

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

6425 Main Street,
Georgetown, California 95634

**TUESDAY, JUNE 13, 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.
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1. CALL TO ORDER, ROLL CALL, AND PLEDGE OF ALLEGIANCE-

President MacDonald called the meeting to order at 2:03 PM. Director Stovall led the Pledge of Allegiance.

2. ADOPTION OF AGENDA

Director Saunders motioned to adopt the agenda. Director Stovall 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

Cherie Carlyon delivered public comment per the attachment.

4. **CLOSED SESSION**-The Board of Directors adjourned to a closed session at 2:08 PM.

A. Public Employee Interview – Best, Best, and Krieger LLP– Frank Splendorio

Title: General Counsel

B. Public Employee Appointment (Gov. Code, § 54957)- Thornbrough 1st and Stovall 2nd, 5-0

Title: General Counsel

C. Conference with Legal Counsel – Existing Litigation (Gov. Code, § 54956.9)

Name of Case: GDPUD v. PG&E

D. Report out of Closed Session- The Board of Directors adjourned the closed session at 3:07 PM. The report out of the session shared the Board voted unanimously 5-0 to hire Best Best and Krieger (the Firm) as the legal representative for the Georgetown Divide Public Utilities District. Frank Splendorio, Esq of the Firm will act as General Counsel for the District. This is all pending execution of a Professional Services Agreement.

5. **CONSENT CALENDAR**

Director Saunders requested that there be an email work group to track the planning for the 4th of July event participation.

Director Saunders motioned to accept the consent calendar. Director Stovall 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**.

6. **FINANCIAL REPORTS**

Board Discussion:

Director Stovall inquired about the grant proceeds on page 1 of 9 of the budget report account summary. The amount listed of \$165,00 was listed though not received by the District yet. The Director asked for the status of those funds. Office/Finance Manager Jessica Buckle shared that the grant funds received had been placed in the Capital Improvement Projects (CIP) funds which is a different fund. She shared that on page 4 of 9 capital reserves, there is a grant proceeds line this is the location of those proceeds placement. Director Saunders requested that moving forward there be a line item separating and listing the grant funds.

The General Manager shared that the metering project was broken into multiple years. This is set up and the money goes in and is deducted as it comes in.

Director Saunders asked about the pooled cash report regarding the supplemental charge. There is currently a \$1.66 million balance. Does the District send the \$655,000 each time regardless of the balance? The General Manager shared that the District recently received the bill and that the payment amount will be sent. The Director questioned if there was an incentive to send in greater payment amounts reducing the payment over time. The General Manager shared it will be examined to learn if it would be advantageous to pay sooner. President

MacDonald asked if that was a loan with 1% interest. There was discussion around ideas to generate interest on the reserve fund in order to pay the loan off early and end the supplemental fee charged to the ratepayers.

Public Comment:

Cherie Carlyon inquired about three checks. The first being check number 34784 written to CalFIRE, she wanted to know why the District would need to pay CalFIRE. The answer was that the check was for work done by the Growlersburg crews. The next was an inquiry into check number 34798 US Bank. She questioned why there would be \$9,000-\$10,000 consistently spent on the credit card. Check number 34799 was written to a Debbie. She was curious as to what that was regarding. The answer that was for gravel purchases. There is a doing business as Rock and Sand for her business. The last check inquired after was check number 34808 written to Mesa Energy. It was shared that this was for lighting and security camera upgrades in the yard.

7. INFORMATIONAL ITEMS

A. Board Reports

Director Thornbrough shared a developing situation related to funds awarded through the American Rescue Plan by the county. Originally the District received \$50,0000. This money must be allocated and used within a time limit. Grizzly Flat was awarded \$2.8 million and is currently having difficulty getting projects moving in the time frame required to receive the funds. The El Dorado Water Agency (EDWA) is monitoring this situation with the understanding that the funds need to be used. This situation potentially gives GDPUD a chance to be awarded a greater amount for infrastructure work. The General Manager Nicholas Schneider shared that the staff is considering utilizing the funds to continue the work of moving the upcountry canal into a piped piece of infrastructure. Director Thornbrough shared that EDWA is looking for projects and agencies which have a plan in place and are shovel-ready.

