

**MINUTES
REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT**

6425 Main Street,
Georgetown, California 95634

**TUESDAY, May 16, 2023
2:00 P.M.**

BOARD OF DIRECTORS

Mitch MacDonald, President
Donna Seaman, Vice President Mike Thornbrough, Treasurer
Michael Saunders, Director Robert Stovall, Director

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.
- Ensure fiscal responsibility and accountability are observed by balancing immediate and long-term needs.

1. CALL TO ORDER, ROLL CALL, AND PLEDGE OF ALLEGIANCE

President MacDonald called the meeting to order at 2:01 PM. Director Seaman led the pledge of allegiance.

Roll call was taken, and all Directors were present.

Present: Director Seaman, Director Thornbrough, Director Saunders, Director Stovall and President MacDonald

Absent: None

2. ADOPTION OF AGENDA-

Director Thornbrough motioned to adopt the agenda. Director Seaman seconded the motion.

President MacDonald called for the vote.

Ayes: Director Seaman, Director Thornbrough, Director Saunders, Director Stovall, and President MacDonald

Nays: None

Abstentions: None

The motion Passed **Unanimously.**

3. PUBLIC FORUM

Ross Leigh the Operator and owner of Bootstrap Hill Farm shared that his property has been receiving irrigation service since the 1970s. He commended the crews on ditch maintenance the last few years. He shared that a service request he initiated had a crew response within 20 minutes. He shared he is happy with the Board of Directors and that they are approachable and active within the community. His farm grows large quantities of lettuce. He sees now that he needs to be more involved. He hopes the irrigation service is in perpetuity as he likes real estate with ditch service to run his operations, it is a diamond in the rough. The forecasts over the next 25 yrs. show that the region may be in a sweet spot for precipitation, making this a great region for small local agriculture. Water reliability is important as he starts crop planting in January and has \$50,000 in vegetable starts in his greenhouses. A month of May without irrigation water is concerning for his agriculture operation. Given the historic water year, he would have paid for extra months of water just to ensure a May 1 irrigation season start. He shared his understanding of fire concerns, though agriculture is his business and area of need. The notification for the irrigation season change arrived after he had planned his agriculture season. He also shared that he would like written notifications instead of robocalls as those are assumed to be spam and disregarded. Agriculture operations need the May Irrigation to start. If his operation can't count on a reliable irrigation service then he is faced with two options, the first to move his operation or the second to dig an agricultural well and cancel the irrigation service due to a lack of need. He offered his input as a resource for agriculture feedback and thanked the Board for their community approachability. Mr. Leigh expressed a desire to see reliability of irrigation service moving forward to maintain his operation on The Divide.

Stephen Dowd shared that he got a message at the end of April that the Irrigation Committee meeting was canceled. He was thinking that this was about the decision to decide on the season start, and the meeting was canceled and wants to know why that was canceled. He also wanted to talk about the increase of \$1 million in the budget. He finds that to be steep. He is worried about this pointing to a rate increase.

Cherie Carlyon raised a point that the timer wasn't running for the first speaker and that The Board isn't supposed to comment on public comments, yet they did for Mr. Leigh. Thus, she shared that she feels The Board is not following its own rules.

Board correction was offered the timer ran for the first speaker; it was indeed on. The Board reserves the right to make brief comments.

4. **CONSENT CALENDAR**

Director Saunders sought clarification from staff on the LIRA (Low Income Rate Assistance) program. He asked how notifications will be sent, for those on the program who did not respond before the deadline. The answer shared was that there is a two-week week window for outreach to help renew those customers who failed to respond. There will be staff contacting those customers and offering assistance to those needing program renewal.

Director Thornbrough motioned to approve the consent calendar. Director Seaman seconded the motion.

President MacDonald called for the vote.

Ayes: Director Seaman, Director Thornbrough, Director Saunders, Director Stovall, and President MacDonald

Nays: None

Abstentions: None

The motion Passed **Unanimously**

5. **FINANCIAL REPORTS — Up to April 30, 2023**

Board Discussion:

Director Stovall inquired about page 1 of 9 on the third line down there is a surcharge. When is that expected? The answer that is an inactive account number, 4 of 9 the words surcharge, and supplemental fee are interchangeable terms. They are the same thing this will be cleaned up. This has been flagged along with other issues and at the end of the fiscal year it will be amended in the accounting software. The surcharge is the Sweetwater Treatment Plant fund. This was taken to offset the Sweetwater Water Treatment Plant (WTP) to pay down the loan, that's 11240104. That's where the funds are located. The 100 is the water fund and this is a fund dedicated to itself, The Sweetwater WTP Fund. Director Stovall also asked about page 1 of 3 of the Pooled Cash Report. Under Capital Reserves there is a charge, assuming there are funds available through FEMA and PG&E will funds return to that account? The answer shared that the FEMA money will come in the next Fiscal Year. There will be a reconciliation going backward to show an offset of funding from the physical work done. It will go back to where it came out from. Some of the funds will also be reimbursed through litigation and those will be a reimbursement of the general fund. The funds will likely go into the 100-fund budget and reconcile in that location.

