

CONFORMED AGENDA
REGULAR MEETING
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT BOARD OF DIRECTORS
6425 MAIN STREET, GEORGETOWN, CALIFORNIA
MONDAY, MAY 8, 2017
2:00 P.M.

MISSION STATEMENT

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

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

The meeting was called to order at 2:00 pm. Directors present: David Halpin, Jesse Hanschild, Carl Hoelscher, Lon Uso and Dane Wadle. Staff present: General Manager Steve Palmer, Operations Manager Darrell Creeks, Office Manager Diane Schroeder, Engineering Consultant George Sanders, and Meeting Recorder Gloria Omania. Legal Counsel: Barbara Brenner of Churchwell White.

2. ADOPTION OF AGENDA

Motion by Director Hoelscher to approve the agenda. Second by Director Halpin.

The motion passed unanimously.

- 3. PUBLIC FORUM** – Any member of the public may address the Board on any matter within the jurisdictional authority of the District. Public members desiring to provide comments, must be recognized by the Board President, and speak from the podium. Comments must be directed only to the Board. The public should address the Board members during the public meetings as President, Vice President, or Director, followed by the Board member's individual last name. The Board will hear communications on matters not on the agenda, but no action will be taken.

No disruptive conduct shall be permitted at any Board meeting. Persistence in disruptive conduct shall be grounds for summary termination, by the President, of that person's privilege of address.

No public comment.

4. CONSENT CALENDAR

A. Approval of Minutes - Regular Meeting of April 11, 2017

B. Financial Reports

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

Possible Board Action – Approve Consent Calendar.

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

The motion passed unanimously.

5. INFORMATIONAL ITEMS

A. President's Report

Director Uso thanked everyone for the successful ground breaking ceremony at the Auburn Lake Trails Water Treatment Plant on April 25.

B. Board Reports

Director Hoelscher referred to a section on the California PUC Consumer Information website regarding notification requirements for utility shut-offs. He stated that the District did not provide enough notice for the recent water service shut-off.

General Manager Steve Palmer acknowledged that the District should have coordinated better with the affected businesses. Staff did meet with the concerned business owner who then agreed to shutting off the water on Monday. The District provided the minimum notification and followed all the rules and regulations as required, but will do a much better job next time.

Director Uso shared suggestions (i.e. email blast to ALT customers) to avoid miscommunication in the future. Staff explained the issues the District encountered and provided additional clarification about what occurred during this recent shut-off. Director Uso thanked Director Hoelscher for bringing this matter to the Board's and Staff's attention.

Director Wadle reported that SB 496 (Cannella) regarding indemnity clauses in public agency contracts was signed into law.

After some additional discussion about the types of indemnification clauses, Legal Counsel Barbara Brenner indicated she would review the language and inform the Board on how this legislation will affect District contracts moving forward.

C. General Manager's Report

Before summarizing his written report, Steve Palmer reported that he and a few members of the Board will be at the ACWA Conference for the rest of the week. He called attention to the following conference seminars and sessions that are applicable to what the District is going through: pension costs outlooks; ACWA-sponsored proposed legislation to allow for a lifeline rate for base usage; rate-setting challenges; and low-income assistance programs.

Mr. Palmer then summarized his written report, providing an update on the financing of new meters. Holman declined to fund the loan because they are predicting the District's debt service coverage ratio will fall to less than 1. Mr. Palmer reported that he has heard from iBank and they want the District to apply for a loan anyway. He described the timeline for the process. He indicated he would bring this back to the Board. Director Uso questioned the merits of submitting an application at this point.

The General Manager indicated he is still working on the Draft 2017-18 Operating Budget. He will first bring it to the Finance Committee, then bring the final budget to the Board in June.

D. Operation Manager's Report

The General Manager presented the Operation Manager's Report on behalf of Darrell Creeks who was in the field dealing with the shut-down and pipe replacement project.

The matter of the Notice of Violation from the Regional Water Control Board related to the Auburn Lake Trails On-site Wastewater Disposal system prompted questions from the Board and additional discussion about the related deadlines for the District. Director Uso asked about the cost of the extra work, the amount in reserves for that enterprise, and what needs to be done as far as rates.

