

CONFORMED AGENDA
REGULAR MEETING
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT BOARD OF DIRECTORS
6425 MAIN STREET, GEORGETOWN, CA 95634
TUESDAY, JANUARY 9, 2018
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
 - 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 2:00 PM. Director Hanschild led in the Pledge of Allegiance.

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

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

2. ADOPTION OF AGENDA

Legal Counsel Barbara Brenner stated the case of Mecklenberg vs. Georgetown Divide PUD should be added to the closed session agenda.

Motion by Director Wadle to adopt the Agenda with the addition of Mecklenberg vs. GDPUD to the closed session agenda. Second by Director Hanschild.

Public Comment: None.

The motion passed unanimously.

3. BOARD REORGANIZATION

A. Oath of Office of Appointed Director David Souza, Administered by Legal Counsel

Legal Counsel Barbara Brenner administered the Oath of Office to David Souza. Director Souza signed the Certificate of Appointment and took his seat at the dais.

B. Adopt Resolution 2018-07 Establishing the Policy for the Election of Board Officers and Confirming the Election of Officers for Calendar Year 2018

Possible Board Action: Receive nominations and elect officers. Adopt Resolution 2018-07 establishing a policy of electing officers and confirming officers for calendar year 2018.

Motion by Director Wadle to adopt the Resolution 2018-07 establishing the annual election of Board officers, and electing the current officers to continue for the 2018 calendar year. Second by Director Hanschild.

Public Comment: None

The motion passed unanimously.

4. **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.

Steven Dowd read a statement regarding the Prop 218 process citing issues he had with the process and the Board's action to increase the rates. Mr. Dowd served Directors Hanschild, Halpin, Uso and Wadle with a Notice of Intention to Circulate a Recall Petition.

5. **CONSENT CALENDAR**

A. Approval of Minutes

1. Regular Meeting of December 12, 2017
2. Special Meeting of December 13, 2017

B. Financial Reports

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

C. Adopt Resolution 2018-01 Authorizing the Change of Bank Signatory Authority

Possible Board Action: Adopt Resolution 2018-01 authorizing change of bank signatory authority.

D. Adopt Resolution 2018-02 Authorizing the General Manager to Execute an Amendment to the Professional Services Agreement with EN2, Extending the Term of the Agreement.

Possible Board Action: Adopt Resolution 2018-02 authorizing the Amendment to the Agreement with EN2.

Motion by Director Hanschild to approve the Consent Calendar. Second by Director Halpin.

Public Comment: None

The motion passed unanimously.

6. **INFORMATIONAL ITEMS**

A. President's Report

No report.

B. Board Reports

No reports.

C. General Manager's Report

General Manager Steve Palmer provided an update on staffing, indicating the Water Resources Manager position will soon be filled, and interviews are being scheduled to fill the vacant Administrative Aide 2 position.

Mr. Palmer stated that his reports will now include information on matters that will be coming up for the Board's consideration. He provided brief information on the following upcoming agenda items:

- ❖ Approving Board attendance at the ACWA Spring Conference.*
- ❖ Standardizing District Purchasing Policy with Government Practices.*
- ❖ Approving Mid-year Budget Adjustments.*
- ❖ Setting a Goal-setting Board Workshop.*
- ❖ Approving Updates to the District's Policy Manual.*
- ❖ Approving an Agreement with the El Dorado Water Agency for a Cost-Sharing Program.*
- ❖ Reviewing Wastewater Zone Fees.*
- ❖ Conducting a Mid-Year Update to the 5-year Capital Improvement Plan.*
- ❖ Approving a PGE Request for an Antenna Lease Agreement at the Hotchkiss Hill Tank.*
- ❖ Approving Updates to the Personnel Manual.*
- ❖ Approving Updates to the Capital Facilities Charge.*
- ❖ Approving Plans and Specifications for the CABY Canal Lining Project.*

Mr. Palmer stated that the Finance Committee is currently comprised of three members and is scheduled to meet the following week. The District is advertising for new members with the intention of leaving the application period open to make sure those interested will have an opportunity to apply and be considered for a Board appointment.

Lastly, the General Manager announced that Monday is the Dr. Martin Luther King holiday so the office will be closed.