Director Thornbrough asked about the Financial Reports, could they be run for the prior month instead of July first through the present? It was explained that regarding the budget to actuals, there is no hard close at the end of the month. It takes 14 days to reconcile items from the bank statements. Budget to Actuals has a lagging month timeline for reconciliation. The wording does need to be reworked. We will find new wording and add that to the agenda bullet points moving forward.

Public Comment:

Cherie Carlyon inquired about several check numbers and sought clarification as to the needs for those expenses. Clarifications were given.

INFORMATIONAL ITEMS

A. Board Reports

Director Saunders reviewed his report details. The Association of Water Agencies (ACWA) conference focused on issues with headwaters, using water and infrastructure for fire suppression and mitigation, dealing with drought, rural mountain counties and the California Air Resources Board (CARB) advanced clean fleet zero emission vehicle regulation as the themes. Director Saunders explained that headwaters are the origins of water systems, the place water forms, where rivers and lakes begin. This is where the water melts begin. Districts situated in headwater areas share similar characteristics in that they consist of large geographic areas with smaller population density numbers. Currently, these smaller population groups are on the hook for funding what is ultimately the source of the State's water. There is a recognized need for the Federal and State governments to invest, thus taking a disproportional financial burden off of those smaller populations while also mitigating potentially negative downstream impacts.

President MacDonald shared his report highlights. He attended the ACWA conference and shared regarding the liability program. Given the recent fire history in the state, there is expected a general increase in liability insurance premiums of about 10%. There were over \$30 million in claims last year filed with the Joint Powers Insurance Authority (JPIA) which were related to wildfires. The insurance group discussed including an exploration of the benefits offered and impacts on the risk pool due to recent events. At the conference, President MacDonald learned about various committees and commissions and the values they add, offering strength in numbers. The experience highlighted why lobbying together makes sense. The conference offered an opportunity to develop relationships with neighboring districts.

B. Legislative Liaison Report

Director Saunders delivered an update on current legislative happenings. The legislative pieces impacting water rights continue to work through process and development at the state level. There was an update to AB1337, a piece of legislation dealing with water rights. The District had asked for an amendment. Unfortunately, it was amended in a manner that has a worsening impact. The pre-

1914 water rights were added now the bill language is more restrictive.

The General Manager Nicholas Schneider briefed regarding the California Air Resources Board (CARB) adoption of the Advanced clean fleet regulation. This means beginning in 2024 all agencies must begin the conversion process to zero-emission vehicles. Some of the arguments the District has expressed are around the lack of supporting infrastructure in the region. Currently, the District has 14 vehicles near or over their life expectancy. This will force the District to invest in much pricier technology. There are a few exemptions that will be explored. The District is hoping to get an infrastructure delay extension as the current grid doesn't support the projected demand. By 2040 all fleets must be fully converted. The District is exploring the exemptions though ultimately there must be compliance.

C. Operation Manager's Report

Operations Manager Adam Brown reviewed the report. He shared that water demand remains low. This past month was busy preparing for the irrigation for the season. The crews have been putting in hard work and long hours. The chimney flat line replacement was completed in two weeks and turned out well. The images attached to his report illustrated the siltation issues in the upper canal due to The Mosquito Fire. The ditch had just two to three inches of depth in places usually offering three feet. The available depth was too shallow to bring the irrigation water down. This played a role in the decision around the adjustment of the irrigation season. The ability to move water due to silting in the canals from the fire has been greatly impacted. Access to infrastructure was hampered by precipitation and working in the mud was more damaging to the infrastructure than good. Yesterday water began being pushed down, people will be seeing that in the system. May 2nd was when the canal was finally all cleared. Pressure-regulating valves (PRVs) were installed at the Sweetwater WTP last week. Replacing the PRVs has been shown to have fewer line breaks over time. This will help especially with the thin-walled PVC pipes in Auburn Lake Trails (ALT). Inspection at Lake Walton and the spillway at The Stumpy Meadows Reservoir is needed for compliance with the Division of Safety of Dams (DSO). The District exercises each valve every year. DSO is required to witness this work every 3 years. The California Governor's Office of Emergency Funding (CALOES) and the Federal Emergency Management Agency (FEMA) funding covered the work needed on the station 5 failure, and siltation in the canals. Funding for needed dredging work in Lake Walton seems favorable.

Board Discussion:

Director Seaman inquired if there is an ability for notification delivery asking that valves be left open at the irrigation season start to avoid mud build-up issues. It was shared that when charging the pipelines there is a plan to send out notifications. The Director also inquired as to the meter read summaries, are this each one event? She requested that the Guniting and vegetation clearing locations be listed in the report. The answer shared that it is a single event, and more context is needed on that report item. Including all items would make the report lengthy but can certainly be added.

Director Saunders inquired about the possibility of a report on the meter installation and possible line breaks. How many breaks requiring fixes were recorded? It was shared that the information could be compiled and shared.

President MacDonald inquired about the need to start the water flow in the canals a week in advance of the need. It was shared that charging the ditches in advance is necessary as the initial head of water pushing down takes 4-5 days to reach the end. The consequent debris must then be cleared from the system. After this process has occurred then the customer's water can be turned on and adjusted. Since September the crews have put in hard work and hours.