Mr. Palmer stated that staff will prepare the necessary data and issue a Request for Proposals for a qualified consultant to do the required reports. Staff will bring this back to the Board for consideration.

Staff then presented a slide show of maintenance and repair activities in the field, and an update on the ALT Water Treatment Plant construction.

E. ALT Treatment Plant Update

Engineering Consultant George Sanders apologized that the wrong report was inadvertently included in the packet. This report was put together incorrectly so the information it contained is from April and not May. He then provided the following update:

- *About 90 submittals and 25 RFIs have been processed. Mr. Sanders is pleased with the working relationship between Myers and Psomas. There have not been any delays or disagreements over the submittals.*
- *NEXGEN, the Construction Management consultant, is now on site at the ALT Water Treatment Plant, with Joe DiGorgio coming on Board as the permanent construction manager.*
- *Youngdahl is still under contract for the material testing.*
- *Foothill Associates is fading out of the storm water permitting and is now available to make sure we have everything in the CEQA document. They helped identify the CEQA-approved colors for the Filter Building and Raw Water Pump Station Building. Mr. Sanders stated the CEQA document has specific language requiring that colors must be earth colors and neutral tones and referred to the two colors on the Color Chart that meet the requirements of the Mitigation Measure – the Cypress Green and Surrey Beige.*

Mr. Sanders presented Staff's recommendation that the roof be painted Cypress Green and the buildings Surrey Beige. Director Uso stated that a lighter color for the roof would help with the interior temperature of the building and received agreement from other Board members.

Acknowledging that the color of the building was important to the community and to the Board, Mr. Sanders stated that he now has clear direction from the Board to identify a lighter color for the roof; and if not, use the same color for the roof and the building.

- *Project expenses to date is \$422,170 for construction and \$33,827 for engineering, construction management, and environmental for a total of \$455,997 expended to date.*

After asking about staff time and learning this is tracked, Director Wadle stated he appreciated the budget information.

6. NEW BUSINESS

A. Review and Provide Direction on Treated and Untreated Water Rate Study

Possible Board Action – Provide Staff direction on methodology presented and with recommendations from Finance Committee.

Steve Palmer and Jon Van den Bergh of RCAC provided a power point presentation on the Water Rate Study methodology.

During the presentation, the Board asked questions and engaged in an exchange of thoughts and ideas regarding a subsidy program for low-income customers, replacement costs, recapitalization costs/reserve needs, property tax allocation, and functional cost allocation.

Mr. Van den Bergh indicated he will run scenarios that are reasonable and make sense.

The lengthy presentation and discussion led to the following action by the Board:

Motion by Director Wadle to adopt the Finance Committee recommendation for the subsidy program; to change the recapitalization amount to not include costs less than \$5,000; to do a model that has 100% cash for under \$50K; 75% cash for \$50K to \$100K, 50% for \$100K to \$500K, and 25% cash for over \$500K, and exclude the Hydro revenue from the operating budget and rate calculation.

Second by Director Hanschild.

Public Comment: None

The motion passed unanimously.

B. Position Letters on Newly Amended Conservation Bills

Possible Board Action – Take official position of opposing AB1667, AB1668, and AB 1669.

Steve Palmer provided a summary of the staff report.

Motion by Director Wadle to take official position opposing AB1667, AB1668, and AB1669. Second by Director Hoelscher.

No public comment.

The motion passed unanimously.

7. **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.

None.

The Board adjourned to closed session at 4:59 p.m.

8. **ADJOURN TO CLOSED SESSION – EMPLOYEE EVALUATION**

Pursuant to Government Code 54957(b)(1), the Board adjourns to closed session for: **PUBLIC EMPLOYEE PERFORMANCE EVALUATION** to allow for a discussion of the General Manager's draft Work Plan.

TITLE: General Manager

The Board returned to open session at 5:48 PM with nothing to report from closed session.

9. **NEXT MEETING DATE AND ADJOURNMENT** – Next regular meeting June 12, 2017, at 2:00 PM, at the Georgetown Divide Public Utility District office.

The meeting was adjourned at 5:50 p.m.

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 Darrell Creeks 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 4, 2017.

Steven Palmer, PE, General Manager

Date