

**CONFORMED AGENDA**  
**REGULAR MEETING**  
**GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT BOARD OF DIRECTORS**  
**6425 MAIN STREET, GEORGETOWN, CALIFORNIA**  
**TUESDAY, FEBRUARY 14, 2017**  
**2:00 P.M.**

**MISSION STATEMENT**

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It is the purpose of the Georgetown Divide Public Utility District to:

- Provide reliable water supplies
  - Ensure high quality drinking water
  - Promote stewardship to protect community resources, public health, and quality of life
  - Provide excellent and responsive customer services through dedicated and valued staff
  - Insure fiscal responsibility and accountability are observed by balancing immediate and long term needs.
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**1. CALL TO ORDER, ROLL CALL, AND PLEDGE OF ALLEGIANCE**

*The meeting was called to order at 2:00 pm. Directors present: David Halpin, Jesse Hanschild, Carl Hoelscher, Lon Uso and Dane Wadle. Staff present: Interim General Manager Darrell Creeks, Office Manager Diane Schroeder, Project Manager George Sanders, Interim Operations Manager Marty Ceirante and Meeting Recorder Gloria Omania. Legal Counsel: Barbara Brenner of Churchwell White.*

**2. ADOPTION OF AGENDA**

*Director Hoelscher asked Steve Palmer as the Board's selected General Manager, to make comments on the agenda. Mr. Palmer offered to make comments during public comment.*

***Motion by Director Wadle to adopt the agenda. Second by Director Hanschild.***

***Public Comment:*** *Steve Palmer stated that although he had just briefly reviewed the agenda, he thought the agenda items were appropriate.*

***The motion passed unanimously.***

- 3. PUBLIC FORUM** – Any member of the public may address the Board on any matter within the jurisdictional authority of the District. Public members desiring to provide comments, must be recognized by the Board President, and speak from the podium. Comments must be directed only to the Board. The public should address the Board members during the public meetings as President, Vice President, or Director, followed by the Board member's individual last name. The Board will hear communications on matters not on the agenda, but no action will be taken.

No disruptive conduct shall be permitted at any Board meeting. Persistence in disruptive conduct shall be grounds for summary termination, by the President, of that person's privilege of address.

*No Public Comment.*

#### 4. CONSENT CALENDAR

##### A. Approval of Minutes -

1. Regular Meeting of January 10, 2017
2. Special Board Meeting of January 30, 2017

##### B. Financial Reports

1. Early Pays – February 2017
2. December 2016 Month End Payable Activity Report
3. December 2016 Month End Revenue and Expense Summary Report
4. Auburn Lake Trails Zone and CDS Summary

##### C. Mid-Term Budget and Investment Review

##### D. Surplus Equipment

**Discussion** – Staff has identified a vehicle that is no longer in use and unable to pass a smog check. This vehicle should be declared as surplus.

**Possible Board Action** – It is Staff's recommendation that the Board declare said vehicle as surplus and direct Staff to dispose of it through an auction or through other appropriate action.

**Motion by Halpin to approve the Consent Calendar. Second by Director Hanschild.**

**Public Comments:** Ray Kringel of Garden Valley commented that the Mid-Term Budget and Investment Review should be reviewed and not just passed as a consent item.

**Director Halpin amended his motion to pull Consent Item C, Mid-Term Budget, from the Consent Calendar, and approve the balance. Second by Director Wadle.**

**The motion passed unanimously.**

*Director Wadle asked for an update from staff. Office Manager Diane Schroeder presented the report and summarized that at mid-year, the District is around 52% in expenditures.*

**Motion by Director Wadle to approve the Mid-Term Budget and Investment Review. Second by Director Hanschild.**

**Public Comment:** Ray Kringle raised following points:

- 1) *The total payments to CalPERS shown in the December Cash Disbursement Report is about \$50,000 for approximately \$500,000 a year, but the budget shows an amount of \$117,592 for this category. He expressed concern that the balance is coming from reserve funds which reduces the value of the District by that amount.*
- 2) *The numbers for Retiree Health Premiums shown in the Mid-Year Expense Summary and the Statement of Cash Balances "don't jive."*

*Diane Schroder stated that the Retiree fund and the Employee CalPERS are two separate funds; and Director Uso added, "with two separate purposes."*

*After additional discussion about the CalPERS budget, Director Uso stated that the district has undoubtedly been running in the red for quite a while, which is why the District has initiated a Proposition 218.*

*Director Wadle stated that future reports need to also show the revenue side. The District must provide a complete picture of the Budget with greater clarity for the public.*

*Director Uso then called for a vote on the motion to approve the Mid-Year Budget and Investment Review.*

***The motion passed unanimously.***

**5. Approve and Execute Employment Agreement with New General Manager**

**Discussion** – After an extensive search, the Board has announced the hiring of Steve Palmer as the new General Manager.