Public Comment:

Stephen Dowd inquired if the PG&E line construction has damaged any water District lines. He reported seeing a possible water line leak on Harkness Street and trees being down over the irrigation ditch. The answer regarding the leak on Harkness Street, it was investigated no chlorine

was found in the water meaning it is not from District lines. PG&E crews have damaged water lines and are in the process of reimbursing for those instances. The clearing has been a challenge this year given the number of downed trees.

D. Water Resources Manager's Report- Sanitary Sewer Management Plan (SSMP) Update

The Water Resources Manager Alexis Elliott reviewed the report and gave an update on the SSMP. There were 85 annual inspections, and 2 escrows conducted over the last month. There were no spills. The District only received .33 inches of rain. She participated in the Earth Day event at the Georgetown Library for public outreach. The weather outlook is a bit outdated. The National Oceanic and Atmospheric Administration (NOAA) projection predicted temperatures in the mid 70's during May which is not what has been experienced. The Sierra snowpack is now at 240% which is good.

The SSMP update shared that the state had reissued an old order. The major change being the legally responsible person must submit a new form. The current SSMP needed to be resubmitted online. This is now on the state site. There was also an annual report to submit regarding the Community Disposal System (CDS) fields. This item was submitted today. This item will next require an update in 2026.

E. General Manager's Report-

The General Manager Nicholas Schneider gave an overview of his activities over the past month. He participated in the ACWA (Association of California Water Agencies) state legislative committee. This group is a great resource from which The District develops many of its legislative positions. Utilizing their analysis assists with understanding the legislative pieces and happenings. Processes are almost finalized to begin moving the investments there is one more signature needed. Then The District will be able to take advantage of the market, CDs, and other new investments. Mr. Schneider attended the Watershed Plenary, which is a group of meetings held by The El Dorado Water Agency (EDWA). They also host the Upper American River Watershed Advisory Group meeting. This is a group that submits projects for potential grant funding to the USBR (United States Bureau of Reclamation). EDWA included the canal lining and canal pipeline additions identified by The District on their project list.

Mr. Schneider delivered a verbal report on the Voluntary Agreements (VAs). He has been meeting with The American River Watershed Group which includes El Dorado Irrigation District (EID), Placer County Water Agency (PCWA), Forest Hill Public Utilities District, and GDPUD. These four members will be required to participate in the VAs. This will require that they give up water in specific years depending on precipitation amounts based on a set of standards. The years are gauged under categories, Critically Dry Year, Dry Year, Below Normal, Above Normal and Wet Year. In any of the 3 lowest categories, the members are required to give up water. The thought is to be paid to give up the water. The going rate is currently \$295 per acre-foot. The total amount required from those partners is 10,000-acre ft. The District could potentially be on the hook for 3,000-acre feet. The State only requires three years of participation out of every eight. Should The District be called upon for the water then an assessment would be done regarding the possibility to fulfill the request. The refill requirement is being advocated against but then there would be less ability to do this every year losing potential revenue. This may be coming most likely within the next six months. The District is looking to work with other agencies to sell and store groundwater then utilizing that resource as an asset to The District with the VAs.

Director Saunders delivered a Regional Water Agency (RWA) VA update. Under the Bay-Delta Plan, every river which flows into the Delta must put in water to help the Delta. Currently, they are trying to make a Sacramento water bank through conjunctive use with groundwater wells. This would create extra storage and the groundwater can potentially fulfill the dry year water take requirements. The Department of Water Resources (DWR) is giving \$55 million to invest in a groundwater program. This must be done by June first. The next RWA meeting will approve the list of projects for that funding and The District will be a part of that conjunctive use.

Director Thronbrough asked if the DeFazio water could be used for this project and agreements. The

General Manager answered, not at the moment though we are working on this piece. The District is hoping to use that water in an agreement with EID. The hangup with the water is it must be taken from a Federal facility. Thus, if EID was allowed to use their federal facility to take the water, then there could potentially be a trade possible.

President MacDonald inquired about the definition of passthrough, when, and how that would work. Director Saunders explained that usually that would occur at the beginning of spring and a dictated amount of cubic feet would be requested. The President asked would the state request water prior to The District's own water assessment and independent sales decisions. The General Manager shared that during a critically dry year, there is no requirement to give up water. This means The District could sell at the highest price during those years. During the dry years part of the argument is that all must give up a portion of their water rights. If water is sold, then there is a refill requirement. If water is given up in a VA, then there is currently advocacy to not have a refill requirement.

Public Comment:

Stephen Dowd asked about the potential 3000-acre feet requirement for The District in the VAs. Sales at \$295 per acre-foot, does that make the amount close to \$1 million. The answer was \$885,000.

6. COMMITTEES

- **Irrigation Committee** – Ray Griffiths, Chairman – Next Meeting Date June 15, 2023

Director Seaman shared that the meeting was postponed. She was curious if the cancellation was due to a quorum issue as that should be the only reason. The General Manager shared that several members participate remotely and that is something we are working with as well. The discussion is that they can be remote and not participate and they can be remote and not vote or discuss in committee commentaries. This was clarified as being correct. The District is compiling information for the public and working on selling available inches moving forward. The General Manager shared that the staff is also working on educational flyers and videos.