Director Saunders reviewed his Board report. He shared that he was reelected as the alternate special district commissioner for the Local Agency Formation Commission (LAFCO) 2023-2027. He shared that Operations Manager Adam Brown has been invited to speak at the Association of Water Agencies (ACWA) conference for a forum on operations emergency management. His experience navigating the Mosquito Fire is of interest. The Headwaters Work Group is developing drop-off sheets to give to the Senate, Legal, and Federal.

President MacDonald shared that he is planning on attending the California United Water Conference in Santa Clara in the upcoming weeks.

B. Legislative Liaison Report

Director Saunders the Legislative Liaison shared the highlights from his report. There is Governor's Infrastructure Streamlining Package information in the packet. The Association of California Water Agencies (ACWA) is recommending its members to join in a coalition letter signing on in support of this legislation. The Board Liaison and the General Manager agree this is something that should be done. We are now bringing it to the Board to ask for support on this letter. There was a tight timeline for this coalition letter. This legislation is in support of streamlining infrastructure projects making the process quicker. It may be considered to take formal action on AB1572 and AB676 by the Board at the next meeting per updates out today. Assembly Bill 676 would apply legal definitions to water and then anything outside of those definitions is considered illegal. Assembly Bill 1572 prohibits the use of potable water for irrigation of non-functional turf located on commercial, industrial, municipal, institutional, and multi-family residential properties. The second problem is that the bill would authorize the public water system which in this case is GDPUD to enforce. It is recommended to oppose this bill and at least amendment with the state being the appointed enforcer.

The General Manager shared that there has also been work on AB754, which ACWA has been putting opposition towards. This would change the way Urban Water Management Plans (UWMP) and Agricultural Water Management Plans are conducted in the future. It will change drought plans and water shortage contingency planning methods timelines and the frequency of report submissions. Mr. Schneider has been working with ACWA on this issue. The other issue being that the same water budget, which is passed will be the same for indoor, and outdoor and now include raw water as well.

Director Thornbrough asked if there were fire mitigation considerations included in the UWMP. It was shared that the District hasn't received an answer from the State to date. The District did put in a caveat in the UWMP that spells out fire mitigation needs.

Cherie Carlyon inquired if this would apply to the Auburn Lake Trails (ALT) golf course. They use treated water. It was explained that golf courses are considered functional turf. Non-Functional turf includes medians parkways, and dress turf in front of for example schools, Recreational turf is considered functional for soccer, and baseball for example. Decorative turf would have to cease. If you only step on it to mow it, you don't need it.

C. Operation Manager's Report

The Operations Manager Adam Brown reviewed the highlights from his report. Production is starting to pick up. It has been a cool spring. Preparation for irrigation season took half of the month to clear the canals and get the water down to the customers. There was more vegetation growth this season than is usually found which was a challenge. Automated meters which are buried deeper in the ground are getting outfitted with antennas which will make drive-by readings easier. Hazard trees were removed at Walton Lake. The upcountry activity included work on the road slide near Structure 5 to build more slope stability. The approximate total cost will be \$75,000. It is most likely that most of those funds will be returned.

The Capital Improvement Projects (CIP) are wrapping up for the year. The paving project is basically done, just a coating in July left to be completed. Inspections of underground piping will be conducted this month. Burn area assessments will occur this month as justification for erosion control funding through Natural Resource Conservation Service (NRCS). The annual canal lining is completed for this year.

Director Saunders asked if the Stumpy Meadows Reservoir continues to spill. The Operations Manager shared that the reservoir continues spilling. He anticipates that the spilling will begin to slow in the next two weeks. The Director also requested an update on road slide repair and the stability of the repaired structure. Adam Brown shared that there was a bench at the bottom which was utilized to build up from an old road. Luckily the project didn't require an engineered wall. The process has been to compact and grid at every step. The Director also inquired about the pressure-regulating valves. Had there been a break? There have been complaints in ALT of low water pressure. The General Manager shared that there was a break in which there was a shut-off.

Director Thornbrough inquired as to the minimum water pressure required. It was shared that 20 was the legal for fire flows.

Director Saunders shared that when looking at page 10 gross water use is still under what we have had before, but we are starting to creep up. The Operations Manager added to that point part of the UWMP is being able to meet those goals. It was met last year with drought restrictions in place. This is something to keep an eye on. If the District doesn't meet it moving forward it could be restricted with funding.