D. Operation Manager's Report

Mr. Palmer gave the Operation Manager's Report on behalf of Darrell Creeks who was at training.

Things are operating normally, as of yesterday, the spilling that is great news for us. Crews dealing with fewer leaks, normal during the winter. Cleaning 4,000 feet of ditches. Starting hydrant flushing program to make sure the system works and the District can report his will affect home owner's insurance. Report that the district does this to give customers a benefit for a reduced insurance rate. Director Souza offered to assist in this effort.

E. ALT Treatment Plant Update

Engineering Consultant George Sanders indicated that because several members of the public are present and with a new Board member, he would provide additional background on the ALT to provide attendees a greater understanding of the work activities that occurred during the month of December. He stated that much of the activities centered around the filter building.

Mr. Sanders explained that the loan with the State is on a draw as needed basis. Thus far, the District has captured six payments for a total of approximately \$3M from the SRF loan.

Mr. Sanders stated that Legal Counsel successfully negotiated the loan agreement with State that minimized that amount of funds required of the District for the project. Both Mr. Sanders and Director Uso explained the State's requirement that the District collect funds to cover an extra year's loan payments.

Mr. Sanders reported that the project continues to be on time and on budget.

F. Presentation on the Operation of ALTWTP

Mr. Sanders stated that this presentation was requested by the Board after discussions that have progressed over a lengthy period relative to the operational needs of the new facility.

The purpose of this presentation is to help the community understand the existing system and what we will have when the ALT Water Treatment Plant project is hopefully completed in December. Additionally, questions have been raised as to whether the technology in the new plant could result in a reduction or a decrease in operational needs. Mr. Sanders explained that the District has two plants with a dedicated plant operator for each. Coverage less than that is unrealistic and a conclusion as to operational needs will not likely be reached until the new plant is complete.

Through a Power Point presentation, Mr. Sanders provided a comparison of the existing plant and the new plant through schematic drawings and photos describing key elements of the water treatment process.

7. NEW BUSINESS

A. Review and Accept the 2016-2017 Audit Report

Possible Board Action: Receive and file.

Craig Fechter of Fechter & Company reported there were no specific findings or recommendations in the audit report. He stated that overall there was positive income in the fiscal year so there have been improvements financially.

Director Wadle referenced the obligations listed in the report. He stated that people should understand how the District is impacted by forces beyond our control, such as the pension liability. The Board was receptive to Mr. Fechter's offer to provide the Board with a presentation on PERS.

Director Wadle reiterated Mr. Fechter's comments that it was a clean audit and internal controls are good. Mr. Fechter further stated that the current arrangement of having outside independent auditors was a positive thing for the District.

B. Adopt Resolution 2018-03 Authorizing the General Manager to Execute an Amendment to the Professional Services Agreement with VTD, Adding Services and Increasing the Amount by \$53,760.

Possible Board Action: Adopt Resolution 2018-03 authorizing the amendment to the Agreement with Vavrinek, Trine, Day & Co., LLP.

Mr. Palmer described the current staffing changes and indicated that VTD has provided a very capable staff person skilled in accounting to take over Accounts Payable duties.

Motion by Director Wadle to adopt Resolution 2018-03 authorizing the General Manager to execute an amendment to the agreement with VTD. Second by Director Halpin.

Public Comment: Steve Dowd commented on the high cost of consultants.

Cherie Carlyon asked how the job openings were advertised wanting to be sure that the District reached out locally. Mr. Palmer indicated the job announcement was posted on the website and a press release was issued.

Vote: *The motion passed unanimously.*

C. Consider Funding for Automated Meter Replacement Project

Possible Board Action: Provide direction on whether to proceed with the SRF loan application.

The General Manager provided a summary of the automated meter replacement project and described the funding options that have been considered for the approximately \$1.7M project.

Rick Gillespie stated that the previous Finance Committee reviewed and supported the proposal to replace meters with the thought that the District could gain revenue by improving the system for calculating usage.

The Board directed Staff to proceed with researching funding options and an application for a 10-year SRF loan. Mr. Palmer indicated that staff will keep the Board updated on the process.

D. Adopt Resolution 2018-04 Low-Income Assistance Program Policy

Possible Board Action: Determine dollar amount for discount being offered by the program and adopt Resolution 2018-03 approving the Low-Income Rate Assistance Program Policy.