- **Finance Committee** – Steve Miller, Chairman - Next Meeting Date June 22, 2023

Chairman Miller shared that the committee met last month and reviewed the budget. He advised not to look simply look at this year but also at previous ones as this year has been an anomaly given the events and consequent repairs. He shared that including inflationary issues for each item, it was pretty clean. Director Thornbrough asked if there will be an official recommendation from the committee to The Board. Chairman Miller answered that should a final budget be presented to the committee for review then a possible recommendation could be put forth to The Board. The General Manager shared that the next step in the budget process will be holding a joint budget workshop of The Board of Directors and The Finance Committee. This will be a working session to arrive at a final budget and come out of the meeting with a recommendation from the committee to The Board.

- **Ad Hoc Committee for Policy Manual** – Next Meeting April 20, 2023

Director Saunders gave an update on the work being done by the committee. He shared that one policy was passed on the consent calendar. Policy 4210 Board meeting standards of conduct is on the agenda as an action item. The Anti-harassment and discrimination policy is being reviewed by JPIA. The reimbursement remuneration policy for board members is currently the focus of work in the committee. The General Manager shared that there is a draft of the water transfer policy which will be on the next meeting's agenda. The next meeting will be on the 18th as the staff member chairing this committee will be out.

- **Ad Hoc Grant Writing Committee** – Next Meeting July 2, 2023

It was shared that the committee has not met. There is nothing to report at this time.

- **Ad Hoc Committee for the Audit Committee** –

There is currently no meeting scheduled. There have been a few questions answered by LSL, though there are no findings at the moment.

- **Ad Hoc Labor Negotiation Committee –**

There is currently no meeting scheduled. The General Manager shared that this is on hold due to the salary survey being in play. Work is being done to ensure that the survey tells the right story before negotiations begin.

7. ACTION ITEMS

A. Interview Finance Michael Thomas Finance Committee Candidate-

The General Manager introduced Michael Thomas and requested an opening statement. Mr. Thomas shared that he has been a GDPUD customer for 13 years. He feels the water district is an important part of the community. In his legal practice, he has represented several water companies. He had seen the call for candidates and would like to contribute to the community given his background.

The Board of Directors then interviewed Candidate Thomas.

Director Stovall inquired as to which region of the Divide he resides in and does he utilize irrigation water. Mr. Thomas responded that he lives near the third gate of Auburn Lake Trails (ALT) on a 16-acre parcel that does not receive irrigation water service.

Director Saunders inquired if Mr. Thomas was still currently practicing law. Mr. Thomas responded that he has a practice in Roseville. He has been practicing for 32 years focusing on real estate, construction, and complex commercial litigation. He shared that he also represents a mutual water company in the central valley. The Director also asked if Mr. Thomas was currently involved in any litigation with any local water agencies or the county. Mr. Thomas responded "No".

The General Manager inquired as to which mutual water company Mr. Thomas was currently representing. Mr. Thomas shared that he currently represents the Potato Slew Water Company.

Director Thornbrough asked if he is currently representing Lon Uso in a lawsuit against the county. Mr. Thomas answered that yes, he is representing Lon Uso in a dispute with the county Board of Supervisors (BOS). The Director then clarified that would be an action against the county. Mr. Thomas answered, "Correct".

Legal Counsel Christina Pritchard then clarified that just the action of representing Lon Uso in his action against the county Board of Supervisors alone doesn't represent a conflict for serving on a committee with The District. Looking into the merits of the lawsuit and the action, what it is about would be necessary to assess whether there was any exposure to The District.

Mr. Thomas shared that the lawsuit itself is a petition for a writ of mandate. It concerns a denial for a conditional use permit for Mr. Uso's property adjacent to ALT. Mr. Uso has several non-conforming structures for an open space. The county BOS denied the conditional use permit.

Legal Counsel Christina Pritchard asked if that conditional use permit were to ultimately be granted pursuant to the suit, would GDPUD have any involvement in processing any portion of the permit or the approvals related to it? Mr. Thomas shared that this matter is concerning several structures and has nothing to do with water rights or access. The General Manager asked if any of the structures would be living spaces or have a second meter. Mr. Thomas answered that no they would not.

Director Seaman asked if those structures were from the initial meter, a legal structure at the time that those other structures were built. Would The District have been approached to allow that water used to be extended to the other structures? Would that put GDPUD in litigation? If these structures are illegal does GDPUD get thrown into the legal mix? Is this property on a well or GDPUD water? Does GDPUD water support those illegal structures? Mr. Thomas answered that he is not positive if Mr. Uso is a GDPUD customer. He shared that assuming the property is supported by GDPUD water the only structure at possible issue is a barn for horses. If the lawsuit petition is unsuccessful,

then code enforcement would require that he remove all nonconforming structures including the barn in question. Director Thornbrough shared that he had read part of the issue with the county is that Mr. Uso is on an unpermitted well. The Director shared that he remembers Mr. Uso stating that during the time there was a drought and GDPUD could not add any more connections which forced Mr. Uso to dig a well in order to get the work done. Mr. Thomas shared that he could verify if his client is using well or GDPUD water also.