Director Seaman inquired about the canal lining are there locations of the work sections. The Operations Manager shared that information at the last meeting the project is done for the year. It was shared that utilizing the WaterSmart grant the canal bellow tunnel hill in the upcountry will be lined next, 1,500 feet at least.

Public Comment:

Cherie Carlyon inquired about what percent of this year's CIP will be completed by June 30. She asked if it was part of a report. The General Manager shared that information was part of the budget report through financials. Ms. Carlyon also shared that when there are robo calls notifying for breaks or line and irrigation issues were not being answered. Folks are saying they don't answer robocalls from foreign numbers. She requested the Operations Managers report have photos labeled giving locations.

D. Water Resources Manager's Report

- Station 16 Update

The Water Resources Manager Alexis Elliot shared report highlights. There were average activities for inspections and escrows. There was 1.23 inches of rainfall. The rain graph at the bottom highlights that the first five months of this year had as much rainfall as all of last year. This is from the Sweetwater Treatment Plant rain gauge. An update on station 16 (STA 16) was given. On May 14th an unexpected power outage triggered some issues. The alarm system was impacted. It was found the main breaker had malfunctioned. Power was restored on May 24th. Staff switched out one of the lift station pumps. Currently, all pumps and the alarm system are up and running. On the 16th, there was a survey crew and engineers looking at locations for a pump building for the upgrade.

Public Comment:

Stephen Dowd shared that he had measured 76 inches of rain from September through May. That is a lot of water.

Cherie Carlyon asked what was the period of time over when all this happened, that you had to run the generator at STA 16. It was shared that there were 10 days that required the generator.

E. General Manager's Report

- Presentation on Solar Installation at District Facilities

The General Manager reviewed the report highlights. He has been working on some legislative items, AB754 mostly. This past month was spent working on the budget. Good news updates shared that the District finally received its property tax and SMUD payments. He recognized Finance/Office Manager Jessica Buckle for collecting those payments.

Mr. Schneider then shared his presentation on solar. He met with Terra Verde. They shared that even before the NIM 2.0 went away the District was a marginal client at best. The Return on Investment (ROI) would have been in the 15–20-year range a typical project is 7-15 years. There is a company that does community solar, part of a co-op. They rent a portion of the land or surface area of the reservoirs, for example, Walton, Greenwood, and Sweetwater reservoirs. They float the solar panels on the reservoir. This gives a few benefits it gives a percentage of the power and helps with erosion, evaporation, and algae growth. It would not be owned or built by the District. There is no cost to the district. It is maintained by the company.

Director Saunders shared that we knew the ROI was not there with solar. It was more about the offset with the power at the Water Treatment Plants (WTPs). The General Manager shared that even with that the space isn't advantageous for that. This community solar would be a better use of the space as it is on the water and the costs can still be offset.

Public Comment:

Cherie Carlyon asked how it would be advantageous for these companies to do it if it's not for us. It was shared that community solar has different metering requirements through PG&E. They get better rates. She also asked why SMUD is not automatically sending the District its payments.

8. COMMITTEES

Irrigation Committee- There was no meeting.

Finance Committee

Chairman Miller shared that the committee had met with the Board. They talked through the issues raised. It is the standpoint of the Finance Committee that they have a good budget. He shared that he will be stepping down as the committee Chair.

Ad Hoc Committee for Policy Manual

Director Saunders shared that the committee finished the Board Compensation, Expense Reimbursement, and Travel Allowance policy which is on the agenda for today. Policies that are still in progress are the environmental compliance, anti-harassment and discrimination, personnel, and water transfer. Asset Management and construction metering policy will be added to that.

Ad Hoc Grant Writing Committee

Director Saunders gave an update. The committee looked at the emergency FEMA funding updates. It is likely to get reimbursement for the road slide and the Walton Lake dredging. The waiting continues on the appropriations funding. There are some good signs like the debt ceiling was raised. So hopefully they will put the District in for funding. The FEMA and Hazard Mitigation Assistance Grant (HMAG) grants are still pending. There is no update yet on the CalFIRE grant program. The state budget hasn't come through yet. There are some additional potential grant opportunities.