*Director Uso stated that the Board was pleased to announce the selection of Steve Palmer as the new General Manager. He added that through the interview process, the Board found Steve Palmer to be heads and shoulders above the other candidates.*

*Working with the executive search consultant and Legal Counsel, Director Uso stated that the Board put in a lot of work and thought into this contract with the new General Manager.*

**Possible Board Action** – Approve and execute Employment Agreement.

***Motion by Director Hanschild to approve and execute the Employment Agreement with Steve Palmer. Second by Director Hoelscher to approve the Employment Agreement.***

*Director Wadle echoed Director Uso's comments about Mr. Palmer's excellent qualifications, adding that he is also looking forward to working with him.*

***Public Comment:*** Steve Palmer thanked the Board adding that he's excited and honored for the opportunity and looks forward to working with the Board to serve the community.

*Barbara Brenner stated that the contract drafted by Legal Counsel should reflect an effective date of March 6, 2017, not February 14, 2017. She indicated this can be changed and initialed.*

***The motion passed unanimously.*** The unanimous vote was followed by applause.

**6. PRESIDENT'S REPORT**

*Director Uso stated he had nothing to report.*

**7. BOARD REPORTS**

*No reports from other Board members.*

**8. GENERAL MANAGER'S REPORT**

*Interim Director Darrell Creeks summarized his written report, adding the following points and receiving comments from the Board and other Staff:*

- *An amendment to the Ordinance or a new Ordinance is needed with clear direction for staff on how the District charges this new supplemental fee.*

*The Board directed Staff to work with Legal Counsel on an Ordinance for the Board's consideration at the Board meeting of March 14, 2017.*

- *The RFP for the New Meter Project will be issued on Friday for a 30-day bid period. A Special Meeting may be necessary to award the contract and take action on the financing plan for the loan. It is important to move quickly to preserve the low interest rate for the loan.*

*In response to Director Uso's inquiry, Legal Counsel Barbara Brenner stated that the RFP does not require the Board's approval.*

- *RCAC will provide Staff with an update. This will be scheduled after March 6 when General Manager Steve Palmer will be on board.*
- *John Kingsberry fought hard on behalf of the Mountain Counties to end the drought, but the Governor has extended it to the end of the year, but will review it again in June.*
- *Given the emergency at Oroville Dam, Mr. Creeks, with George Sanders' assistance, reported on Stumpy and its spillway capabilities. The spillway was inspected twice last year and found to be working well. The main spillway is designed to handle a 1-in-60,000-year flood, which is 7,911 cfs going over the spillway. Close to 5,000 cfs was going over it a few weeks ago. Beyond that spillway capability, there is 4.5 feet of free board above that so it can actually handle up to 12,000 cfs.*

## **9. OPERATIONS MANAGER'S REPORT**

*Marty Ceirante summarized his written report and the following additional comments were received from Staff and Board members:*

- *Staff hopes to bring the contract for the recoating of the Walton Storage Tank to the Board for approval at the next meeting with project completion before the height of Spring demands, with the weather's cooperation.*
- *Completed required testing and found no problems throughout the distribution system. There were unusually high flows of wastewater in ALT that exceeded our design capacity, but we also had 22.8" of rain in January and we still have rainwater infusion of water. In response to Director Wadle's inquiry, Mr. Creeks stated that this is not a violation; it is not a reportable item, but it was reported to the State.*
- *The crew's work schedule has been adjusted to accommodate the weather.*
- *In response to Director Hoelscher's inquiry about the gunite work, Mr. Ceirante reported the weather has made this difficult. Mr. Creeks added the gunite work may not happen due to lack of funds. The \$110,000 set aside for Capital projects have been shifted around to meet higher priority projects.*

