

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

Special Notation:

***Director David Halpin will participate in this meeting from a satellite location via telephone. The Public may participate in all Open Session portions of this meeting from this location. The specifics of his location, while participating in this meeting, are as follows:
21749 Ambassador Drive, Macomb, MI 48044***

CALL: 650-200-3838

**TUESDAY, JUNE 13, 2017
2:00 P.M.**

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 meeting was called to order at 2:01 pm. Directors present: David Halpin (by teleconference), Jesse Hanschild, Carl Hoelscher, Lon Uso and Dane Wadle. Staff present: General Manager Steve Palmer, Operations Manager Darrell Creeks, Engineering Consultant George Sanders, and Meeting Recorder Gloria Omania. Legal Counsel: Kerry Fuller of Churchwell White.

2. ADOPTION OF AGENDA

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

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 - Regular Meeting of May 8, 2017

B. Financial Reports

1. June 2017 – Early Pays
2. April 2017 Month End Cash Disbursements Report
3. Month End Revenue and Expense Summary Report
4. Statement of Cash and Investment Balances

Possible Board Action – Approve Consent Calendar.

MOTION by Director Hanschild to approve the Consent Calendar. Second by Director Hoelscher.

A roll call vote was conducted and the motion passed unanimously.

5. INFORMATIONAL ITEMS

A. President's Report

Director Uso reported that he contacted the Elections Department to ask why GDPUD Directors are elected by seat since district is not divided geographically. He distributed information regarding an ordinance adopted by the South Tahoe Public Utility District to change the method by which their Directors are elected to at-large (Attachment A to these minutes). Director Uso asked the General Manager to include this matter on a future agenda.

Director Uso also commented that he was part of the small GDPUD group that attended the ACWA Conference last month. They sat through approximately 18 hours of lectures that they felt would be very important to the work of the District. He found their participation to be very productive. He thanked the General Manager for attending with the Board; they appreciated his perspective on the different sessions they attended.

B. Board Reports

Director Wadle noted that he and Director Uso met with Irene Smith that morning and had the pleasure of presenting her the Certificate of Recognition from the Board acknowledging her many years of dedicated service to the community. Director Uso added that for a 90-year lady, she "is a kick." Both indicated that they were tempted to stay all afternoon to listen to all her stories.

C. General Manager's Report

General Manager Steven Palmer summarized his written report.

He highlighted the unique maintenance technique for recoating the tanks at Walton and commented on the importance of a regular tank maintenance program. Mr. Palmer stated this is referenced in the Budget proposal, adding that it is a lot cheaper to regularly recoat these tanks than to replace them.

Mr. Palmer also offered some notes on the ACWA Conference he attended with Director Uso and Director Halpin. He stated there were several sessions offered regarding rate studies and Prop 218, low-income assistance programs, and other topics of interest to the District.

He encouraged the Board members to review the materials he collected from the Conference.

D. Operation Manager's Report

Operations Manager Darrell Creeks summarized his written report and provided a status of the Notice of Violation (NOV) received from the Regional Water Quality Control Board (RWQCB) in response to Director Wadle's inquiry.

Mr. Creeks informed the Board that the District has provided the data requested by the RWQCB. General Manager Steven Palmer reported that three proposals have been received to do the evaluations as required by the NOV. Staff is reviewing and ranking the proposals and will bring a recommendation back to the Board. He stated that he has informed the RWQCB that the August 1 deadline to complete this evaluation is not reasonable and will submit a formal request for an extension.

