

**CONFORMED AGENDA**  
**REGULAR MEETING**  
**GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT BOARD OF DIRECTORS**  
**6425 MAIN STREET, GEORGETOWN, CALIFORNIA 95634**  
**TUESDAY, FEBRUARY 13, 2018**  
**2:00 P.M.**

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**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
  - Ensure 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. Director Souza led in the Pledge of Allegiance.*

*Directors Present: David Halpin, Jesse Hanschild, David Souza, Lon Uso, Dane Wadle*

*Staff Present: General Manager Steven Palmer, Operations Manager Darrell Creeks, Engineering Consultant George Sanders, Board Assistant Gloria Omania. Legal Counsel: Barbara Brenner, Churchwell White, LLP*

**2. ADOPTION OF AGENDA**

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

***Public Comment:*** *Cindy Garcia asked why the five points discussed at the meeting on irrigation was not on the agenda. Director Uso indicated it would be presented during his President's Report.*

***Vote: 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.

*Steve Dowd stated that the rates are too high and the Board should cut them.*

*Cherie Carlyon stated she had some corrections to the minutes of January 9, 2018. Director Uso informed her that this would be taken up during the next agenda item.*

*Mike Saunders informed the Board that he had resent his application for an appointment to the Finance Committee through a new email account. Director Uso thanked him.*

**4. CONSENT CALENDAR**

**A. Approval of Minutes**

1. Regular Meeting of January 9, 2018

## **B. Financial Reports**

1. Month End Cash Disbursements Report
2. Statement of Cash and Investment Balances

*Director Uso acknowledged Ms. Carlyon's request during Public Comment that the Approval of Minutes and the Month End Cash Disbursement Report be pulled from the Consent Calendar and entertained a motion.*

***Motion by Director Halpin to pull Items 4A1 and 4B2 from the Consent Calendar and approve the balance of the Consent Calendar. Second by Director Hanschild.***

***The motion passed unanimously.***

*The Board then considered the Approval of the January 9, 2018, minutes.*

### **Public Comment:**

*Ms. Carlyon requested the following corrections to the minutes of January 9, 2018, Agenda Item #7D, Low-Income Assistance Program Policy:*

- *Page 6, Line 2: Correct \$3500 to \$35,000*
- *The motion by Director Souza should be corrected to indicate that he moved to have the Low-Income Assistance Program tabled to the next meeting.*

*Director Uso stated that the Board discussed that the Low-Income Assistance Program should be considered along with the Mid-Year Budget which will take place in March.*

*The Board Secretary was directed to listen to that portion of the recording and make the necessary adjustments to the minutes. Director Uso stated the Board will review the minutes of January 9, 2018, at the March meeting.*

*The Board then discussed the Month-End Cash Disbursements Report.*

*Ms. Carlyon asked why the report did not include all electronic transactions, including payroll. The General Manager stated the report includes all payments made to outside vendors, including electronic payments and payroll is not typically reported in this format.*

*Ms. Carlyon inquired about payments to Nexgen. Engineering Consultant George Sanders indicated that there have been payments to Nexgen, but not during this reporting period. Director Uso suggested that Ms. Carlyon meet with the General Manager with her concerns about the way the report is presented.*

***Motion by Director Halpin to approve the Month-End Cash Disbursements Report. Second by Director Wadle.***

***The motion passed unanimously.***

## **5. INFORMATIONAL ITEMS**

### **A. President's Report**

*Director Uso reported that he and Director Hanschild held an informal meeting with community members regarding irrigation service. He stated that he and Director Hanschild made no promises at this meeting other than to bring this back to the Board. They made it clear that they were hosting this meeting as individual Board members wanting to have a conversation with their constituents outside of the formal Board meeting process.*

*Director Uso reported that the following items were discussed. He invited Cindy Garcia to add whatever he might have missed:*

