

CONFORMED AGENDA

REGULAR MEETING

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT BOARD OF DIRECTORS

6425 MAIN STREET, GEORGETOWN, CALIFORNIA

TUESDAY, MAY 12, 2015

2:00 P.M.

MISSION STATEMENT

It is the purpose of the Georgetown Divide Public Utility District to:

- Provide reliable water supplies
 - Ensure high quality drinking water
 - Promote stewardship to protect community resources, public health and quality of life
 - Provide excellent and responsive customer services through dedicated and valued staff
 - Insure fiscal responsibility and accountability are observed by balancing immediate and long term needs
-

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

Meeting was called to order at 2:00 PM. Directors Present: Krizl, Hoelscher, Capraun, Hanschild, Uso. Staff Present: General Manager Wendell Wall, Operations Manager Darrell Creeks, Assistant to GM Diana Michaelson. General Counsel: Barbara Brennan of Churchwell-White (arrived at 2:03 PM)

2. ADOPTION OF AGENDA

A. Board Action –

Motion by Director Uso to amend and adopt the agenda to hear Item 10 after Item 4 and before Item 5, 2nd by Director Hoelscher.

Public Comment: None.

Vote: Motion carries.

Ayes: Krizl, Hoelscher, Capraun, Uso, Hanschild

- #### 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.

Dennis Smith spoke regarding floating toilets on some of the lakes. Grants may be available from the California Boating and Waterways Department. Mr. Smith requested that staff look into this.

(Legal Counsel arrived.)

Johanna, of Garden Valley, spoke regarding her views of an article in the Mountain Democrat and her views about actions or conversations of GDPUD staff.

Elizabeth Sorenson, resident of Auburn Lake Trails, registered her protest of bond and zone fees paid to GDPUD.

Emily Johnston asked to confirm the agenda.

4. APPROVAL OF MINUTES

- A. Regular Meeting of April 14, 2015
- B. Board Action to approve and file minutes.

Motion by Director Uso to receive and file the minutes, 2nd by Director Hoelscher.

Public Comment: None.

Vote: Motion carries

Ayes: Krizl, Hoelscher, Capraun, Uso, Hanschild

5. FINANCIAL REPORTS:

- A. Accounts Payable for May 2015
- B. Expense Summary for March 2015
- C. Cash and Investment Reports for March 2015
- D. Board Action to accept and adopt financial reports

Motion by Director Uso to accept and adopt the financial reports, 2nd by Director Hoelscher.

Public Comment: None.

Vote: Motion carries.

Ayes: Krizl, Hoelscher, Capraun, Uso, Hanschild

6. PRESIDENT'S REPORT

In the interest of time, Director Krizl had nothing pressing to report.

7. BOARD REPORTS

Director Capraun reported on the auditor's draft report, the JPIA Conference, and a misstatement in the Mountain Democrat regarding the 45-day notification period relating to the Prop 218 process.

Director Uso reported on the ACWA conference.

Director Hanschild reported that nothing will come to the District from the recent \$2.5B bond proposition.

8. GENERAL MANAGER'S REPORT

GM Wall asked Operations Manager Darrell Creeks to report on the Auburn Lake Trails water quality and the treatment plant. Everything was in compliance last month. Lake level last week was at 12,747 acre feet.

GM Wall reported that the new website launch has been delayed due to issues with staffing, meter reading, and converting over to the new billing system, but it is moving forward. The cost of \$6,500 was approved earlier in the year. The Consumer Confidence Report has been completed. The two community meetings on April 8 and 9 regarding the drought went well. Information regarding the Governor's Executive Order B29 -15 has been posted on the website. A JPIA payment of \$8,809.69 was received. The new billing system launched; it will be tweaked and improved before the next bills go out. John Kingsbury of Mountain Counties Water Agency (MCWA) hosted a tour of the King Fire area on April 24, 2015. The tour started at GDPUD and staff shared information on the current and potential impacts of the Fire. Those in attendance were members of the news media from the Bay Area and Northern California. There will be another tour for the MCWA board members on May 15.

9. SET IRRIGATION END DATE

- A. Discussion** – Due to the current severe drought, there will likely be a need to end the irrigation season early.

There was some discussion regarding where to set the lower limit, as well as using a date versus an acre-foot level.

- B. Possible Board Action** – Set minimum storage of 9,000 acre feet in Stumpy as the value used to end the irrigation season.

Motion by Director Hanschild to set minimum storage of 9,000 acre feet in Stumpy as the value used to end the irrigation season, 2nd by Director Uso.

Public Comment: *There was some discussion regarding water theft and how to deal with it. John Duarte asked when the 9,000 acre foot level might be reached. Operations Manager Creeks replied that it would most likely occur around August. Mr. Duarte felt that 8,000 or 8,500 acre feet would be better than 9,000. Another audience member felt that 9,000 acre feet would be too risky, and the level should be higher.*

Pat Snelling commented that with the irrigation water being cut 50%, the district is already cutting more than the required 36%. Operations Manager Creeks pointed out that the State's requirement only applies to treated water, not to irrigation water.