E. ALT Treatment Plant Update

Engineering Consultant George Sanders provided a summary of his report and included a slide presentation of the current field work at the treatment plant. This generated the following questions and discussion:

- Director Hoelscher asked where the unsuitable material is exported and whether the District is being charged for exporting. Mr. Sanders stated that some of the material will be exported to other areas of the District where it is needed. The material is tested for natural occurring asbestos prior to export. There is a bid item for the export of unsuitable material.
- Director Hanschild asked where the steel comes from and Mr. Sanders stated the State loan agreement requires that USA steel be used.
- Director Hoelscher asked about the services provided by NEXGEN. Mr. Sanders explained a project of this magnitude needs the services of a construction management firm to make sure we comply with all the certifications and requirements of the State loan agreement and help prepare for SRF audits and inspections. NEXGEN is a certified group responsible for making sure everything is in order.
- Mr. Sanders verified for Director Hoelscher that there have been lots of submittals that have gone through WesTech by Psomas. WesTech is the filter supplier which is the heart of the treatment plant project.
- Mr. Sanders reported that we are close to depleting the EPA grant funding and a disbursement request has been submitted to the SWRCB for about \$1.2M.

6. NEW BUSINESS

A. Review and Provide Direction on Draft Response to the Grand Jury Report

Possible Board Action - Provide Staff direction on response to the Grand Jury Report from the Board of Directors.

Director Hoelscher asked if the Grand Jury interviewed ratepayers were interviewed. Director Uso stated that the Grand Jury does not reveal who they interview.

Director Uso commented that he doesn't know who recommended that the Grand Jury convene, but the Board is grateful because the report that came out is what the Board has been talking about for a couple of years.

Mr. Palmer summarized the Grand Jury Report and presented for the Board's consideration the recommended response with revisions by Legal Counsel.

Director Hoelscher told Mr. Palmer that he thought he had done an excellent job to address these issues. He stated there is no question that rates must be increased, but expressed concern about how this will impact the ratepayers, especially those who are retired.

Board President Lon Uso asked if the Board members agreed that the Grand Jury Report is a true and correct assessment of what the District is facing and asked if the Board was united in the response to the Grand Jury.

Director Hoelscher stated that he agreed. Director Wadle recommended that the last sentence in F5 be added as a bullet point under F8.

Motion by Director Hanschild to approve the response letter with the additional sentence to F8 as recommended by Director Wadle. Second by Director Hoelscher.

A roll call vote was conducted and the motion passed unanimously.

B. Review and Provide Direction on Draft Fiscal Year 2017-18 District Budget

Possible Board Action – Receive General Manager's Draft Fiscal Year 2017-18 District Budget and provide direction on preparation of a final budget.

General Manager Steven Palmer provided a thorough power point presentation on the budget while engaging in Q&A and receiving direction from the Board members.

Director Uso commented that the salary for the Assistant General Manager was too high, adding he thought it best to first look at the qualifications. A review of the staffing options prompted lengthy discussion.

There was agreement that the budget will require pulling funds from reserves. Director Uso stated pulling from reserves should be minimal, and should not be the way we do business to balance the budget.

The Board approved the minimal staffing option and Mr. Palmer indicated he would finetune the staffing structure.

Mr. Palmer acknowledged the direction that the Board provided which will be incorporated in the final document. He stated that he will survey the Directors to set up a Special Meeting to adopt the Final Budget before the end of the month.

C. Review and Provide Direction on Draft 5-Year Capital Improvement Plan

Possible Board Action – Receive the draft 5-Year Capital Improvement Plan and provide direction on preparation of a final 5-Year Capital Improvement Plan.

The General Manager described the 5-year CIP as a planning tool noting that this is the first cut that will evolve with time.

Director Uso commented that he thought this is a good plan noting that we need to find the funds for the New Meter Program.

Director Wadle commented that the meter replacement project should not be shown in FY 2017/18 CIP since it is not in the FY 2017/18 Budget.

Mr. Palmer emphasized that the CIP is a plan of what we want to do and seeking the funds is part of the process. He indicated he would further clarify this in the plan.

Public Comment: None

The General Manager acknowledged receipt of the Board's direction on the CIP.

