

CONFORMED AGENDA

SPECIAL JOINT MEETING

**GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
BOARD OF DIRECTORS AND FINANCE COMMITTEE**

6425 MAIN STREET, GEORGETOWN, CA 95634

**Thursday, June 29, 2017
10:00 AM**

MISSION STATEMENT

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 special joint meeting of the Board of Directors and Finance Committee was called to order at 10:00 AM. President Uso stated that since the Board was about to make some very important decisions, he read the Board's Mission Statement to serve as a guideline for making these decisions.

PRESENT:

*Board of Directors: David Halpin, Jesse Hanschild, Carl Hoelscher, Dane Wadle, and Lon Uso
Finance Committee: Dennis Goodenow, Donna Bruss, and Rick Gillespie
Legal Counsel: Kerry Fuller of Churchwell White
Staff: Steve Palmer, General Manager, and Gloria Omania, Board Assistant*

2. ADOPTION OF AGENDA

Motion by Director Hoelscher to approve the agenda. Second by Director Hanschild.

Dennis Goodenow stated for the record that the Finance Committee, as an advisory committee to the Board of Directors, does not have voting rights.

The motion passed unanimously.

- 3. PUBLIC FORUM** – Any member of the public may address the Board on matters identified on this agenda and 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 members individual last name. The Board will only hear communications on matters on the agenda.

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. Review and Approve Minutes of the Board Meeting of June 13, 2017

Possible Board Action: Approve the minutes of the Board meeting of June 13, 2017

Motion by Director Hoelscher to approve the minutes. Second by Director Hanschild.

Public Comment: None

The motion passed unanimously.

5. Review and Adopt Resolution 2017-07 Approving the 5-year Capital Improvement Plan

Possible Board Action: Adopt Resolution 2017-07 approving the 5-year Capital Improvement Plan.

Motion by Director Hanschild to adopt Resolution 2017-07 approving the 5-year Capital Improvement Plan. Second by Director Halpin.

General Manager Palmer reminded the Board that the 5-year Capital Improvement Plan is a budget planning tool that does not allocate funds and requires updating each year. The first year of the plan has been incorporated into the FY 2017-2018 budget; the remaining years are just a plan. He then summarized the changes incorporated into the plan after having received direction from the Board. He also provided some additional details on some of the projects.

As an example of why this document requires regular updating, Mr. Palmer told the Board that just yesterday the District received a letter of Division of Dam Safety requiring a condition assessment of the spillway at Stumpy by September. This is response to the Orville Dam catastrophe; they're trying to identify high risk dams by September. This is not in the CIP and will be added.

Dennis Goodenow stated that when the Finance Committee reviewed the plan, there was some confusion with the tank recoating and relining language. He suggested removing the word "annual" and adding "program" to clarify.

Mr. Goodenow then asked the General Manager if the fairly comprehensive list of equipment and assets being prepared by RCAC for the rate study would serve as a major driver to the Capital Improvement Plan, or is there a need to do another assessment.

Mr. Palmer indicated that this is a good starting point, but an integrated asset management program that is regularly updated and integrated into the Capital Improvement Program is needed.

Rick Gillespie stated he has been on the Finance Committee for almost six years and this is the first time that he has seen a document that is this well written and has information for the Board to truly

consider. He thanked the General Manager for putting it together. Expressions of agreement were received from the others with Director Hanschild adding that the General Manager was just hired.

Director Hanschild amended his motion to require a correction to the CIP to clarify the tank recoating project. Director Halpin agreed to the amendment.

The amended motion passed unanimously.

6. Review and Adopt Resolution No. 2017-09 Approving the FY 2017/18 Budget

Possible Board Action: Adopt Resolution 2017-09 approving the FY 2017/18 Budget.

General Manager Steve Palmer presented the proposed budget with a slide presentation. This generated Q&A and included lengthy discussion about the recommended organizational chart that the General Manager stated was needed to create a functional organization for the District.

After a short break, the meeting was called back to session by Director Uso at 11:40 am.

Director Uso then asked the Finance Committee to have their own discussion and take their own vote on the proposed budget. The following is a record of the Finance Committee's discussion and action on the FY 2017/18 Budget.