Legal Counsel shared that Mr. Thomas's representation of Mr. Uso in relation to an action against the county alone wouldn't conflict him out. A foreseeable potential future action of a client of his on separate issues would more likely conflict him out of representing Mr. Uso than it would to be serving on the committee if he was to be appointed. She offered that the firm could look at the petition and assess for any conflicts of interest.

Director Saunders inquired as to how long this litigation is expected to last. Mr. Thomas shared that he expected it to last until September or October of this year.

Director MacDonald inquired as to whether Mr. Thomas has a residence in Roseville. Mr. Thomas shared that he has an office in Roseville and his residence is near the third gate of ALT.

Director Saunders suggested The Board wait until the litigation is finished removing any potential conflicts or issues in dealing with the county supervisors.

Public Comment:

Cherie Carlyon asked if Mr. Thomas was aware that he would need to be present in person for committee meetings. Mr. Thomas answered that he is aware, and he lives just down the road so that shouldn't be a problem.

Director Seaman motioned to push the next interview and decision until the litigation has been resolved in order to be free of conflict with the county as that is a close party with which the District works. Director Saunders seconded the motion.

President MacDonald called for the vote.

Ayes: Director Seaman, Director Thornbrough, Director Saunders, Director Stovall, and President MacDonald

Nays: None

Abstentions: None

The motion Passed **Unanimously**

B. FY 2023-2024 Budget Approval

It was explained that in looking at this presentation the top sections are all regarding the employees and can't be changed. The bottom section is where things can be addressed and changes may occur, this is the non-labor section.

Account 5100 titled Source of Supply was reviewed first. The account has overages in materials and supplies due to impacts from the Mosquito Fire. Materials and other is for rental or non-durable goods items with short lifespans. The Mosquito Fire required that the District rent equipment for the response. Some of this can be utilized as part of a grant. The hope is should there be reimbursement in litigation with PG&E, then some of the items won't ultimately be paid as line items. The government regulation fees increased from \$80 thousand to \$100 thousand. Dam permit fees have increased as have fees related to water rights. This amounts to \$30,000 more which was not budgeted towards in the past. This includes the annual dam inspection fees. The red categories illustrate proposed items. Capital expenses are typically looked at as long-term purchases, this is equipment or items utilized for many years into the future. Included is a new category, PPE.

Regarding the capital expenses The District is looking for new trimmers, pole saws, and a drone to inspect areas with difficult access. The drone will serve many purposes surveying damages and assisting with inspecting water theft issues as well.

Board Discussion:

Director Saunders inquired as to the drone cost and does that include training. It was shared that staff development has included amounts for Federal Aviation Administration (FAA) training for drone flight training and certification. They are licensed as pilots of a drone. President MacDonald asked in relation to the PPE if there was a cleaning service. Yes, there is a cleaning service included in that cost. Director Seaman asked for clarification on the CEQUA \$5000 amount for ECORP under the professional services, which appears to be a blanket amount in the other accounts as well. Is that a just-in-case number? Yes, that is correct this is for an emergency basis for smaller projects set aside as an available amount.

Public Comment:

Cherie Carlyon inquired if the projected 35% increase in salaries was correct. This was verified as correct.

Account 5200 is for raw water related to irrigation. The overtime is not expected to be used though it is included should the need arise. The standby pay increase is \$8,000, at certain times of the year it is necessary to have more than one operator standing by. This has not been accounted for in the past but needs inclusion. The materials and supplies were budgeted higher last year.

Board Discussion:

Director Thornbrough stated that the operating budget is meant to include only those expenses necessary for operations and not improvements. New equipment additions should not be included in this portion of the budget. It was shared that these are not necessarily new additions, this is equipment that has exceeded its lifespan and needs replacement. Director Seaman inquired about the uniform costs and asked for a brass-tacks number in terms of that expense. The General Manager shared that the cost is around \$9,000 a year. The District is working with a new uniform vendor to obtain gear with higher visibility for safety while in the field. The Operating Manager shared that those numbers are broken out by department, and one must add all for the whole amount.

Director Saunders shared that the materials, supplies, and fuels amounts decreased from the projected. He emphasized a need to ensure those increased fuel costs are captured in the budget. The General Manager shared that fuel costs have risen 45%, which is where much of this amount originates. The Director is anticipating future inflation costs impacting The District and wanted to ensure that was being captured. Director Saunders asked if Bennet Engineering should be included in the CIP estimates instead. The General Manager shared that if Bennett Engineering Services is working on a project which becomes CIP, then the money will transfer over to that account. It would then be paid from CIP rather than the operating budget.

Director Stovall pointed out that there was a difference in the wastewater and raw water wages and benefits from the finance committee presentation to this current presentation. The General Manager shared that there was corrected data included regarding the salaries which now reflects the step increases and COLAS.

Finance Chairman Miller shared that the budget is what is anticipated with reasonable expectation it is not what will ultimately be spent. Budgeting regarding foreseeable equipment lifespan needs and failure needs to be included. It is an intentional plan to meet what will be actually spent during the year. The General Manager shared that he doesn't anticipate every dollar from the capital expenses being spent.