D. Consider Adoption of Resolution 2017-05 Regarding the Completion of Public Improvements for the Pilot Hill South Water Assessment District 1989-3

Possible Board Action – Adopt Resolution 2017-05 declaring the redemption fund as surplus, ordering the disposition of surplus amounts in the amount of \$37,567.85, approving the assessment district closeout analysis and findings report prepared by NBS, and accepting the Notice of Completion of Public Improvements for Pilot Hill South Water Assessment District 1989-3.

GM provided a summary of the staff report and explained the recommended Board action needed to complete the Pilot Hill South project.

Director Hoelscher stated that it is his understanding, if there is an ability to identify the proper recipient, the District is required to refund the excess funds. He asked Legal Counsel for the legal ramifications. Kerry Fuller stated she would review the report and provide the Board with an answer.

Director Uso shared his understanding of an opinion that the District can take these excess funds for the General Fund. Director Wadle pointed out it goes into the General Fund for ongoing operations and maintenance.

Director Halpin stated that, from a contract law point of view, in a fixed price contract in which we have met our obligations, paid all debts, and delivered the services, it is reasonable for the excess to go into the General Fund.

MOTION by Director Wadle to adopt Resolution 2017-05. Second by Director Hanschild.

Public Comment: None

A roll call vote was conducted and the motion passed unanimously.

E. Consider Proposed Approval of Amendment 2 to the Professional Services Agreement with George Sanders Extending the Term and Increasing Compensation

Possible Board Action – Approve Amendment to the Professional Services Agreement with George Sanders for Civil Engineering services, extending the term by one year and increasing the total compensation by \$76,800 to a total of \$228,600.

Steve Palmer summarized the staff report. He pointed out the funds for this contract is included in the budget for the Auburn Lake Trails Water Treatment Plant Project.

Motion by Director Hanschild to extend contract with George Sanders for civil engineering services. Second by Director Wadle.

Public Comment: None

Vote: Ayes: Halpin, Hanschild, Uso and Wadle

Noes: Hoelscher

The motion passed with a 4 to 1 roll call vote.

F. Consider Adoption of Resolution 2017-06 Authoring the General Manager to Approve Change Orders Up to a Cumulative Total of \$150,000 for the Myers and Sons Construction Contract for the ALT Water Treatment Plant Construction Project

Possible Board Action: Adopt Resolution 2017-06 authorizing the General Manager to approve and process Change Orders up to a cumulative amount of \$150,000 for the Myers & Sons Construction contract for the ALT Water Treatment Plant.

The General Manager summarized Resolution 2017-16 and the Board engaged with Staff on the merits of such a policy to reduce delays in the project. Director Uso asked Staff to inform him of any substantial change orders.

Motion by Director Hanschild to adopt Resolution 2017-06. Second by Director Hoelscher.

A roll call vote was conducted and the motion passed unanimously.

7. PUBLIC HEARINGS

A. Consider Adoption of Resolution 2017-04 Adopting the Annual Appropriations Limit of \$2,507,976 for Fiscal Year 2017-2018.

Possible Board Action: Adopt Resolution 2017-04 setting the Proposition 4 Appropriations Limit for the District.

GM explained the need for resolution.

Halpin was disconnected at this point. He left at 5:01 p.m.

Motion by Director Hanschild to adopt Resolution 2017-04. Second by Director Hoelscher.

A roll call vote was conducted and 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.

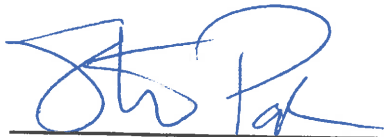
The Board received an inquiry as to whether employees are drug tested and Steve Palmer responded that the District does random drug testing.

An issue was also raised about proper flag protocol in that Myers & Sons Construction displays an American flag on their sign, but leaves it up at night without the required lighting. The General Manager indicated he will bring this to their attention.

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 was adjourned at 5:05 to a Special Meeting to be determined and posted as required.

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 June 9, 2017.



Steven Palmer, PE, General Manager

June 23, 2017

Date