Finance Committee Chair Dennis Goodenow indicated that he wanted to take the budget and the organizational chart separately. He stated that the proposed budget clearly demonstrates a spending plan that is appropriate for the District and includes the level of detail and a narrative that supports the need for the District to spend those dollars. Mr. Goodenow entertained a motion for the Finance Committee to approve the budget as presented.

Rick Gillespie concurred and stated that he is hopeful the District will be successful with a Prop 218 rate increase to provide the required funds. He added that he feels the General Manager looked at things and took suggestions from the Committee and the Board in developing the budget. He stated he is confident that the General Manager and the Board can move ahead with the budget.

Motion by Rick Gillespie to adopt the FY 2017-2018 Budget. Second by Donna Bruss.

The motion passed unanimously.

Mr. Goodenow then directed the discussion to the organizational chart. He stated that it thinks it is well done and presents a structure that is necessary to run the district in the next year, but feels the process of not including the public in workshops and not having the level of detail necessary to create that public confidence. Mr. Goodenow stated that the organizational chart is a long-term commitment. He recommended against making any changes until an independent or in-house analysis of staffing needs that includes additional data and information to present to the public.

Rick Gillespie stated that after meeting with him, the General Manager made the suggested changes. He indicated his support for the recommended organization chart with the understanding that it can be changed.

Donna Bruss shared her thoughts that recommended staffing for the current fiscal year has been justified with the documentation presented, but feels additional positions requires additional analysis (in-house or otherwise).

Mr. Palmer clarified that the color coding on the organizational chart shows the budgeted and unbudgeted positions.

Motion by Rick Gillespie to support the organizational chart with the reclassification of the Office Manager position and the addition of one Water Quality Manager position. Second by Donna Bruss.

The motion passed unanimously.

The Board acknowledged the recommendations of the Finance Committee.

Director Wadle stated he agreed with the Finance Committee and understands why the General Manager wants to show what needs to be done to meet the staffing needs. For the purposes of this balance approve reclassification and additional Water Quality Manager.

Motion by Director Wadle to approve Resolution 2017-09 to adopt the FY 2017-2018 budget with the revised organizational chart reflecting a reclassification and one new position. Second by Director Hanschild.

No public comment.

The motion passed unanimously.

7. Provide Direction to Staff on the Future of the Finance Committee.

Possible Board Action: Provide direction to Staff on whether to recruit new Committee members, reappoint the three current members whose terms are expiring on June 30, 2017, suspend the Committee, or other direction as appropriate.

Steve summarized the report that all members of the Finance Committee have terms have expired or will be expired.

In response to the Board's invitation, Rick Gillespie and Donna Bruss indicated they would be willing to continue to serve on the committee. Director Uso expressed his gratitude.

The Board directed staff to recruit new members with an expanded outreach (i.e. placing ads).

It was determined that the committee will not meet until additional members can be recruited at which time the committee will be reconstituted.

8. Authorize the General Manager to submit written comments to the State Water Resources Control Board on its preparation of a plan for a Low-Income Water Rate Assistance Program, established through Assembly Bill 401 (Dodd, 2015), the Low-Income Water Rate Assistance Act.

Possible Board Action: Authorize General Manager to submit written comments to the SWRCB on its plan for a Low-Income Water Rate Assistance Program.

Mr. Palmer stated he learned about this matter at the ACWA Conference. ACWA has prepared talking points for its members to weigh in during the public comment period. .

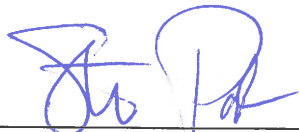
Motion by Director Hanschild to authorize the General Manager to submit written comments to the SWRCB on its plan for a Low-Income Water Assistance Program. Second by Director Hoelscher.

The motion passed unanimously.

- 9. NEXT MEETING DATE AND ADJOURNMENT** –Next regular meeting: July 11, 2017, at 2:00 PM, at the Georgetown Divide Public Utility District Office

The meeting adjourned at 12:27 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, please contact Steve Palmer, General Manager, 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 in the District's bulletin board at the Georgetown Divide Public Utility District office, at 6425 Main Street, Georgetown, California, on June 26, 2017.



Steven Palmer, PE, General Manager



Date