1. *Placing a moratorium on selling to other customers when some people decide they want to give up their water for this year. Director Uso stated that he informed the group that this recommendation had little chance of being approved. The District cannot hold on to water that is available to sell.*
2. *Splitting the billing over 12 months, rather than 5, to allow for better management of finances by ratepayers. This would not be mandatory.*
3. *Allowing 1" customers to split the service with neighbors as part of the District's policy.*
4. *Reducing the minimum pipe size from 1" to ½".*

*Cindy Garcia stated that there was a second part to the discussion on how to split the billing over a 12-month period. This was the ability to request a refund of payments made in advance if there is a drought.*

*Ms. Garcia stated that another item discussed was extending the irrigation season. Director Uso stated that the Board has the ability to extend the season if water is available and if Staff can ensure their ability to properly maintain the system.*

*Director Hanschild stated that there was great interest in the 12-month billing process and feels this should be considered by the Board as an agenda item. He stated the request to allow for a ½" line will require greater maintenance and demonstrated how a few leaves could easily cause a back-up in the ½" line.*

*Director Uso stated that he thought the meeting was productive because the conversation was not restrained by the requirements of a public meeting. He encouraged other Board members to think about conducting their own meeting with their constituents.*

*Director Hanschild stated that the District needs to establish a policy to review shut-off requests that might impact neighbors with a pond. The District should consider keeping the water flowing if there is someone else willing to continue to make the payments. He asked that this matter be brought back in a resolution for the Board's consideration.*

*Director Uso stated the Board should host a public workshop on the Irrigation Policy. Director Souza said that he thought this was a good idea. Director Wadle asked if this workshop could be a part of a regular Board agenda.*

*Mr. Palmer recommended that this be a public workshop, outside the Board room setting with greater publicity to draw wider public participation. He stated he could come back with a work plan that would include the parameters of such a workshop.*

*Director Halpin stated that from hearing Director Uso's report, there is a great deal of support for splitting the irrigation billing over a 12-month period. He asked if the Board could proceed with implementing that change.*

*Legal Counsel Barbara Brenner stated the Irrigation Ordinance will have to be amended. The General Manager expressed his concern that this would be piecemealing and stated that he preferred a wholistic approach to amending the Ordinance.*

*Director Halpin stated that he understood the General Manager's concern, but feels the Board should piecemeal the "low-hanging good ideas."*

*After some additional discussion, Staff was directed to include the suggested billing change as a stand-alone item hopefully in next month's agenda. Mr. Palmer stated that he would bring back an analysis for the Board's review.*

**Public Comment:** *Rena Lowry stated that Section 4, Item B, of the Irrigation Ordinance seems to provide some leeway to allowing the Board to move quickly on the billing change.*

*Tara Goutenay asked the Board to consider the cost of mailing because it would double and how the late penalty would be applied. She urged the Board to think through these kinds of things because it is going to be very complicated. The General Manager confirmed that he wrote these ideas down.*

*Bill Johnson of Greenwood asked how the Board came up with the irrigation rates. The General Manager offered to meet with Mr. Greenwood to go over the rate study with him.*

*Mr. Johnson also commented that he called office and was told he could go down from 2" to 1" this year and go back to the 2" next year if his system could not work with the 1". Mr. Palmer offered to go over that matter with Mr. Johnson as well.*

*Kristin McKay commented that it is important that a Board decision on the 12-month billing decision be made before the March 1 irrigation contract deadline.*

## **B. Board Reports**

*Director Wadle stated that, as the appointed Legislative Liaison and in accordance with the newly adopted legislation policy, he worked with the General Manager to consider a request from the Mountain Counties Association for the District to sign onto a letter opposing new regulations proposed by the State Water Resources Control Board that would ban certain water uses. After researching the proposal, he and Mr. Palmer agreed to sign on the letter. Mr. Palmer indicated that once the letter is finalized, he will provide the Board with a copy.*