## **10. FINANCE COMMITTEE REPORT**

- A. Finance Committee Minutes of January 24, 2017 Meeting.**

**B. Finance Committee Agenda – February 21, Meeting**

*Dennis Goodenow summarized the Finance Committee Report on RCAC Rate Structures.*

*Mr. Goodenow asked how the Board would like the Finance Committee to share their thoughts on the RCAC Study. Director Uso stated that he preferred a workshop format because it allows for public participation. Director Halpin stated that he supports whatever method provides the greatest transparency.*

*Darrell Creeks commented that the presentation by the Finance Committee should occur after Staff has had an opportunity to meet with RCAC.*

*After additional discussion about the sequence of these meetings and workshops, the Board agreed to schedule the Finance Committee presentation during the Special Meeting that will be set to award the contract for the new meters, which is expected to be around March 20.*

**11. ACKNOWLEDGE RECEIPT OF 2016 AUDIT REPORT**

**Discussion** – The District received on January 30, 2017, the final signed copy of the Financial Statements along with the Final Management Report from Fechter & Company.

*Office Manager Diane Schroeder commented that the report included no specific findings. Director Wadle praised Staff's efforts on the clean audit. Ms. Schroeder added the CPA paid attention to the previous audit, and made necessary changes to the audit process.*

**Possible Board Action** - It is Staff's recommendation that the Board acknowledge receipt of the report.

**Public Comment:** *Referring to the Cash Flow Report, Kevin McLarren commented that he was pleased to see that the information presented by Staff last year was supported by the audit results.*

*Director Hanschild asked if changes should be made to the audit process. Director Uso indicated changes will be made by the full Board as discussed in closed session.*

**The Board acknowledged receipt of the Board and indicated Staff can post the Audit Report to the website.**

**12. PROFESSIONAL SERVICES AGREEMENT – SIREN & ASSOCIATES**

**Discussion** – The District has contracted with Siren & Associates since 2006 to assist the District with regulatory compliance for both the Public Water and Onsite Wastewater Management Zone reporting. The District has received a proposal from Siren & Associates for the period beginning February 12, 2017, through February 12, 2018, for a total contact amount not to exceed \$34,906.

*Darrell Creeks informed the Board that Becky Siren was previously employed for many years by the District as the Operations Manager for Water Quality. That position remains unfilled so the District has contracted with Siren & Associates to prepare State-required reports. Mr. Creeks described the valuable and excellent services provided by Siren & Associates. She is very familiar with the District operation and interfaces well with State agency representatives. She does a great job with preparing the reports. The last contract included the development of the Urban Water Management Plan. Director Uso added that she's a superstar.*

**Possible Board Action** – It is Staff’s recommendation that the Board approve this Professional Services Agreement with Siren & Associates.

**Public Comment:** *Director Hoelscher asked Steve Palmer to comment on this agenda item. Mr. Palmer stated that the elimination of the E&O requirement is of concern as the liability would become the District’s.*

*The ensuing lengthy discussion related to the following points:*

- *The previous contracts with Siren & Associates have not required E&O insurance.*
- *The consultant has indicated she is not interested in contracting with the District if E&O is a requirement.*
- *If this contract is not renewed, Staff will be required to prepare the reports.*
- *The District’s General Manager signs off on all the reports prepared by the consultant.*
- *George Sanders stated that he feels the exposure to liability is minimal.*
- *The Board discuss options for providing E&O coverage.*
- *The Board can move forward with the Contract and continue to explore options for E&O coverage.*

**Motion by Director Hoelscher to accept Staff’s recommendation. Second by Director Hanschild.**

**Public Comment:** *Dennis Goodenow stated that the District does not currently have adequate staffing to take on this reporting activity.*

**The motion passed unanimously.**

### 13. **CalPERS DISCOUNT RATE CHANGE**

**Discussion** – The District has received notification from CalPERS of recent changes to the discount rate assumption and the impact of these changes on required employer and member contributions.

*Director Uso stated that mistakes were made in the past and the reality is that the Board has no choice but to fulfill the obligation.*

**Possible Board Action** – It is Staff’s recommendation that the Board acknowledge receipt of this notification and direct Staff to provide the Board with an analysis of how this change will impact the District’s budget at a forthcoming Board meeting.

