

**CONFORMED AGENDA**  
**REGULAR MEETING**  
**GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT BOARD OF DIRECTORS**  
**6425 MAIN STREET, GEORGETOWN, CALIFORNIA**  
**TUESDAY, AUGUST 8, 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.*

*Present:*

*Board of Directors: David Halpin, Jesse Hanschild, Carl Hoelscher, Lon Uso, and Dane Wadle. Legal Counsel: Barbara Brenner, Churchwell White. Staff: General Manager Steve Palmer, Operations Manager Darrell Creeks, Engineering Consultant George Sanders; Board Assistant Gloria Omania*

**2. ADOPTION OF AGENDA**

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

***Director Hoelscher asked that Item 4C be pulled from the Agenda. Director Hanschild amended his motion and Director Wadle consented.***

***There was no public comment.***

***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.

*Robert Brown stated that he is a 20-year resident of Denny Lane who has been taking care of two ponds on Denny Lane over those years. He wanted to make the Board aware that there is an infestation of warm water algae in the ponds. Normally, he's had to clean out the inlet about twice a year, however, over the last several weeks, he's had to clean out the inlet every other*

day. He's talked to other people who are also having problems. He asked what is being done differently this year that is bringing in warmer water that the warm water algae need to grow.

Director Uso indicated that he was not aware of this and asked for a response from Staff.

Operations Manager Darrell Creeks explained the difference this year is that the lake spillage has continued through July and warmer water is coming down the ditch. Normally, water is released from the bottom, so cooler water is going into the ditches. Because of the wet winter, the warmer water is coming over the spillway.

Rena Lowry, a resident of Hanson Hollow Road, came up read her letter to the Board to call attention to the "serious issue" going on in her neighborhood related to the irrigation service that has been shut off in her area because the contract is controlled by one person. Ms. Lowry expressed concern about the drying ponds and the devastating impact on the area. (Ms. Lowry's letter is included with these minutes as Attachment 1.)

Director Uso stated that the Board can't get into a full-fledged discussion about the issue because it is not on the agenda; it would be a violation of the Brown Act. Ms. Lowry indicated that she understood.

Mr. Palmer stated this is an issue with a property owner who holds the contract and has been allowing other property owners to use the service, which is against the Ordinance. He indicated that Staff can evaluate the situation with Ms. Lowry to determine what options, if any, are available.

Director Hoelscher stated that Ms. Lowry was sold a bill of goods; people have been misled.

Director Uso expressed his sympathy for Ms. Lowry's plight and stated he would like to help within District policy and the law. The way to move forward is to have Staff consider it and bring a recommendation to the Board. Ms. Lowry expressed her appreciation for the concern expressed.

#### 4. **CONSENT CALENDAR**

##### **A. Approval of Minutes**

1. Amendments to Emergency Meeting of June 29, 2017
2. Special Meeting of June 29, 2017
3. Regular Meeting of July 11, 2017

##### **B. Financial Reports**

1. August 2017 – Payables
2. Month End Cash Disbursements Report
3. Month End Revenue and Expense Summary Report
4. Statement of Cash and Investment Balances

##### **C. Approve Job Descriptions for Water Resource Manager and Management Analyst**

*This item was pulled from Consent Calendar.*

**D. Memorandum of Understanding Regarding Contracting and Apportionment of Costs for a Sanitary Survey Update of the American River Watershed Area**

**Possible Board Action: Adopt Resolution 2017-19 approving the MOU regarding contracting and apportionment of costs for the 2018 American River Watershed Area Survey Update.**

***Motion by Director Hoelscher to approve the balance of the Consent Calendar. Second Director Halpin.***

***No public comment.***

***The motion passed unanimously.***

***The Board then took up Agenda Item 4C.***

**C. Approve Job Descriptions for Water Resource Manager and Management Analyst**

*Steve Palmer, General Manager, clarified that the Water Resources Manager is a new position and the Management Analyst position is a reclassification of the Office Manager position. He stated the staff recommendation was discussed during the Budget review process and these are the two positions approved in the current budget.*

*Director Wadle commented that, from his perspective, these positions fall within a management bargaining unit as opposed to one of the two current bargaining units. He added that this is probably part of a larger discussion going forward with negotiations.*