Public Comment:

Cherie Carlyon asked about the materials and supplies, operating fuels, and utilities the projected is higher than the budget. The answer take into consideration that administration has their own vehicles and there was no budget allocated towards that in this year's budget. Not all items were addressed in the current budget. The fuels cost increased this year. The General Manager shared that in comparison to the last year's approved budget materials and supplies is decreasing, materials other is flat, vehicle maintenance is decreasing, fuel is increasing by \$3,000, professional

services is increasing by \$9,000, and utilities is increasing by \$2,000. Looking at the numbers, this department is coming in less than was budgeted for last year.

Account 5300 is for water treatment and operation of the water treatment plants (WTPs). The salaries came in higher; this was expected materials and supplies costs remained fairly flat. The water treatment chemicals are the main cost component. Utility costs are high as treating water is an energy-intensive process. The District continues to explore solar panels as an option moving forward. There is a need to repair the Variable Frequency Drive Controller (VFD) at Walton as it is starting to fail. The only improvement is the installation of automatic gates for security. The District is working to cancel the team viewer as VPN works equally well locally this will reduce costs.

Board Discussion:

Director Saunders inquired about the fact that Bennet Engineering is included in each section as well as the administrative services. Does this add up to what is in the contract with Bennett? We have an up to number in the contract. The General Manager shared that he believes this is correct but will verify the amounts.

Account 5400 is regarding treated water operations. Materials and supplies is one section with an anticipated increase. This was budgeted for differently in the past. The Cartegraph program allows for more ease in estimating costs.

Director Stovall inquired as to what the SWRC fees were regarding. The answer those are the State Water Resource Control Board permit fees.

Public Comment:

Cherie Carlyon asked about the USA service alert for treated water why must The District pay for this? The Operations Manager shared that as a member The District must pay for service alerts. The General Manager shared that they mark all the lines in the system if someone will be digging. The Operations Manager shared that it is a state law requiring a response within 24 hours if someone calls. They are a call service taking the calls in and then notifying agencies.

The 5600 is the account for administration. These numbers are higher because the unfunded liability and salaries have increased since last year. There are small adjustments in this section possible but not by much. Included are the additional costs for payroll processing fees information gathered gave a more accurate amount. Potentially getting rid of the MOM software was explored. Unfortunately, it must either be kept for four more years, or a forensic audit be done whichever option is cheaper. There is a suggestion to cancel SOCRATA as this doesn't seem to be the service that was hoped for, and it is not generating the reports that were anticipated for access. This is for The Board to decide. Board member training is included so that rather than having to submit for reimbursement through the current process this would streamline and reduce costs. Professional services are where the majority of expenses come out.

Board Discussion:

Director Seaman inquired about the CEQUA compliance expense amount and the reasoning around that estimate. It was shared that that has to do with their contract breakdown, part of the Environmental Consulting Services (ECORP) agreement. The Director also inquired about the ADT security expense, questioning if the cost is for the office building. She wondered if the system works during power outages. The answer, there is a backup generator.

Director Stovall shared that he looks forward to having SOCRATA canceled. He understands this is a frustrating service and looks at it as a sunken cost. It is not the tool that is being utilized as was hoped. Jessica Buckle the Office/Finance Manager shared that the SOCRATA version agreed on in the purchase does what the Tyler program already provides, populating reports. It doesn't sound like it is what the board was requesting when they sought the service.

Director MacDonald shared that Board training and travel mileage costs might be higher than reflected in this budget. The General Manager shared that this was estimated by looking at the

CSDA and ACWA conference costs. This decreased the amount as it seemed too high previously. This is just for conference fees. Travel and meals are reimbursable. This is being implemented so that staff can book travel and save with group and early discounts. The thought was that all get an equal amount and at least anticipate each member will attend a training. This is not an item that has been included previously and is open for debate and can be adjusted as needed.

Public Comment:

Cherie Carlyon inquired as to why there are double lines on page 10 in the materials and supplies section. The answer this is 55 and 56 combined.

Account 6100 covers the Auburn Lake Trails (ALT) zone. Last year only one salary was budgeted for this accounts for the increase. Materials and Supplies includes planned projects. This is all based on additional contracts. The rate study cost is still being estimated and will be included once available.

Director Stovall asked about the rate study, and if there was an estimate as to when it will be ready. The General Manager shared that this will most likely not be until 2024 after the Wastewater Discharge Requirement (WDR) system permit is complete.

Salaries 2023-2024

There is one vacant position, though that title might change to be a crossover for a few departments. There is a need for position redundancy in the staff. For example, the District only has two water treatment operators, and the wastewater technician is the only septic inspector. It has been assessed that built-in redundancy reduces stress and allows employees to take their allotted time off.

Saunders noticed that the Engineering Manager was included however The District chose to work with a consultant rather than hire. It was shared that this position could be removed as it won't be filled. The Director pointed out that this information is pre-the-salary study information reception.

Public Comment:

Cherie Carlyon asked why the budget does not include a retired annuitant. The General Manager shared that the retired annuitant currently has a contract and is working through June 30. The District is not sure if there is an anticipated future need. Ms. Carlyon responded that the Operations Manager was required to have water treatment plant licenses as part of the position contract when hired. She asked that the benefits be included in this section. It was shared that moving forward they would be in the section.