George Sanders commented that the District needs to consider possible curtailments and other factors when setting the floor.

Vote: **Motion carries.**

Ayes: Krizl, Hanschild, Uso

Noes: Hoelscher.

Abstain: Capraun.

10. PROPOSITION 218 STATE LOAN AMOUNT

A. Discussion – “Cost of Service” presentation by Mary Fleming of RCAC.

Ms. Fleming presented various costs associated with three different loan amounts of \$8.0M, \$8.5M, and \$9.0M. There was some discussion regarding reserves. Director Hoelscher requested updated PSOMAS information from Engineering Consultant George Sanders before taking action on this item.

B. Possible Board Action – Approve a \$9M loan from the State to the District.

Public Comment: John Duarte expressed concerns regarding customers getting the benefit of the new plant being the ones to repay the debt, specifically property tax revenues that may be used to secure the debt.

Johanna of Garden Valley echoed those concerns, citing sections from AB2572.

Ray Kringle of Garden Valley spoke regarding fee structure fairness in repaying the loan – large volume users vs. small volume users – a one-size-fits-all approach does not work.

Pat Snelling of Garden Valley asked for clarification regarding how many customers will benefit from the new treatment plant. She asked why fund #38 is not showing on the Cash and Investments Summary. Director Capraun stated that she would look into that. Ms. Snelling requested that the District post information regarding project costs and repayment options before making any final decisions.

Barbara Brenner spoke regarding confusion between fees and assessments stating that Prop 218 is very confusing and case law needs to be taken into consideration.

Board Action: Board directed Engineering Consultant George Sanders to bring updated PSOMAS information to a subsequent meeting; directed GM Wall to update the cash and investments balances in order to have the most current information; and directed the GM to call a special meeting as soon as the PSOMAS information is available.

11. CONSIDERATION OF IRRIGATION APPLICATION FOR THE 2015 IRRIGATION SEASON

A. Discussion – Irrigation applications are part of an annual process by which previous year irrigation service accounts renew or modify their contracts with GDPUD, and new applications are considered for service.

Director Capraun raised a question about a possible error on the report. Director Uso commented that one of the closed session items might impact this report.

B. Possible Board Action – Approve all applications as presented for the 2015 irrigation season; approve all Priority 1 irrigation service accounts; deny all Priority 2 and 3 requests that would result in an increased flow.

Motion by Director Uso to wait to hear this agenda item until after closed session, 2nd by Director Hoelscher.

Public Comment: Johanna Friesen asked for an explanation of the Priority designations. Director Krizl responded that Priority 1 is current customers, Priority 3 is brand new customers, and Priority 2 is everyone in between.

Vote: Motion carries.

Ayes: Krizl, Hoelscher, Capraun, Uso, Hanschild.

12. HAZARD SURVEY CROSS-CONNECTION PROGRAM

- A. Discussion** – State law requires the District to implement and maintain a cross-connection program that protects the District’s water supply from potential contamination. The District lacks adequate staffing to implement this program internally and recommends contracting with K&W Backflow Services to implement this program.
- B. Possible Board Action** – Approve a professional services agreement with K&W Backflow Services.

Motion by Director Uso to go with staff recommendation to hire K&W to conduct the cross-connection survey for the first year of a five-year project, not to exceed \$8,000 for the first year, 2nd by Director Hoelscher.

Public Comment: There was some discussion regarding how the company was selected, and what the survey consists of.

Vote: Motion carries.

Ayes: Krizl, Hoelscher, Capraun, Uso, Hanschild

13. “LIFELOCK” PROTECTION FOR DISTRICT CONFIDENTIAL FILES

- A. Discussion** – The District is responsible for the security of its confidential files. Identity theft protection is available through “LifeLock.”

GM Wall reported that staff has identified the loss of certain payroll files pertaining to District employees, both past and present, through portions of calendar years 2013 and 2014. It is estimated that these files contain confidential information on approximately 20 employees. The District is responsible for the security of these files. Disbursement of these materials to others could result in financial loss as well as public disclosure of other confidential matters specific to the individual.

- B. Possible Board Action** – Direct staff to obtain identity theft protection through a subscription to “LifeLock.”

Motion by Director Uso to follow staff recommendation to obtain identity theft protection through a one-year subscription to LifeLock at \$19 for each affected employee, to check with JPIA to see what assistance they might provide with this, and to send a letter to affected persons as soon as possible, 2nd by Director Hoelscher.

Public Comment: Johanna Friesen commented on security of electronic records.

Vote: Motion carries.