*Director Hoelscher asked about the continuation of the current contract with Becky Siren who performs some of the work described in the job description for the Water Resources Manager. Mr. Palmer stated that the intention is to ultimately eliminate the need for this contract.*

***Motion by Director Wadle to approve job descriptions for Water Resources Manager and Management Analyst. Second by Director Hanschild.***

***Vote:***

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

***Noes: Hoelscher***

***The motion passed with a 4-1 vote.***

**5. INFORMATIONAL ITEMS**

**A. President's Report**

*Director Uso stated he had nothing to report.*

**B. Board Reports**

*Director Wadle reported that he and the General Manager met with Misty Tienken, Field Representative for Senator Gaines, last Tuesday. This was an opportunity to build a relationship with the Senator's Office. Ms. Tienken indicated she would try to bring the Senator to the District during the Fall recess.*

*Director Wadle thanked Steve Palmer and Darrell Creeks for participating in the National Night Out by staffing the GDPUD booth.*

*Director Wadle announced that the Northside PTA is sponsoring the Cool Trail Run is scheduled for October 1 and invited runners and volunteers to participate. Proceeds will benefit a scholarship program and the Northside Wellness Program.*

*Director Uso thanked Director Wadle for his report, especially for introducing the General Manager to Senator Gaines' staff.*

*There were no other Board reports.*

### **C. General Manager's Report**

*The General Manager reported on the following items:*

- 1. Mr. Palmer stated that he received an outreach alert from ACWA regarding SB 623. ACWA is anticipating an amendment that will be presented after the summer recess that will add a rate payer assessment to all water bills to establish a special fund for disadvantaged communities. ACWA is recommending an oppose position on that bill and is requesting that letters of opposition be submitted prior to August 21, when the amendment is expected to be introduced. Mr. Palmer recommended that the Board support ACWA's position and authorize him to write a letter by August 21. He stated that if the Board wanted to take other action, a special meeting would be required.*

*Director Uso stated his support for the General Manager's recommendation and acknowledged the nods of agreement from the other Board members.*

*Director Wadle stated that the Board needs to establish a policy that would allow the General Manager to be responsive to these time-sensitive requests from ACWA on legislation.*

- 2. Mr. Palmer reported that he is wrapping up the work on the rate study and will be scheduling public workshops in mid-September and mid-October.*

### **D. Operation Manager's Report**

*Operations Manager Darrell Creeks reported that the crews have been busy repairing water leaks and installing new pressure reducing stations which is part of our Capital Budget. This has started to help in areas where we've been having all these problems.*

*He thanked the Board for allowing the District to purchase the Vactor trailer and listening device to detect leaks. These tools allow for early leak detection so they can be repaired without having to tear up the whole street resulting in great savings to the District. Director Uso acknowledged that the purchase of these tools has proven to be a great investment.*

*Mr. Creeks stated that the District has officially requested an extension to January for meeting the requirements of the Notice of Violation and expects approval of this request.*

*Director Wadle asked if that provided adequate time to comply with the State's requirements.*

*The General Manager stated that he thought this was a reasonable request. Hopefully there will be significant rainfall in November to allow us to conduct the testing and allow for a quick turnaround with the required reporting.*

*Director Hanschild asked about the inspection of the dam. Mr. Creeks indicated the inspection was conducted that day and it seemed to go well. He indicated that he will be reporting on this at the next meeting.*

#### **E. ALT Treatment Plant Update**

*George Sanders, Engineering Consultant, began with a slide presentation of the month's activities at the worksite showing the progress on the chlorine contact basin, the sludge drying beds, and the raw water pump station building. The slide presentation generated some discussion and was followed by an update by Mr. Sanders on work activities by Myers & Sons Construction, NEXGEN Construction Management, Foothill, Psomas, and Youngdahl.*

*Director Hoelscher asked why Myers don't do their own testing and Mr. Sanders responded that for some of the more critical things, like concrete, the contractor does collect their own data on compressive strength. Director Uso pointed out that the data collected by those specializing in testing is shared with the Contractor.*

*Director Wadle asked for a clarification of how the percentage of completion was determined – is it based on percent of funds expended or on percent of construction completed? Mr. Sanders stated that the project is 21% complete and that percentage is based on a schedule of value. The Schedule of Values for this project consists of about eight pages of different activities for which a dollar amount has been assigned. The percent of completion is directly related to the amount of money spent and the amount of work completed.*