Mr. Palmer provided an overview of the proposed program policy.

Director Halpin commented that the if there was 100% participation in the program at a 25% discount, it would total to \$75,000. The General Manager stated that it is not realistic to expect a 100% participation. In fact, a review of similar programs, showed the participation level to be no more than 6%.

Director Halpin stated that the State is considering a LIRA Program and the District should wait to see what the State does. Director Uso stated that if the State comes up with a LIRA plan; the District's program would stop. Director Wadle stated that he heard the State's proposal is being pushed back.

Director Uso stated that this is an opportunity to start a program that has never been done before. We have a reasonable format with a 25% subsidy for some of these folks on a first-

come, first-serve basis. He stated that he feels this was a commitment by the Board when \$35,000 was set aside for this program during the rate increase process.

Director Hanschild stated that ratepayers were told that the District would come up with an assistance program for customers in need.

Director Wadle asked that the Board consider spending the next four to five months marketing the program and begin accepting applications.

Director Uso questioned the amount the General Manager estimated for administrative costs. Director Halpin agreed. Mr. Palmer stated it is for staff time and resources for outreach as requested by the Board.

Director Halpin stated the Board's Mission Statement doesn't even vaguely suggest that this is part of our mission. It's not a good idea. We should be focused on our mission.

Director Souza stated that he thinks the Board should hold off implementing this program until finances are back in order, get a greater understanding of participation levels and costs, and then decide whether to move forward.

Director Hanschild stated that the LIRA could be implemented during the second billing cycle and during those four months gather applications to get a better idea of participation level, and how staff time will be impacted.

Director Hanschild asked if a volunteer could manage the program; Legal Counsel indicated this was not possible because customer information is confidential.

Mr. Palmer stated that this is not yet budgeted and a budget adjustment will need to be done in February. He agreed that it is better to wait to adopt the policy and to do it in conjunction with the mid-year budget adjustment.

Director Uso emphasized that the District cannot use ratepayers' money to fund this program. The only reason we can do this is with ad valorem funds. We must wait for the ad valorem funds to come in before we can initiate this program.

Director Wadle stated that he shares concern for the low-income community, but he wants to do this right. This should be done during the budget planning process in the next 4-5 months. Director Halpin agreed.

In response to Director Uso, the General Manager indicated that hopefully the mid-year budget adjustment can be considered at next month's meeting.

Motion by Director Souza to table the Low-Income Rate Assistance Program to next month and direct Staff to bring this back for Board consideration in conjunction with the mid-year budget adjustment. Second by Director Halpin.

Public Comment: Cherie Carlyon commented that this assistance is not a drop in the bucket for those in need and added that she strongly disagrees with the high administrative costs.

Vote: The motion passed unanimously.

E. Adopt Resolution 2018-06 Policy Guidelines for Developing Board Position on Legislation

Possible Board Action: Adopt Resolution 2018-06 approving the policy guidelines and by motion action designate a Director as the legislative liaison.

Mr. Palmer provided some background on the need for this policy.

Director Wadle was designated as the Legislative Liaison.

Motion by Director Halpin adopt Resolution 2018-06. Second by Director Wadle.

Public Comment: None.

The motion passed.

8. ADJOURN TO CLOSED SESSION - at 5:15 PM.

A. CONFERENCE WITH LEGAL COUNSEL - LABOR NEGOTIATION. 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

B. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION. Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Government Code section 54956.9 (one potential case).

C. CONFERENCE WITH LEGAL COUNSEL – POTENTIAL LITIGATION. Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Government Code section 54956.9 (one case).

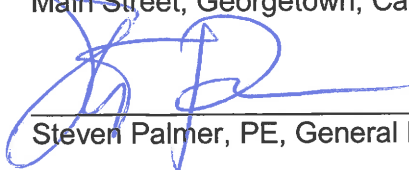
The Board returned to open session at 6:24 with one reportable action relative to the Mecklenberg case. Legal Counsel Barbara Brenner stated that Mecklenberg will dismiss the lawsuit with prejudice and take no reward. Each party to bear their own costs.

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.

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

The Board adjourned to the next regular meeting at 6:26 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 January 5, 2017.



Steven Palmer, PE, General Manager

March 27 2018

Date