Director Stovall shared that the U.S. Department of Agriculture announced the availability of \$10.7 billion dollars for affordable clean energy. This is the largest funding available to rural electricity since the New Deal. Under this program, they can forgive about 40% for the use of rim, solar, hydropower, geothermal, and renewable energy storage. This program is for rural areas, with 20,000 people or fewer, and also disadvantaged communities. A hydro system below Stumpy, solar panels, and water wheels, are all possibilities. The committee will keep the Board up to date as the process unfolds. This program was provided to the grant writer.

Director Saunders shared that they are still working with the NRCS which is the Natural Resources Conservation Service that is for the Emergency Watershed Protection grant. Because of what is being gone through with the FEMA and the Hazard Mitigation Assistance Grant as there will be pursuit of a BIRC grant. The recommendation from the Grant Committee is that the Board and the staff work on providing it with or adopting a local hazard mitigation plan. That is a requirement for some of these grants. The General Manager shared he had started to address that. What will likely happen is that the District will annex onto the county's local hazard mitigation plan. The District is already named in it but must adopt it in-house as part of that process.

Public Comment:

Cherie Carlyon asked if the 20,000 was for customers or residents area? It was shared that it is based on communities. We fall within a rural designation. Ms. Carlyon also asked if each individual community's disadvantaged status counts differently. It was explained it would depend on the benefit of the project. The project would have to benefit more for a disadvantaged community than not.

Ad Hoc Committee for Audit-There was no meeting.

Finance/Office Manager Jessica Buckle shared that they are in the final stages of the audit. There have been no findings. LSL has been able to give everything requested as they were the previous auditors.

AD Hoc Committee for Labor Negotiations-There was no meeting.

9. ACTION ITEMS

A. Consider Adoption of the Final FY2023-24 Operating Budget and Capital Improvement Plan

The General Manager shared that the comments from the Joint Budget Workshop had been integrated. The proposed cuts were made. He reviewed the Budget Presentation Slides

Source of Supply 5100 was the first account reviewed. There was a budget overrun of \$170,000.00. We understand that there will be some increased operating expenses from the fire. Anything in yellow has been adjusted up or down. The FAA training is for the drone. Rental equipment was reduced. Professional services saw a reduction in the amount of spillway work that Bennet Engineering will do. The engineering consultant work was removed from each of the departments. There is an administrative \$25,000 to start any work under 5600. Then as a project is determined and they will be needed then it rolls over to the CIP.

The Raw Water account was reviewed 5200. This is one of the smaller departments. This is irrigation water, getting water to the customers and not treatment plants. The materials are coming in lower than the last budget. There is a staffing increase in this area to do with pers and health insurance. Ultimately the budget comes in less than last year's but comes in higher than the actuals for last year. The rental equipment and daily misc. needs were reduced. Bennet Engineering and ECORP professional services were removed.

The Water Treatment account, 5300 was reviewed. The non-labor expenses went up approximately \$53,000. The budget for materials is coming down about \$15,000 which is slightly higher than the actuals came in. The training was reduced. A better rate on team viewer was realized. The number of upgrades to the building was also reduced. The District must pay for a water audit. This is a State requirement that must be fulfilled. Basically, they ensure that there is no more water loss than is allowed from the system. The VFD at Walton is old and has been needing repair. The electrical engineering work amount was reduced.

Director Seaman inquired about lab reassessment fees. Try to get a better read on that as have been using the same company for some time and get better deals.

Stephen Dowd inquired about the distribution chemical cost has that been going up steadily every year. Correct there is a document that is right here. Disinfection chemicals had a \$2 increase between 2022 and 2023. Soda ash had a 25% increase.

The Treated Water, 5400 account was reviewed. There are several changes in how much was assessed from the actuals. There was a decrease in wages, the expenses are increasing. Most of the increases come from the distribution main lateral median supplies. This decrease is made hoping not to have as many breaks given the system upgrades installed. The District spent \$130,000 on breaks and repairs within the distribution system this year. It was shared that there is a good stock supply on standby for breaks. Hopefully, that will help with the coming year's costs. Hand tools were purchased this year using surplus funds, so this was reduced.

