion to approve the May 13th, 2023, financial report. Holmes seconds. Motion passes.

Secondly, under Correspondence in the discussion of the letter from Bob Fritz, the minutes read: "in our bylaws we have three purposes.

1. Provide potable water
2. Maintain the roads
3. Provide a service for heavy equipment for property owners"

As pointed out in correspondence by Kathy Steuermann, this is not correct. The minutes should now read: "from our historical precedent we have three purposes.

1. Provide potable water
2. Maintain the roads
3. Provide a service for heavy equipment for property owners"

Hae makes a motion for approval of the corrected minutes as written above, Holmes seconds. Motion passes unanimously.

PRESENTATION AND APPROVAL OF FINANCIAL REPORT:

Ramstrum presented the Canebrake Financial reporting for the period (Attachment 2). He read the bank debit transactions (Please see Attachment 2). Bookkeeper Beck suggested re-instituting autopay for reoccurring payments. Bucheit indicated he would like it to remain status quo. Balance Sheet and Income and Expenses are included as part of the brief. Current assets are \$246k. That was about the same number as when Ramstrum started in November 2022.

For the Fixed Assets sheet, Ramstrum changed the category named *Source of Supply* to *Wells, Tanks and Pumps* as well as changed *Transmission and Distribution* to *Pipeline and Meters* to make the categories more understandable (Attachment 2).

Holmes asks if \$246k is an average? Does it vary year to year? Ramstrum said it has been the same for at least for a year before he came on the board.

PRESENTATION OF POSSIBLE INVESTMENT PORTFOLIO

Ramstrum researched the pooled account (Attachment 2). In a discussion with Paul Deschamp, he learned that the CCWD invested with the San Diego County Investment Pool with the County Treasury in accordance with provisions of Government Code Section 53684 on May 2010 for \$22k and in 2015 for \$28k. As of 2023, our pooled balance is \$55k. The rate of return has been at about 1% over the last 10 years.

Ramstrum compared all investments to the California CPI which has a 5-year average of about 3%. We are presently making an average of 0.4% on our current assets. His conclusion is to move some of the savings into an investment company with better returns and reevaluate annually. The goal is to exceed California CPI and inflation. He researched options (Attachment 2). He contacted several firms in which we could invest in an "entity" account. Charles Schwab required a minimum of \$250k. Navy Federal Credit Union does not have entity accounts and then spoke with Morgan Stanley which can set up an entity account for us. Ramstrum walks the board through the options presented in Attachment 2.

Board discusses the various investment options and how much money to invest. Ramstrum says he wants to present to the CIA as well, so it can take advantage. Holmes thanks Ramstrum for conducting the work and the Board agrees.

Hae makes a motion to approve the Financial Report. Holmes seconds. Motion passes unanimously.

Holmes makes a motion to set up an entity account with Morgan Stanley, place \$50,000 from Chase Savings account into Morgan Stanley savings account and \$25,000 from Chase Checking account into Morgan Stanley a 6-month CD with a review of performance at next Board meeting. Mooney seconds. The motion passes unanimously.

Bucheit and Ramstrum will be the official signatories. Ramstrum notes that if a change is required of the official signatories, any officially recognized Board Member can contact Morgan Stanley and the change the official signatories.

FINAL BUDGET DISCUSSION

Ramstrum presents Budget (Attachment 3). Income is estimated at approximately \$58k and expenses at about \$57k. Monies in green and red have a formula in the right column that justifies the number. The items in black were defined by discussion at the previous board meeting and work between Ramstrum and Bucheit. Ramstrum walks the Board through line items. The audit estimate includes the State transaction fee. Costs to fix the backhoe and dump truck are discussed and modified. Replacement and Repair Reserves are discussed. Ramstrum requests clarification on reserves from the bookkeeper. Dean thinks the costs in the next year will be meters. Bucheit notes that CCWD purchased an ink cartridge for Kuns as he prints significant amounts of materials for the CCWD.

Hae moves to pass the budget as presented. Mooney seconds. The motion passes unanimously.