**Motion by Director Halpin to acknowledge receipt of letter.**

**The motion passed unanimously.**

### 14. **TRAINING ON BEST PRACTICES IN PENSION AND BENEFITS ADMINISTRATION**

**Discussion** – Given the relevance of pension issues faced by the District, Director Wadle requested Board approval to attend training on Best Practices in Pension and Benefits Administration offered by the Government Finance Officers Association on March 21-22, 2017, in Reno, Nevada. Staff has learned that this class has been cancelled.

*Director Wadle reported to the Board that he found another course available, entitled, "Managing the Budget Process" and asked for the Board's approval to attend as an alternative.*

**Possible Board Action** – It is Staff's recommendation that the Board should direct Staff to identify similar training opportunities for Board Members and Staff to attend.

***Motion by Director Halpin to approve Dane's attendance. Second by Director Hanschild.***

*Staff confirmed that there are sufficient funds in the training budget to cover the \$450 costs.*

**VOTE: Ayes: Directors Hanschild, Halpin, Uso and Wadle  
Noes: Director Hoelscher**

***The motion passed.***

## 15. WATER RIGHTS

**Discussion** – At the Board meeting of January 10, 2017, the Board directed Staff to add this item to the Board's agenda.

*Darrell Creeks provided additional information to the list of Water Rights listed in the written staff report.*

*Subsequent discussion ensued regarding the amount of water flowing into the GDPUD system from Onion Creek at 4,000 acre feet.*

*Legal Counsel Barbara Brenner pointed out that five years of non-use of water rights is abandonment. Additional discussion followed about record of use.*

**Possible Board Action** – It is Staff's recommendation that the Board receive and file information provided and direct Staff to schedule a Water Rights Workshop in the near future.

***Staff was directed to request a report from ECORP Consulting on the current status of the District's water rights.***

***The Board received the report for file.***

## 16. CONSIDER REQUEST FROM DEAN LACEY TO SPLIT IRRIGATION WATER SERVICE

**Discussion** – During the regular Board meeting of January 10, 2017, the Board deferred action on this request from Dean Lacey, an irrigation customer, pending a closer review of the current Irrigation Ordinance.

*Darrell provided a brief overview of this item which was carried over from the previous Board meeting.*

**Possible Board Action** – Staff is neutral on this matter recommendation and awaits direction from the Board.

*The Board discussed the need to amend the Irrigation Ordinance to provide greater clarity and enforceability.*

**Motion by Director Hoelscher to deny this request. Second by Director Hanschild.**

**Public Comment: None.**

**The motion passed unanimously.**

**17. ACWA SPRING CONFERENCE**

**Discussion** – The ACWA Spring Conference is scheduled for May 9-12, 2017, in Monterey, California.

*Director Hoelscher questioned the need to send more than one representative to the conference.*

*After some discussion about the value of attending the conference, it was confirmed that Directors Hanschild, Uso and Halpin will be attending the ACWA Conference, along with General Manager Steve Palmer.*

**Possible Board Action** – It is Staff's recommendation that the Board approve attendance by Staff and interested Board members and direct Staff to follow registration requirements.

*Staff confirmed there are sufficient funds in the Budget, and the Board directed Staff to make registration and hotel arrangements for those attending. The Board also asked Staff to change the May meeting date to May 8 since the first day of the conference is May 9, the regular meeting date.*

**18. FINANCIAL ASISTANCE FOR GDPUD CUSTOMERS IN HARDSHIP CASES**

**Discussion** – District Staff was directed by the Board at its meeting of January 10, 2017, to search options for providing financial assistance to GDPUD customers who are experiencing financial hardship in paying their water bills.

*Diane Schroeder stated that she has been working on creating a staff-supported "Helping Hands" project with Director Hanschild to assist GDPUD customers in financial hardship cases.*

**Possible Board Action** – It is Staff's recommendation that the Board receive the findings and direct Staff accordingly.