Overtime & Standby-by Pay

This is not always paid. These funds are only utilized as needed.

Capital Improvement Plan (CIP)

There have been many changes since the last budget draft. The non-grant-funded projects were reduced in order to ensure all will be completed. The question was posed during the Finance Committee meeting, would there enough be staff to complete the projects while still meeting the operation's needs? Many projects have been moved to other years. The Zone has been broken out as those funds come from a different budget. The grant funding area has seen the inclusion of dredging the reservoirs and erosion control methods utilizing the emergency declaration funding. Development of alternative water sources would entail the exploration of access to those sources which could be utilized in future water transfers.

Board Discussion:

Director Seaman inquired about the CIP project, Zone water line to the CDS (Community Disposal System) field. Is that a wastewater line? The General Manager shared that is to be a treated water line utilized for cleaning and other operations. Part of the cost includes funds needed to purchase a right of way on another property. The Director also asked if a tunnel inspector had been found. It

was shared that The District is still looking for an inspector.

President MacDonald posed the question regarding the issue of goods and commodities having increased costs annually, should there be an algorithm built into these estimates to address the depreciating dollars each year? He shared that buying power is going down.

Director Stovall inquired about The District's vehicle replacement needs. He knows there is a lack of towing capacity in the fleet. Would it be more cost-effective to purchase vehicles before the CARB fleet standards come into play? He shared a concern that future vehicle costs will be prohibitive. The General Manager answered that yes purchasing now would help alleviate some of those concerns/issues. Unfortunately, the budget doesn't allow for those purchases. Director Stovall also inquired about the annual canal lining, is this project yielding a return in water saved? Could this water be sold or transferred?

Public Comment:

Cherie Carlyon inquired as to how much money is being held in the capital reserves to pay for these projects, and whether there will be a transfer of excess funds into that account. It was shared that the staff would need to get back to her on that question. The audit has not been finished for that information to be available.

Revenue Budget

The General Manager shared that the Office/Finance Manager Jessica Buckle had been successful in procuring the property tax revenue back from the county. This was in the amount of \$1.998 million which had not been sent to GDPUD.

Director Saunders asked if there had been any success in chasing down the SMUD money which is owed to The District. Jessica Buckle shared that she was told everyone retired last year, but that she is working on procuring those funds. The Director also inquired as to the proposed interest income of \$60,000, is that a realistic figure? The General Manager shared that he believes that amount may be a conservative estimate, low.

Director Stovall shared that on the CIP last line, the grants show a total of \$1.925 million potentially available. Where did the other million get placed? The General Manager shared that that has to do with the manner in which grants cross over during the FY. The District was originally anticipating more grant funds coming in this year, but those amounts will actually be spread through other years as well.

Public Comment:

Stephen Dowd asked how The District was doing regarding Proposition 218 after just one increase. The General Manager shared that The District will potentially need to look into a rate study. Nobody wants to hear rate increase, but it is a potential that those will be needed to cover costs.

Cherie Carlyon shared that the FY2022-23 approved budget total water revenue is \$6,993,000 and the current projected is \$6,158,000 which is an \$835,000 difference in income she is not sure why? The General Manager shared that anticipated residential water sales for the FY 2022-23 budget were \$400,000 higher than the actual amount and irrigation sales came in almost \$200,000 higher than the approved budget. The approved budget was not properly anticipated last year.

Operating Expenses

The administration budget is accounting for some of these items. The General Manager shared that The District is looking to be realistic in terms of which costs may arise.

Public Comment:

Cherie Carlyon delivered comments per the submitted attachment.

C. Board Meeting Conduct Policy

It was shared that this Policy was being presented so as to allow better use of the time during the meetings. Director Thornbrough shared that there was a missed section from the old policy. It was a section allowing the president to adjust public comment with the addition of increased time should there be many wishing to speak. The General Manager shared that this is on page 2, 50304.2. This item can be included as an addition to the new policy under section 4210.06 Public Comments it can be added to number seven.

Public Comment:

Cherie Carlyon expressed that she did not see the necessity of changing change the amount of time allotted to individual public comments from five minutes to three. She inquired as to what and who was the designee. The answer shared that this is in relation to a new law. This policy is consistent with most of the boards in California.

Director Saunders motioned to adopt Policy 4210 with the addition under 4210.06 the verbiage from the old policy section to the language with the verbiage in the old policy 5030.4.2. between 3 and 4. Director Thornbrough seconded the motion.

President MacDonald called for the vote.

Ayes: Director Seaman, Director Thornbrough, Director Saunders, Director Stovall, and President MacDonald

Nays: None

Abstentions: None

The motion Passed **Unanimously**

D. Summary of surplus sales and request to use funds for equipment purchase.

The Operations Manager explained that there is an opportunity with the surplus funds to upgrade and have another better-use piece of equipment. This action is approving an up to amount not a definite number. The District would then look to procure the best deal on the approved equipment pieces.

