

**Minutes of Board Meeting
Covelo Community Services District
April 9, 2025**

Purpose: To provide oversight and set policy as applicable to the proper functioning of the District.

Convene: 6:10pm

***Roll Call:** Board – Joe Gauder, Sherrie Lee, Crispin Littlehales, John Marshall; Staff – Dane Downing

***Approval of Agenda for April 9, 2025** – Joe motioned & Crispin seconded to approve the agenda, it passed unanimously.

Closed Session 1: Initiation of Litigation – One Case, Government Code Section 54956.9(4) – Began 6:11, Completed – 7:03

*District Counsel did not attend; Board discussed billing issues and best solutions; Board declared litigation is no longer to needed in this case.

Content 1:

***USDA Fire Hydrant Project:**

- **USDA Planning Grant – Application Submitted** – No updates since application submission. Awaiting County's determination if the project is fundable.
- **CA CERF Redwood Region Rise Grant – No Updates**

Consent Agenda: Approval of March 2025 Financial Reports, District Manager Report, Plant Operator Report, and Minutes for March 8, 2025 special meeting and March 12, 2025 regular meeting. Joe motioned & John seconded to approve the consent agenda; it passed unanimously.

Public Comment – Non-Agenda Items: There were discussions regarding business development and requirements of REU's.

Correspondence: Audit seems close to being completed; Completed 700 forms were sent to the County before the April 1 deadline; LAFCo sent ballot for their Board, Board discussed & vote, completed ballot will be sent.

Content:

***Grant Updates**

- **Sonoma Clean Power – Second Revision of Draft Concept Paper** – Rebecca & her team had a site visit to the plant and did a brief overview of potential floating solar array locations, they are compatible with HP2 level changes
- **DWR Grant – \$1.345m Total, PG&E Approved! Panels On** - PG&E Final inspection was scheduled, attempted to be postponed, begged to be kept, technician showed up & approved. Required a couple main panel signs which were fabricated & received. They will get installed.
- **EPA – WaterTA Grant** – Kick-Off meeting is scheduled for April 15, 2025. Priority was the lift station replacement. CCSD has since replaced all lift station equipment due to equipment failures since that priority was set. New priority proposes to focus on disinfection system replacement and/or wetland pond rehabilitation.
- **FEMA/CalOES Grant** – Received our first notice of payment for one of three projects. FEMA stated it would pay their 75% (\$15,591.21) of the \$20,788.28, CalOES with pay 75% of the remaining 25% and hold 10% retainage and 10% in admin fees. More notice of payments will be received as they are processed. Payments follow soon after.
- **Waterboards Technical Assistance Grant 2024** – None.

***Discuss & Vote: Steps for Proposing a Rate Increase** – Board discussed best path to a needed rate increase. An informal rate study is preferred given a formal rate study cost estimate over \$10k and the time frame of at least 3 months. Formal rate study not practical for these reasons. Also, rate increase staggered over a 5-year period is recommended. John motioned and Sherrie seconded to approved initiating an informal rate study, draft a rate increase letter and hold a special meeting near the end of April to review progress.

***Outstanding County Liens – 14 Cleared** – 14 liens were settled with the County. County lien binder is empty.

***Discuss Covelo CSD's Letterhead Options** – John presented a couple options for letterhead; they were discussed and few edits were proposed. John will revise and bring them back for final review at the next meeting.

***Budget Amendment – Transfer \$5000 from Acct 42160 to Acct's 42010 & 45010** – There are unplanned labor expenses for GM & BK due to Plant Operator changes. GM & BK have been accommodation the extra duties. Given there are unused funds in Acct 42160, it is recommended the Board consider a budget amendment to adjust for these unforeseen labor expenses (Acct's 42010 & 45010) due to the Plant Operator's absence and Utility Worker future training. Joe motioned, John seconded to approved a transfer of \$7000 from Acct 42160 to Acct's 42010 & 45010, it passed unanimously.

Closed Session: Labor Negotiations, Began – 8:32, Completed – 9:16 – Board discussed Utility Worker applications and 4-14-25 to 6-30-25 Employee Agreements; John motioned, Crispin seconded to approve the new Utility Worker and to approve the 4-14-25 to 6-30-25 Utility Worker, General Manager, & Bookkeeper Employee Agreements.

Next Month's Meeting: It was agreed to hold regular meeting at 6:30pm instead of 6:00pm; May 14, 2025, 6:30pm.

Meeting Adjourned: 9:17pm