AUDIT UPDATE

Ramstrum tells the board that the audit for 2022 is completed! Sonnenberg & Company sent him the audit for his review on May 31, 2023. It required approximately four half days of Bucheit's and Ramstrum's time. There were two areas of improvement. In our fixed assets if there is any significant change to the system, we need to increase it. In this case, since we increased the value of the Priceline, we increased that asset line item (Pipeline and Meters). Secondly, there were checks written that had not been cashed on the books. Those have been cleared. Once it was completed, Ramstrum asked Sonnenberg when can we begin next year's audit? The answer, it takes one to three months to clear the books, then the next year can begin. So Ramstrum contacted

our bookkeeper and asked if he could complete tasks and direct them to the auditor (He has not heard back). The concept is to set up communication between the bookkeeper and the auditor now to minimize the work for the CFO in the future. He is working on documents and a schedule in a Standard Operating Procedure (SOP). The goal is to reduce the CFO annual audit workload from four half days to four hours; and then to one hour.

The other item he accomplished is that now we have a permanent history of checks online through the Chase checking account.

Huge round of applause!!!!

GOVERNMENT FORMS AND CORRESPONDENCE:

Regarding the solar panels, Bucheit has left messages for Aaron Ross and has had no response. Therefore, the panels are still down. Kunz does have the Mooney well online to keep up with usage as there has been a lot of watering. The period true up of the Peterson well/McKenney Hall is \$28 and the true up for the Mooney well is \$63.

Bucheit asked Kuns if people were contacting him regarding substantial watering in the summertime? Kuns indicated that some are, but on his daily drive if he sees they are there, and they haven't contacted him, he knows they are watering and compensates. Kuns reported that watering is up this summer. And Holmes asked if we were picking it up on the meter readings? Kuns answered yes.

Streamline website bill was paid.

Regarding AB1234 Ethics training, emails have been sent to all board members (except Hae and Holmes) and we are on track to have everyone in compliance this month. Bucheit will check on Hae's and Holmes' emails. Bucheit will also check on the sexual harassment training.

EQUIPMENT REPORT:

Holmes summarized the equipment report included as Attachment 4. No equipment usage during the period. Holmes Jr. and Sr. started the dump truck two weeks ago, added brake fluid, and replaced the pedal. However, it will require further work as reported at the last meeting. He expects the work to be completed when the weather cools down in September.

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Kuns updated the board on the Ford Ranger. Will put on wiper blades and adjust the linkage underneath so it will lock into park easier.

Need to add the golf cart to the Equipment Report since we use for reading meters.

Generator is fired up every two months. Will add that to Equipment Report as well.
Action Item: Holmes will purchase maintenance trickle chargers for the generator and vehicles.

SYSTEM MAINTENANCE AND REPAIRS:

Dean Kuns presented his report covering the period May 14, 2023 – June 9, 2023 (Attachment 5). He thanked the volunteers that lowered and lifted the tank and read his report. Found a black poly pipe leak near Daryl Holmes Jr.'s house. Rob Mooney was a great help. Kunz used the new PVC slip connectors, and they worked well.

Bucheit asks Kuns to maintain a Leak Log. For every leak, please note the nearest resident name and address to provide a record. If on the main line will use a crossroad. Kuns says that if the leak is black poly pipe, it is near a meter.

Ramstrum purchased a simple water sampling test kit for coliform and E.coli and it was received by Kuns. He will try it out when repairing a major leak. The issue is finding a place to take the sample as the leaks are in remote places. He will use the nearest blow off valve.

WATER DELIVERY INFRASTRUCTURE UPDATE:

No report

OLD BUSINESS:

Update Well Water Spectrum Analysis

Bucheit will purchase, and the test will be administered before the next meeting.

Update Well Water Level Sounding Device

The sounding device was purchased and received by Mooney. Discussion of implementation. Either drop a line or determine a range and take readings until the static water level is determined. We also need a temperature reading or will get a 1%

variation. Kunz will try using a mercury thermometer or a shot gun type thermometer to take a temperature reading. Want to have a reading before the next meeting.

Presentation of Changes to CCWD By-Laws

Hae reviewed the Bylaws changes approved in the previous meeting as Ramstrum projected revisions for the Board to read (Attachment 6).