There was a discussion with The Board for clarification. Director Stovall asked if The District has the equipment necessary to haul the proposed excavator. It was shared that there is capability. Director Thornbrough inquired about estimates for the Bobcat. It was shared that there may be a spread in the prices. The Operations Manager had found two used listings for around \$50,000. Director Saunders shared that the plan of doing this is to make sure we save in capital expenses, so this is using the funds the way it needs to be done.

Director Thornbrough motioned to approve the use of funds generated from the surplus sales to purchase the proposed equipment. Director Seaman seconded the motion.

President MacDonald called for the vote.

Ayes: Director Seaman, Director Thornbrough, Director Saunders, Director Stovall, and President MacDonald

Nays: None

Abstentions: None

The motion Passed **Unanimously**

E. ACWA nomination

The General Manager shared that this was an excellent opportunity for Director Saunders to serve the district and the ACWA. Director Saunders shared that this nomination support will be on the Regional Water Authority (RWA) meeting agenda this coming Thursday. He is also asking for support from the Mountain Counties Water Resources Association (MCWRA). Having small agencies represented is important currently the northern part of the state and smaller districts are

not well-voiced. These rural small Districts are the source of the Headwaters which is where 60-70% of the State's water originates.

Director Seaman inquired as to what costs the District would incur for this support. Director Saunders shared that the costs would actually be less as ACWA pays the conference fees for their President and Vice President.

Public Comment:

Stephen Dowd inquired if this position was being chosen through an election. The answer was yes, this is a nomination action making Director Saunders eligible for the ballot.

Director Stovall motioned to approve the nomination of Director Saunders for the ACWA Vice President. Director Thornbrough seconded the motion.

President MacDonald called for the vote.

Ayes: Director Seaman, Director Thornbrough, Director Saunders, Director Stovall, and President MacDonald

Nays: None

Abstentions: None

The motion Passed **Unanimously**

8. **PUBLIC HEARING-** There was no public hearing.

9. **BOARD MEMBER REQUESTS FOR ADDITIONS TO FUTURE MEETING AGENDAS**

Director Seaman shared that she had observed the pressure washer location could be causing potential discharge into the creek. The crews utilize the washer at the end of the building on the asphalt and there is potential for runoff.

There was no closed session.

10. **CLOSED SESSION**

A. **GOV. Code § 54956.9(a)** – Pending Litigation GDPUD v. PG&E

11. **NEXT MEETING DATE AND ADJOURNMENT**

A. The next Regular Meeting will be June 13, 2023, at 2:00 PM., at the Georgetown Divide Public Utility District, 6425 Main Street, Georgetown, California 95634.

Director Thornbrough motioned to adjourn the meeting. Director Saunders seconded the motion. The motion passed by acclamation. The meeting adjourned at 6:21 PM.



Nicholas Schneider, General Manager

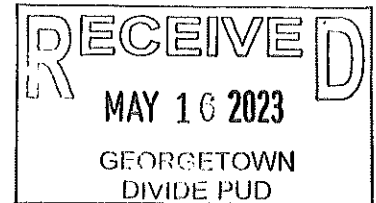


Date

Attachment:

1) Submitted Public Comment of Cherie Carlyon

GDPUD Board Meeting
Tuesday, May 16, 2023
Public Comments by Cherie Carlyon



Item 8A—FY 23-24 Budget review

A one million dollar increase in District expenses is outrageous. The GM Schneider's proposed budget in February was \$700,000, then in April it was \$1,100,000 million and now it is \$1,000,000 over last year's budget.

This feels like a bait and switch technique used by a typical used car salesman. This board's main duty to the rate payers is the financial health of the District. Since February 14, the GM Schneider has presented 3 different proposed budgets to this board and once to the Finance committee which included large increases each time and not one board member or committee member questioned the budget increases.

This budget doesn't have a consolidated expense section that would show a total of each department's expenses. Last year the budget included this section. The layout of this budget is very difficult to read compared to the past budgets, especially with Department 5600.

This budget shows \$835,308 less in revenue than the approved FY 22/23 budget. Why is that? Part of the decrease is from the continuing loss of irrigation revenue which is \$162,000 less than FY 21/22, but that still leaves \$770,308 deficit. \$770,308 less in revenue and the proposed budget is a million dollars more?

The salary chart shows proposed total salaries of \$2,025,692.59, which is 14% higher than the current approved budget. Social Security recipients received 8.7%. The salary chart neglects to show us the additional employee taxes and benefits, which are probably an additional \$2,000,000. Why are we not receiving this information, like we have received in the previous year's budgets?

Why has the Unfunded CalPERS liability for Dept 5600 gone from \$190,000 to a proposed \$296,000?

The FY 22/23 project column on the Revenue Budget page appears to be incomplete with the total of only \$548,846.

Dept. 5600 detail section Durable Goods/Rentals shows \$2000 and the proposed budget shows \$1000.

The Power Point was added yesterday to the district website meeting page and the public was not notified of the addition. The public should get an email notification when anything is added or revised concerning the meeting documents. El dorado county follows this procedure very exactly.

The 2018 rate increase brought in about \$1,500,000 in new revenue and increase rates dramatically. What will a \$1,000,000 increase in expenses do to the rates when a new rate study is completed.

Those who are too trusting are the ones most likely to be bitten if they have not done their responsibility and exercised due diligence.