*Director Uso then stated that he was asked about the statewide tax on water to fund a State Low-Income Rate Assistance program. Legal Counsel Barbara Brenner stated that there is a lot of opposition, but the Governor is trying to add it to the budget through a trailer bill.*

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

*The General Manager provided the following highlights from his written report:*

- *Adam Brown has started as the Water Resources Manager, a key position critical to the District's ability to comply with State reporting and permitting requirements. Mr. Brown will assist in long-range planning. Director Uso stated that it's a plus that he's also a resident of the Divide.*
- *The District is currently recruiting to fill the open Administrative Aide position.*
- *The District's auto pay system provides for the payment of the total amount due. Mr. Palmer cautioned that the auto pay system through the banks may be different.*
- *Mr. Palmer also provided a preview of upcoming agenda items, including the budget adoption process, and the State-required dam spillway emergency action plan.*
- *Monday, February 19, is President's Day so the office will be closed.*

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

*Operations Manager Darrell Creeks summarized his monthly report indicating that the system is running smoothly.*

*Mr. Creeks stated that Stumpy is still spilling. Discussion followed about water capacity and demand, as well as anticipated big decisions coming down from the State. Engineering Consultant George Sanders stated that there have been some forecasting and planning to help the District anticipate what the capacity and needs might be in the future.*

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

*Engineering Consultant George Sanders summarized his progress report on the ALT Treatment Plant Project and presented some slides to enhance his presentation. He described, for the benefit of those attending the Board meeting for the first time, the role of each of the project partners.*

*He reported that a change order was processed related to back fill material at a cost of \$12,184.*

*Director Uso stated that people have asked him why the District needs a construction management firm when we have a consulting engineer.*

*Mr. Sanders responded that because the ALT project is funded through an SRF (State Revolving Fund) loan, managing the project is very complex with extensive documentation and reporting requirements. Nexgen has experienced professionals who are able to provide the necessary horse power to keep the project in compliance. He also added that he's retired and does not have the time and energy that is required to manage a project of this magnitude.*

*Mr. Sanders reported that the close out documents on the EPA grant have been filed since these funds were exhausted before the District began drawing from the State Revolving Fund.*

*Director Uso stated it is difficult to keep a project of this size on time and on budget and commended Mr. Sanders on his efforts to do so.*

## **F. Finance Committee Report**

*Committee Chair Rick Gillespie reported that the Finance Committee met on January 16, 2018. The committee is in the process of restructuring so they tabled the election of officers until a full committee could be seated.*

*The committee reviewed the Auditor's Report and the proposed Purchasing Policy which the Committee recommended be implemented.*

*Mr. Gillespie reported that Donna Bruss, who has served on the Finance Committee for several years, is unable to continue.*

*The next Finance Committee meeting is scheduled for Tuesday, February 20, at 2 PM, at the District Office.*

## **6. NEW BUSINESS**

### **A. El Dorado County Water Agency Cost-Sharing Agreement for FY 2017-18**

**Possible Board Action:** Adopt Resolution 2018-09 authorizing the General Manager to execute cost sharing agreements with El Dorado County Water Agency in the amount of \$18,500 for an Update to the Geographic Information System and Development of an Asset Management System.

*The General Manager provided an overview on the FY 2017-18 Cost-sharing Agreement with the El Dorado County Water Agency that will provide much needed update to the District's Geographic Information System and develop an asset management system.*

*Mr. Palmer confirmed Director Wadle's understanding that funds for asset management and the GIS have been budgeted and will not require funds from reserves.*

*In response to the General Manager's description of the value of this project, Director Uso commented on the value of a cost-benefit analysis that will provide a quantifiable basis to determine priority for maintenance.*

**Motion by Director Halpin to adopt Resolution 2018-09. Second by Director Hanschild.**

**Public Comment:** Steve Dowd commented that the District will allow a failure in the system before replacing it. Mr. Palmer stated that preventative maintenance would be conducted in a planned, organized fashion.