### **6. NEW BUSINESS**

#### **A. Approve FY 2016/17 Budget Amendment**

**Possible Board Action:** Adopt Resolution 2017-18 approving FY 2016/17 Budget Amendment

*The General Manager credited Kristin West, a consultant with Vavrinek, Trine, Day (VTD), with preparing the staff report. He described the valuable assistance Ms. West and VTD has been providing to restructure the District's accounting procedures following best practices by Government finance officials. Mr. Palmer acknowledged Joe Aguilar of VTD who was present for the agenda item related to the Board's consideration of a professional services agreement with his firm.*

*Mr. Palmer stated that during this process of reviewing the systems in place, he learned the 2016-17 budget had not been added to the accounting software. Payments were made for expenses not in the budget, no appropriation was done, and no authorization was received for Staff to make the payment. Mr. Palmer stated that this money has been spent and this budget amendment is necessary to true up the FY 2016-17 expenditures with the approved budget.*

*The General Manager stated that, with the assistance provided by Ms. West, accounting procedures and related forms have been developed to make sure proper authorizations for payment have been received, and the budget and payments are closely tracked to create a clean paper trail on all financial transactions for auditors to see.*

*Director Uso pointed out that this was something former Director Maria Capraun had wanted to develop; she would be pleased to see the General Manager agrees. Director Hoelscher commented that this is probably as good as we've ever had, but wanted to know*

when the current contract for CPA services would be terminated. Mr. Palmer indicated these services are required to see the District through the current audit with Mr. Aguilar providing additional clarification on the services needed for a limited period.

Director Wadle stated that he's operating under the assumption that our current financial system is antiquated.

Mr. Aguilar stated the current system is manually driven, very old software that needs to be replaced; however, it is very solid, it works and adequately serves a purpose for this period. He advised against switching over right now, but will talk to the General Manager about an upgrade with the understanding that installation is probably a year out.

In response to Director Wadle's inquiry, the General Manager stated that this is not specifically identified in the Rate Study, but believes it is something that can be covered. He indicated he would check on that.

**Motion by Director Wadle to adopt Resolution 2017-18 approving the FY 2016-2017 Budget Amendment. Second by Hanschild.**

**No Public comment.**

**The motion passed unanimously.**

**B. Consider Ordinance 2017-02 to Transition to At-Large Elections within the Entire District**

**Possible Board Action:** Adopt Ordinance 2017-02 changing the method for electing Directors to at-large within the entire District.

Legal Counsel Barbara Brenner presented the staff report describing the election methods to ensure equitable representation that is a trend happening in other parts of the state. Ms. Brenner agreed with Director Uso that the issue of equitable representation, which has triggered the district representation election method in other areas, doesn't apply to the GDPUD.

Director Hoelscher stated he understood this, but questioned the need for this change. Director Uso explained that the current method does not ensure the best are always elected.

Director Wadle commented that he thought the current method is a weird hybrid that doesn't make sense.

Director Halpin shared his experience when he filled out candidacy papers. Since there was no logical explanation to the election by seat, he asked the Clerk to choose the seat number for him.

**Motion by Director Hanschild to adopt Ordinance 2017-02 changing the method for electing Directors to at-large within the entire District. Second by Director Halpin.**

**Public Comments:**

Michael Saunders commented that the public doesn't really understand the voting by seat method. He feels this new method will help streamline the procedure.

**Vote:**

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

**Nays:** Hoelscher

**The motion passed with a 4-1 vote.**

**C. Policy for a Low-Income Assistance Program**

**Possible Board Action:** Provide direction to Staff on the development of a LIRA Program.

*The General Manager briefed the Board on the LIRA Program and described what other agencies have implemented. He asked for the Board's guidance on income guidelines, discount amount, funding source and other policies. There is an effort to adopt a statewide program.*

*Director Hoelscher asked why the Board is considering this if the State is going to come up with something.*

*Director Uso stated that we need to find a way to help these people who have difficulty making their payments and pointed out that the District can transition to the State's program if the State comes up with a program.*

*Director Wadle stated that while he agrees we should help those in need, it is more important to first get the District's finances in order before implementing a program with District funds.*