Public Comment:

Cherie Carlyon asked about tools that were stolen last year. Was there an insurance reimbursement? It was shared that the District got reimbursed up to their deductible.

The Administration account 5600 was reviewed. The biggest increase was wages and benefits. The District is looking to have less part-time staff. This was overspent from what was budgeted last year. Building maintenance costs increased slightly. We are looking to cancel Socrata. The MOM software unfortunately must be paid for four more years. This was moved from office supplies to software and licenses.

The 6100 account Zone Auburn Lake Trails (ALT) was reviewed. Not much has changed. There was a salary change. There was a hanger on that was entered into the Tyler software for \$81,000. That is an issue that was identified and addressed. Operating costs will be less than last year. The Wastewater Discharge Requirement (WDR) update and the rate study will be \$30,000.00.

The proposed Organizational Chart on page 4 of the presentation was presented. There are 26 full-time employees (FTE). The comment about dotted lines between the auditor and legal counsel was addressed. The auditor still being an independent of the District and under the prevue of the Board. The Board has a solid line and they work with staff indirectly. The Human Resource IT Specialist comment was also addressed. This proposal would like to add the position of water treatment operator II to increase longevity. The Engineering Manager was removed. There is an engineer on contract.

Operating Revenue water sales were reviewed. The interest income increased the investment partner had shared that they anticipate approximately \$375,000 in returns.

Board Discussion:

Director Thornbrough delivered comment. The supplemental fee should not be included in the revenue. It should be separate as that is misleading. The money can't be used or expended. The General Manager offered to move it down next to the grants. The Director shared that he has an issue with the budget. First, he doesn't believe that a current or future budget is based on a past budget. The only thing that matters is the actuals. He made a spreadsheet using the information provided. He added a column to project out the year-end for this year. Another problem was that the actuals for this year include the \$200,000 for the Mosquito Fire. This should have been separated out. This shows in the operations budget. Those costs should be replenished from an emergency budget or CIP. There is an operating reserve of six months. In the past after the audit, the surplus goes into the operating reserve. The income from water sales is \$200,000 short of covering employee expenses. That's the only thing that is kind of a variable. It would take a 6% rate increase to cover the employee expenses. There is interest rate income that may offset that. He doesn't feel that at this time we need to spend \$85,000 for the reorganization. The General Manager shared that there is a methodology to it and it has to do with building the ability to train staff internally. Director Thornbrough shared a concern that the percentage to actuals is different from the last budget to this one. That's what needs to be considered. Every year since Proposition 218 there has been over \$1,000,000 a year placed into the CIP. It looks like we will only realize \$215,000. Including the proposed budget, we will end up with about \$95,000 in surplus. How do we go from the last audit to having over one million in surplus to this? The Director shared that given the recent updates, he is not comfortable approving the budget at this meeting and requested time for further review. He requested there be a special meeting in a week. He requested that the \$250,000 for vehicles in the CIP be itemized and a master vehicle rotation sheet be included.

The General Manager addressed a few concerns. Some of the increase is due to inflation. Fuel costs went from \$3.43 in 2022 to \$5.39 currently. This Budget is \$5,000 more than the actuals from last year. Most of the increases come from salary increases.

Chairman Miller stated that he must not understand the premise. When it was stated, the budget is based on a budget. The Budget in this document every page shows the actual expenditures.

Director Saunders shared we must provide a budget for the State. The State looks at our budget from year to year. The audit provides the actuals. There is a difference between what we do with our budget and what we do with the actuals. That gets looked at in the audit. The county will look at the budget. They will look at the percent increase as that shows the ability of the board to meet changing costs. It will also show the change needed for rate increases.

Mr. Schneider shared that he ran the numbers. Based on what was actually spent this budget is

3.5% higher. If you take out the \$200,000 for the Mosquito Fire, it is about 6% higher.

Director Seaman shared that she looked at previous budgets and found unreal numbers in past years. The bottom line is we are trying to look at every number and decide if it is an efficient and effective use.

Director Saunders stated that we did go through the Mosquito Fire and our budget needs to show the impact of that a snapshot in time. This will help in terms of litigation. The fire's impacts may follow us for several years. There could be landslides erosion, and the need for dredging. This will not be a one-time impact. In terms of the reorganization, the District has two treatment plant operators. Each treatment plant has to be on call. That means that two people have to be on call forever. That is wrong. The downside of us saving the \$61,000 is that they finally get fed up with working every weekend and leave. We have seen what happens when you don't provide the actual cost of service. This is why the budget is inflated for temporary employees.