Ayes: Krizl, Hoelscher, Capraun, Uso, Hanschild

14. DISTRICT CREDIT CARD

- A. Discussion** – In an effort to move forward with securing a credit card issued to the District rather than to an individual employee, staff recommends applying for a CAL-Card®.

Director Hoelscher noted that the second signature on the application should be that of the Treasurer, rather than one of the other Directors.

- B. Possible Board Action** – Direct Staff to pursue issuance of a District credit card through the CAL-Card® system.

Motion by Director Uso to follow staff recommendation to apply for a District credit card with a \$15,000 limit through the CAL-Card® system, and to replace Director Uso with Treasurer Capraun as the second signer on the application, 2nd by Director Hanschild.

Public Comment: Johanna Friesen asked what security measures would be in place to prevent fraud. Ray Kringle wanted assurance that the bill would be paid in full each month.

Vote: Motion carries.

Ayes: Krizl, Hoelscher, Capraun, Uso, Hanschild

15. LETTER TO EL DORADO WATER AGENCY REGARDING QUORUM OF THE BOARD

- A. Discussion** – Director Capraun is requesting Board approval to use the District's Legal Counsel for composing a letter to El Dorado County Water Agency to address the quorum of their Board. The El Dorado Water Agency Board is presently made up of three County Supervisors and two Water Districts. In the past 15 years, the Districts of Grizzly Flats and Georgetown have each served 2-year terms on the Board. It is now time for the El Dorado Irrigation District to serve a 15-year term on the Board. One of the County Supervisors is to represent the un-represented Districts. Director Capraun would like to address this issue. She has already discussed this with the El Dorado County Water Agency's Legal Counsel, and now requests GDPUD's support and Legal Counsel's guidance.

- B. Possible Board Action** – Authorize use of District Counsel to draft letter to the El Dorado County Water Agency and approve submittal of same to Water Agency.

No action was taken.

16. AUBURN LAKE TRAILS WATER TREATMENT PLANT

- A. Discussion** – Recap and extension of prior month report on progress towards plant replacement.

Engineering Consultant George Sanders reported that the District has received confirmation that the EPA Grant funding in the amount of \$1,081,599 is no longer in question. The term of that funding agreement has been extended to 2017. Mr. Sanders also noted that he would actively pursue getting the updated engineer's estimate of the construction cost and will have that available at the special meeting that will be coming up shortly.

- B. Possible Board Action** – No action was taken.

- 17. 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 Capraun requested that the agenda for the next regular meeting include 1) Water Rights, and 2) Appropriations Limit for FY 2015-16.

Director Hanschild requested that the agenda for the next regular meeting include reevaluation of the water theft ordinance.

18. CLOSED SESSION

- A. CONFERENCE WITH LEGAL COUNSEL** – Board to consider the appointment, employment, evaluation of performance, discipline or dismissal of a public employee pursuant to Government Code Section 54957 (b)(1).
- B. CONFERENCE WITH LEGAL COUNSEL** – Pursuant to Government Code Section 54957.6 to consider employee negotiations with the International Union of Operating Engineers Stationary Engineers, Local No. 39. The representatives for the district are Director Lon Uso and General Manager Wendell B. Wall.
- C. CONFERENCE WITH LEGAL COUNSEL** – anticipated litigation. Significant exposure to litigation pursuant to subdivision (b) of Government Code Section 54956.9: (two potential cases).
- D. 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).

- 19. ADJOURN TO OPEN SESSION** – Announcement of action taken in closed session

The Board returned to open session at 6:27 PM and noted the following:

Regarding Agenda Item #11, the following corrections should be made:

- 1) On Page 3 of the "2015 Irrigation Season Request Summary," Account No. 093/0100, 0.5" should be a P3, not a P1, as listed.
- 2) On the same page, the reactivation of Account No. 092/0005 will be put on hold until the Board hears back from Legal Counsel.

It was noted that Director Krizl left during closed session.

Motion by Director Uso to approve the irrigation season contracts for 2015-2016 season subject to the two corrections noted, 2nd by Director Capraun.

Public Comment: None

Vote: Motion carries.

Ayes: Capraun, Hoelscher, Hanschild, Uso

Absent: Krizl

20. NEXT MEETING DATE AND ADJOURNMENT – Next regular meeting June 9, 2015 at 2:00 PM at the Georgetown Divide Public Utility District office.

Meeting adjourned at 6:32 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 Wendell Wall by telephone at 530-333-4356 or by fax at 530-333-9442. Requests must be made as early as possible and at least one-full business day before the start of the meeting. In accordance with Government Code Section 54954.2(a), this agenda was posted on the District's bulletin board at the Georgetown Divide Public Utility District office, at 6425 Main Street, Georgetown, California, on May 7, 2014.

Signed 

Date July 15, 2015

Wendell B. Wall, General Manager