*Director Halpin pointed out that the District has not been able to qualify for a loan and expressed his agreement with Director Wadle, who then stated that he feels the program should be volunteer-based.*

*Mr. Palmer stated that the District has no fiduciary or legal responsibility to implement such a program; he is just looking for direction from the Board.*

*Director Uso commented that we all have a desire to provide assistance; it's just a matter of determining how to do it.*

*Staff was directed to look at how a voluntary program can be implemented. Director Hanschild stated that Helping Hands can help those in need for the time being.*

**D. Professional Services Agreement with Vavrinek, Trine, Day & Co., LLP, for Finance Management Services**

**Possible Board Action:** Adopt Resolution 2017-17 authorizing the General Manager to execute a Professional Services Agreement with Vavrinek, Trine, Day & Co., LLP.

*The General Manager described the high quality professional work that has been provided by VDT through a limited contract and the work plan for continuing the excellent work that has been started.*

*Mr. Palmer confirmed for Director Wadle that the contract provides for reducing work assignments and contract amount as necessary.*

*Mr. Aquilar pointed out the strong potential for completing the work in a timely fashion, given the very good foundation and the excellent District staff.*

**Motion by Director Hoelscher to approve Resolution 2017-17 authorizing the General Manager to execute a professional services agreement with Vavrinek, Trine, Day & Co.: Second by Director Wadle.**

*There was no public comment.*

*The motion passed unanimously.*

**E. Agreement for General Counsel Legal Services**

**Possible Board Action:** Provide direction to Staff on how to move forward with services for general counsel.

*Mr. Palmer provided a summary of the staff report which requested guidance from the Board.*

*Responding to Director Hoelscher, Barbara Brenner indicated that the rate increase is not retroactive.*

**Motion by Director Hoelscher to approve the contract for the Board President's signature. Second by Director Wadle.**

**Public Comment:**

*Steven Rau asked if the mileage was portal to portal and Ms. Brenner explained it was mileage from Auburn.*

*The motion passed unanimously.*

**F. Request from Churchwell White, LLP, for Board Sponsorship of Barbara Brenner to the ACWA Legal Affairs Committee and State Legislative Committee**

**Possible Board Action:** Approve sponsorship of General Counsel, Barbara Brenner, to the ACWA Legal Affairs Committee and State Legislative Committee.

*Barbara described the various committees of ACWA and her interest in serving on the Legal Affairs Committee and State Legislative Committee to keep up with what's going on. She indicated that she does not charge the District for this time.*

**Motion by Director Hoelscher to approve Board Sponsorship of Barbara Brenner to the ACWA Legal Affairs Committee and State Legislative Committee. Second by Halpin.**

**Public Comment: None**

**Vote:**

**Ayes: Hanschild, Hoelscher, Uso and Wadle**

**Nays: Halpin**

*The motion passed with a 4 to 1 vote.*

**7. PUBLIC HEARING – SECOND READING AND ADOPTION OF ORDINANCE 2017-01 CERTIFYING ANNUAL DIRECT CHARGES, FEES AND ASSESSMENTS**



**Possible Board Action:** Adopt Ordinance 2017-01 levying annual assessments and tax liens for unpaid charges for water service, as of June 30, 2017.

**Motion by Director Hoelscher to adopt Ordinance 2017-01 certifying annual direct charges, fees and assessments. Second by Director Wadle.**

**No public comment was received.**

**The motion passed unanimously.**

8. **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.

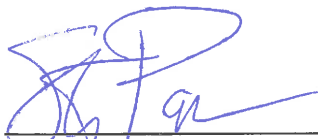
*Director Wadle asked that Staff research legislative review policy to provide for a timelier response to approve legislative recommendations for a future agenda.*

*Director Uso stated that a customer contacted him about the Zone funds that has a balance of about \$1 million. There should not be a reserve in that account. This is something that the Board has been discussing for over a year and we need to find some way to correct this situation. He asked that this matter come to the Board in the very near future.*

9. **NEXT MEETING DATE AND ADJOURNMENT** – Next regular meeting September 12, 2017, at 2:00 PM, at the Georgetown Divide Public Utility District office.

*The meeting was adjourned at 4:35 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 Steve Palmer 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 August 3, 2017.



Steven Palmer, PE, General Manager

9/12/17

Date