*The Board expressed unanimous support for this effort to provide financial assistance to customers in hardship cases.*

**19. ALT TREATMENT PLANT UPDATE**

**Discussion** – This constitutes this month's update on the ALT Treatment Plant Project.

*George Sanders summarized his monthly report adding the following points:*

- *Mr. Sanders stated that Director Hoelscher, acknowledging his construction experience, shared some information on how the do something different on the Techite pipe for a reduced cost. Mr., Sanders described the plan to replace a portion of the 30" raw water Techite pipe.*



- *The RFP for construction management services closed on February 10. Ten firms expressed an interest. Staff is reviewing the four proposals that were received. Mr. Sanders briefly described the four proposals that were received. The Board was receptive to Mr. Sanders' statement that there may be a need for a Special Meeting to award the contract.*

**Possible Board Action** – It is Staff's recommendation that the Board receive and file this report.

***The report was received and filed.***

20. **AUBURN LAKE TRAILS WATER TREATMENT PLANT PROJECT – CHANGE ORDER AUTHORITY**

**Discussion** – Construction activities are about to begin on the Auburn Lake Trails Water Treatment Plant Project. Elements of construction will move rapidly. Inasmuch as the Board regularly on a monthly basis, there is a benefit to authorizing Staff (General Manager) to approve change orders during construction. This is a common practice within the construction industry.

**Possible Board Action** – Authorize General Manager to approve and process Change Orders on the ALT Project, with Meyers & Sons Construction, for a total amount not to exceed \$10,000.

*Mr. Sanders described the common practice of allowing District staff to approve change orders during construction and discussion followed about the merits of this authority to reduce delays.*

***Motion by Director Hoelscher to approve Staff's recommendation. Second by Director Halpin.***

***PUBLIC COMMENT: None.***

***The motion passed unanimously.***

21. **PSOMAS CONTRACT – ENGINEERING SUPPORT DURING CONSTRUCTION OF ALT WATER TREATMENT PLANT**

*Mr. Sanders presented Staff's recommendation to authorize the General Manager to enter into a Contract Amendment with PSOMAS, in an amount not to exceed \$276,226, for engineering support services during construction of the ALT Water Treatment Plant. The funds of this work are on reserve within Fund Accounts 24, 35, and 39.*

*Director Hoelscher asked for input from Steve Palmer. Mr. Palmer stated that, although he hasn't seen the overall budget for the project, the 2%-3% range for this type of work is appropriate and he would definitely support and encourage a contract with the engineering firm that did the design to provide engineering support during construction.*

***Motion by Director Wadle to approve Staff's recommendation. Second by Director Hanschild.***

***Public Comment:*** *Dennis Goodenow commented that the 218 should look at the total cost of the project, not just the loan repayment amount. He asked if there is going to be another 218 to adjust the water rates, whether the Board add or supplement the surcharge as part of that 218 process?*

Mr. Sanders responded that the State wanted the District to have an investment in the project so that State loan is for \$10 million, with the remaining funds coming from other sources. He added that it was made clear that the supplemental charge relates to that loan specifically; Barbara Brenner agreed.

**The motion carried:**

**Votes: Ayes: Directors Halpin, Hanschild, Uso, Wadle**

**Noes: Director Hoelscher**

22. **BOARD MEMBER COMMENTS, REQUESTS FOR ADDITIONS TO FUTURE MEETING AGENDAS AND REQUESTS FOR INFORMATION OR RESEARCH TO BE COMPLETED BY STAFF** – Opportunity for Board members to discuss matters of interest to them and provide input for future meetings as well as report on their District-related meeting attendance.

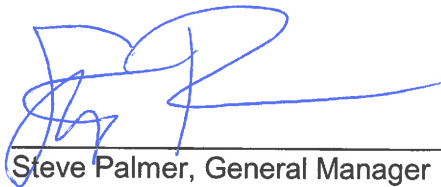
**Dane:** Legislative Update at Capitol – letters of support/oppose. Add Dane and Dave to Legislative Updates.

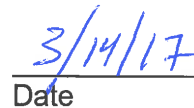
**ACWA recommending another 218 constitutional amendment.**

23. **NEXT MEETING DATE AND ADJOURNMENT** – Next regular meeting March 14, 2017, at 2:00 PM, at the Georgetown Divide Public Utility District office.

*The meeting was adjourned at 5:28 PM.*

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, please contact Darrell Creeks by telephone at 530-333-4356 or by fax at 530-333-9442. Requests must be made as early as possible and at least one-full business day before the start of the meeting. In accordance with Government Code Section 54954.2(a), this agenda was posted on the District's bulletin board at the Georgetown Divide Public Utility District office, at 6425 Main Street, Georgetown, California, on February 10, 2017.

  
Steve Palmer, General Manager

  
Date