*In response to Cindy Garcia's inquiry, Mr. Palmer stated that a demo could be provided on the system.*

**VOTE: The motion passed unanimously**

### **B. Procurement Policy and the Uniform Public Construction Cost Accounting Act**

**Possible Board Action:** Adopt Resolution 2018-05 adopting the Purchasing Policy and Resolution 2018-08 Electing to Become Subject to the Uniform Public Construction Cost Accounting Act.

Mr. Palmer acknowledged that the work on the procurement policy was done by Christina Cross and Kristin with guidance from Legal Counsel. He proceeded to explain the policy and the Uniform Public Construction Cost Account Act.

There was some discussion about increasing the General Manager's funding authority from \$10K to \$45K. Director Souza stated that this should be less. Directors Wadle and Hanschild agreed that the authority should be up to \$45K.

**MOTION by Director Halpin to adopt Resolution 2018-05 and 2018-08. Second by Director Hanschild.**

Cindy Garcia stated that the Finance Committee recommended a \$10K authority for the General Manager.

Director Uso commented that the General Manager, with the professional credentials that he has, would exercise appropriate discretion when applying this authority.

Modify the policy to require GM to report to the Board any actions taken at the following meeting. Mark Saunders: Does he have to come back – approved the expenditure, haven't approved the contract.

Sierra commented that there is already transparency in that it is in the budget and included in the cash disbursement reports.

**Vote:**

**Ayes:** Halpin, Hanschild, Uso, Wadle  
**Noes:** Souza  
**Abstain:**

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

**C. Consumnes American Bear Yuba (CABY) Grant Water Conservation, Supply Reliability, and Environmental Protection Project**

**Possible Board Action:** Adopt Resolution 2018-10 approving the plans and specifications for the Consumnes American Bear Yuba Grant Water Conservation, Supply Reliability and Environmental Protection Project and authorizing the General Manager to initiate the construction bid process.

George Sanders explained the District's agreement with the Nevada Irrigation District (NID), the agency that disburses CABY funds from the Department of Water Resources. The District is one of 7 small water districts receiving funds through NID. Mr. Sanders described the ditch lining project that will receive CABY funds from the Water Conservation, Supply Reliability and Environmental Protection Project Grant. This ditch lining project of approximately 10,500 linear feet must be completed by June 2019.

**Motion by Director Hanschild to adopt Resolution 2018-10 approving the plans and specifications for the CABY Grant Water Conservation, Supply Reliability and Environmental Protection Project and authorizing the General Manager to initiate the construction bid process. Second by Director Halpin.**

**Vote: The motion passed unanimously.**

**D. Appointments to the Finance Committee**

**A. Possible Board Action:** Adopt Resolution 2018-11 appointing Sierra Nyokka and Thomas Crawford to the Finance Committee

Mr. Palmer stated that there are currently two vacancies and applications were received from Ms. Nyokka and Mr. Crawford. Since then the District received two additional applications.

Sierra Nyokka introduced herself as a businesswoman whose family has lived in the area for over 40 years. She expressed her interest in serving the community and her passion for securing quality water.

Director Uso stated that Mr. Crawford regretted that he could not be present. He found Mr. Crawford to be very level-headed and pragmatic. Applications have also been received from Mike Saunders and Ken Pauley.

**Motion by Director Souza to adopt Resolution 2018-11. Second by Director Hanschild.**

Rick Gillespie stated Ms. Nyokka has attended three meetings of the Finance Committee and is very interested.

**Vote: The motion passed unanimously**

Director Uso called for a break at 3:55 PM. The meeting was called back to order at 4:05 PM.

7. **DISCUSSION ITEMS** (No action shall be undertaken on any Discussion Item. The Board may: acknowledge receipt of the information or report and make comments; refer the matter to Staff for further study or report; or refer the matter to a future agenda.)

