

**CONFORMED AGENDA**  
**SPECIAL MEETING – PUBLIC WORKSHOP**  
**GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT BOARD OF DIRECTORS**  
**6425 MAIN STREET, GEORGETOWN, CALIFORNIA**

**TUESDAY, MAY 31, 2016**  
**4:00 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 4:00 p.m. Directors present: Krizl, Uso, Hanschild. Staff present: General Manager Wendell Wall, Operations Manager Darrell Creeks. Director Capraun was absent.*

**2. ADOPTION OF AGENDA**

**A. Board Action to Adopt Agenda**

*Moved by Director Hoelscher and seconded by Director Uso to adopt the agenda.*

*Motion passed.*

*Vote:*

*Ayes: Hanschild, Krizl, Uso*

- 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.

*Public Comment: None*

*Director Hoelscher arrived at 4:03 p.m.*

**5. WATER RATE STUDY-COST OF SERVICES REPORT**

- a. Discussion** – Open dialogue with the Georgetown Divide Public Utility District Board of Directors and the public concerning component parts, roles and responsibilities, and schedule for

the Water Rate Study–Cost of Services Report and related issues to developing a Request for Proposals to guide the completion of the Report.

*Dennis Goodenow provided some background and explained the workshop format for this discussion with the Board of Directors and the public related to the component parts, roles and responsibilities, and schedule for the Water Rate Study–Cost of Services Report. Mr. Goodenow led the discussion of policy considerations and technical issues using a slide presentation as a guide. He strongly and repeatedly encouraged the Board and the public to engage and raise other issues of interest and concern.*

### Level of Services

*Mr. Goodenow indicated previous discussions of the Board focused on three levels of service: (1) existing level of service; (2) expanding the customer base in the current service area; and (3) expanding into new service areas. He added that staff clearly got the message that the Board wants to move quickly with this report on the existing level of service and not complicate the RFP with trying to understand what it would take to expand the customer base and service area.*

*Mr. Goodenow stated staff is recommending that an RFP be written that solicits information on the cost of serving existing customers.*

*Director Uso pointed out that discussions should also include the period of time this study is to cover. Mr. Goodenow emphasized that any cost of service report used to either adjust or modify the District’s current rates needs to be supported by engineering data and sound fiscal standards and practices in a comprehensive way.*

### Capital Improvement Plan (CIP)

*Mr. Goodenow stated that a three-year CIP is something that is doable to move quickly, adding it requires an engineering study by staff or outside consultant that is done pro-actively. It should be based on what the infrastructure requires and not on how much we have and how much staff we have to do it.*

*Director Uso said staff is perfectly capable of coming up with list of things that need to be done. The Board needs to give staff the resources to accomplish the needs on the list. Director Uso added that these things are fluid and we should be flexible emphasizing that a plan is needed.*

*Director Uso asked staff if they feel the Board was restricting them in any way from coming up with a complete list of projects that they think is important. Operations Manager Creeks responded, “Not at all.” He indicated that staff came up with a list of projects that really need to be done. Furthermore, studies have already been done that identify important needed projects. Nothing has been done and nothing has changed, so the same study can be used.*

*Operations Manager Creeks stated that this work is not going to get done with the current staffing level.*

*Director Krizl commented that the question is not what we can do with the current staffing, but what are the important projects that need to be done. What are the policy considerations that the Board wants the RFP responders to include in their proposal.*

*Mr. Goodenow stated that the Cost of Service Study provides the legally defensible basis for the Board to make its decisions. Without such a study, the Directors are basically making decisions without any documentation, which puts them in jeopardy.*

### Staff Requirements

*Mr. Goodenow stated that the Board has talked about staff levels and skills sets that are important to the District’s success. There is uncertainty that the District has an adequate level of staffing, both in terms of skill sets and numbers. Staff is proposing that the RFP include a staff assessment*

*and the consultant actually attempts to identify the appropriate organizational chart to run a district of this size at the level of service expected by the Board. Salary levels should be evaluated and the appropriate salary levels determined.*

### **Reserve Program**

*Mr. Goodenow commented on the importance of a reserve program that is based on a financial assessment and considered to be a part of doing business. Staff proposes that the RFP require an evaluation of the District's long term needs for reserves based on sound accounting and investment standards.*

*Director Krizl agreed with the importance of a reserve program, with other Board members nodding in agreement.*

### **Conservation Measures**

*Mr. Goodenow continued with the presentation indicating the RFP should include an analysis of what to expect the State will require in conservation measures for both treated and raw water.*

*Director Krizl stated that it is kind of a wild card to try to predict what the Legislature is going to hand down with regard to conservation requirements. He asked what information the contractor will provide and how much will they charge for the analysis.*

*Mr. Goodenow pointed out that water conservation measures are already on the books and have been for years. It is clear that in California water conservation measures will continue to be required regardless of wet years or dry years, and those measures equate to costs to the Districts. These costs should be identified and should be included in a Cost of Service Study. Director Krizl agreed.*

### **Ad Valorem Tax**

*Mr. Goodenow stated that the ad valorem tax affects how fees are adjusted and offers an opportunity to fund expenses.*

*Mr. Goodenow presented staff's proposal that the RFP include an assessment of the current use of the ad valorem tax money and identify a strategy for reducing and equalizing the use of these funds to support future District activities and reduce the use of these funds to subsidize the raw water and treated water rates.*

### **Technical Issues**

*The discussion then turned to the technical issues in the Cost of Service Study, including fixed costs, variable costs, service fees, commodity fees, and raw water service fees.*

#### **b. Possible Board Action –**

*After the lengthy presentation and discussion, Mr. Goodenow told the Board about another alternative to the Cost of Study RFP -- Update the 2011 Cost of Service Study. This alternative was met with great interest by the Board, and additional discussion ensued.*

*Staff was directed to look at this alternative and bring it back to the Board meeting of June 14, 2016.*

*The Board members thanked Dennis Goodenow for his excellent work.*

- 6. NEXT MEETING DATE AND ADJOURNMENT** – The meeting was adjourned at 6:05 p.m. The next regular meeting will be June 14, 2016 at 2:00 PM at the Georgetown Divide Public Utility District office.

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 Wendell Wall 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 May 26, 2016.

Signed Wendell B. Wall

Date 7-12-2016