NEW BUSINESS:

Ultrasonic Leak Detection Flow Metter

In response to Frank Colver's idea to place a bypass flow meter valve off meters in strategic locations throughout the community (positive displacement meters), Ramstrum presented a brief detailing options to purchase a ultrasonic device to allow the CCWD to find leaks without having to tap into the pipe (Attachment 7). Ramstrum discussed Canebrake waterline diagram and Dean clarified that the diagram illustrates the water lines not the streets. The idea is that in the summer when there is no usage, the device would sense water movement in the line. If the device was placed in the middle of Canebrake, and no one is there and there is water movement, the leak will be on the northern half. If there is no movement, the leak is on the southern half. Use of this device would cut the area to target leaks in half thereby saving Kuns significant time in tracking down the leak. It could also be used to identify existing slow leaks in the system by isolating different areas of Canebrake. The portable device with two sensors costs approximately \$1,000. A healthy discussion ensued, there were too many variables, the board was not able to come to a decision, and the item was tabled for passage to Frank Colver and further research.

One additional possibility was discussed. CCWD could put one positive displacement meter at the halfway point and see if we can identify slow leaks/weeping. Mooney likes this idea as it would identify the health of our system. Ramstrum points out that we meter 1,500 gallons and lose 1,500 gallons. Kuns notes that is not just leaks, we use a significant amount of water in flushing. Ramstrum is waiting for the month when we have no large leak and we can crosscheck our metering with the pumped amount to determine our slow leakage/flushing. The board decided to table this discussion but pass the research to Frank Colver.

CORRESPONDENCE:

Buchheit read the letter to the Board of Directors from Kathy Steuermann (Attachment 8). Buchheit notes we have covered the Bylaws issue by correcting the minutes. Hae indicates that she cannot find a portion of the Rules and Regulation that designates that

the CCWD is culpable for leaks on private property and perhaps we can ask Kathy for clarification? Bucheit speaks to the fact that last year, letters were written stating that the CCWD was negligent by not maintaining enough water in storage and Kuns was chastised in the letters for maintaining the tanks at low levels. At that time, Bucheit contacted both Cal Fire of Shelter Valley and Cal Fire of East County and was told that they do not expect us to provide water. Bucheit reported that information at the Board Meeting after receiving the letters.

Kuns says that no matter what the emergency if we run the two wells, we will have more than enough water for anyone to do whatever they needed to do. Hae reminds everyone Ramstrum always says that we have 5 miles of water in the lines.

Holmes talks to the point that we don't have the equipment to fight fires.

Ramstrum goes back to the point that we are not saying we are not providing water. Bucheit says we are not asked to do so by Cal Fire.

Regarding fire hydrants, Hae says I think Kathy is responding to the fact that the minutes of the last meeting read, we do not have fire hydrants. Bucheit says I said that because they are really blow off valves that are painted red. The connections/hoses do not work as fire hydrants. They are not six-inch valves. They would have to be approved by Cal Fire and the County of San Diego. Bucheit says on further consideration, we do have one fire hydrant that they have been able to use by the round tank.

Mooney says if we were to do a fire suppression system, we would have to create letters of agreement with the public agencies defining responsibilities. There would be a significant cost to the community that we would have to pass on to the community. Therefore, the entire community would have to be involved. If the community wants to do it, we can do it, but the community must incur that level of effort, not just the CCWD.

Hae will draft letters to Kathy Steuermann and Bob Fritz now that the issues have been clarified by the board.

Bucheit thanked all for being here. Special thanks to the Holmes for the lemon cake.

GOOD OF THE ORDER:

Mooney said that he didn't think there was another water district in the State that was as Mom and Pop, innovative and professional as the CCWD. We should be a case study. Kuns passed on when Mario, xxxxx came out, he said that he is always caught up in the

“city stuff.” He said it was a breath of fresh air to come out here and see CCWD water lines and the way we do things.

ADJOURNMENT:

Motion by Hae, seconded by Holmes to adjourn. Motion carried. Meeting adjourned at 12:00 p.m.

NEXT MEETING:

Saturday, September 9, 2023, at 9 AM
McKenney Hall

Attachments

eh