**A. Base Charges for Inactive Accounts (as requested by Board President Lon Uso)**

Director Uso stated that he has been approached by many about charging for inactive meters. At the conclusion of the discussion, the Board will be able to give Staff some direction, but will not be able to take any action. Director Uso said he had no expectations on how this should be resolved, but felt it was important to have a public discussion about it. He stated that the Board could consider the following actions:

- We could reduce the charge for these meters (i.e. 50%)
- We could decide charge nothing for the inactive meters.
- Find some way to give some certainty to these folks that have these meters that make the decision to pull them that some future Board is not going to replacing those meters as a revenue stream.

Director Uso stated that the District cannot charge any more than what it costs to reinstall these meters, so customers are already protected by law to not be inordinately charged if they decide to have the meters reinstalled. Legal Counsel Barbara Brenner stated that she would guess that this would not change.

Discussion ensued about the misinformation in social media and the merits of sending another letter to inactive meter customers with accurate information. Other ideas for outreach was discussed included posting to Frequently Asked Questions on the website as well as the GDPUD Facebook page.

Director Souza asked if the District could get rid of the basic charge for inactive meters and asked Legal Counsel if there was a problem with this. Ms. Brenner indicated this would require a re-evaluation of the rate study.

The General Manager confirmed Director Halpin's understanding that there is no charge to remove the meter and it will cost them \$130 to reconnect it, or whatever it costs the District at the time it is reinstalled. The District owns the meter and the only cost that can be recovered is the cost of labor for installing.

Public member Leon Alevantis stated that he and his wife met with the General Manager about their two meters that are inactive. He acknowledged that Mr. Palmer followed up with an informative email which he thinks should be shared with other customers. Mr. Alevantis commented that the bigger issue is the District's drought and capacity policy. He commented that he may not get our meters back with more drought years in the future. He stated that he understands that it is up to the General Manager to decide whether you can get your meter back during a severe drought.

Director Uso asked if the Board can determine whether those meters will be replaced regardless of a drought. Mr. Palmer responded that the Urban Management Plan, reviewed by the State and adopted by the Board, provides guidelines on what to do during a drought situation; i.e. a moratorium is imposed on new connections during a Stage 3 drought. He pointed out that these are just guidelines and the Board can define the drought stages. In the past it was left up to the General Manager.

Director Uso asked if the Board could define what a new connection is since there is no definition in the Urban Management Plan. Legal Counsel Barbara Brenner stated that she was not in a position to answer this question without some additional research, as it could be defined somewhere else.

Director Uso indicated that the Board will provide assurances to the extent that is allowed by law. The Board directed staff and Legal Counsel to research this further to determine what assurances can be provided. Using Cherry Acres as an example, Director Uso stated that the Board has allowed the installation of already-paid for meters.

Mr. Alevantis asked if this would be placed on the next agenda. Director Uso indicated it will be up to the General Manager and Legal Counsel, since they're doing to work, to determine when this item can be placed on the Board's agenda.

It was noted that the next two agenda items were listed in the wrong order so the Board moved on to agenda item #9 before adjourning to closed session.

- 9. 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 Souza stated that he has been approached by some ratepayers about changing the time of the Board meeting to the morning and the Board agreed to place this item on the next month's agenda.

- 8. ADJOURN TO CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL - LABOR NEGOTIATION**

Meeting adjourned to close session at 5:40 PM.

Pursuant to Government Code Section 54954.5(f) and Government Code 54957.6)

District Representatives: General Manager Steven Palmer; District General Counsel  
Employee Organization: International Union of Operating Engineers Stationary Engineers, Local No. 39

- 10. NEXT MEETING DATE AND ADJOURNMENT** – Next regular meeting is March 13, 2018, at 2:00 PM, at the Georgetown Divide Public Utility District, 6425 Main Street, Georgetown, CA 95634.

The Board returned to open session at 5:55 PM with no reportable action from closed session.

The meeting adjourned at 5:56 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 February 8, 2017.

  
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Steven Palmer, PE, General Manager

4/11/18  
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Date