Director Stovall took a similar look at a different angle. He looked at the revenues and made a spreadsheet. He looked at the revenue budget. The revenue budget had \$6.72 million generated in revenue. The expenses came to \$5.785 million. What he sees in there is roughly a million dollars between revenue and income. Which he expects will go to the CIP.

Chairman Miller stated that when he started this budget process and looked at the chart. I ignored the orange chart and looked at FY 2021-22 as a normal year. Look at this year and recognize a two-year jump not a one year. Last year was an anomaly.

Director Saunders proposed to bring this back in the light of the new information which was given today. This will allow the Board to review the new materials.

Public Comment:

Cherie Carlyon shared that having an emergency reserve and having a separate account that would show in and out credits and debits would be good. There was \$1.4 million moved into the CIP. Part of the thing you're not getting with this budget is the current employee salary wages and benefits, You don't see what they are being paid today in order to make a comparison. Employee cost is 63% of this budget. The General Manager shared that the MOU is not something he has control over. Ms. Carlyon asked if employees get 5-step pay increases in a year. The General Manager shared that those are merit-based increases that happen annually on employment anniversaries.

Director Thornbrough shared that he doesn't like the insinuations and attacks on the staff. Their raises are conducted with transparency.

Director Saunders motioned to table the budget approval until the Special Meeting on the 19th. Director Stovall 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. Consider Adopting Policy 4030- Board of Directors Compensation, Expense Reimbursements, and Travel Allowance

Board Discussion:

The General Manager shared fiscal impact. There was a \$ 1,000-a-year budget per Director. Ultimately it will be up to the Board to set the budget for this item. This is trying to add in a budget

item that was not previously budgeted in the past.

Director Seaman asked that the GSA document in the appendix be amended to not include California.

Director Saunders shared that in the Ordinance there needs to be a change in the term stipend to compensation. Compensation used to be called stipend to match the law in the public utilities code.

Public Comment:

Cherie Carlyon asked if these amounts were based on the ACWA conference in Monterey. It was shared that yes; those numbers had been part of the consideration.

Director Seaman motioned to accept the policy with the identified correction to the appendix. Director Stovall 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**.

C. Authorization to Develop a Public Service Agreement for Attorney Services

Board Discussion:

The General Manager shared that there was a proposed impact of \$80,000 in the upcoming budget for legal counsel. With Board approval, this will begin the transition process.

Director Saunders asked legal counsel if the District is able to give the legal RFP's out to the public. Legal Counsel Christina Pritchard shared that the proposals become public records upon contract award.

Public Comment:

Cherie Carlyon asked if they had settled on an hourly rate. It was shared that it will be what was submitted in their proposal.

Director Seaman motioned to authorize staff to develop a Public Services Agreement with the chosen legal counsel. 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**.

10. PUBLIC HEARING

The Public Hearing opened at 6:15 PM.

A. Prop 4 Appropriation Limitation

The General Manager shared this as an annual process. This involves setting the appropriations limit for the year. Finance/Office Manager Jessica Buckle led the first reading and shared the resolution.

The Public Hearing Closed at 6:21 PM.

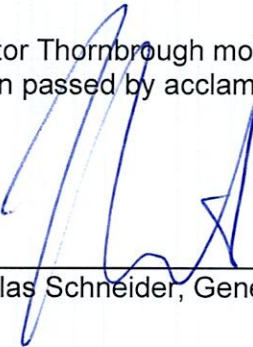
11. BOARD MEMBER REQUESTS FOR ADDITIONS TO FUTURE MEETING AGENDAS

Director Saunders requested the Ordinance which describes Board compensation be reviewed., Director Macdonald inquired about the per diem matrix. What if the area is not listed how will the amounts be credited?

12. NEXT MEETING DATE AND ADJOURNMENT

- A. The next Regular Meeting will be July 11, 2023, at 2:00 PM., at the Georgetown Divide Public Utility District, 6425 Main Street, Georgetown, California 95634.

Director Thornbrough motioned to close the meeting. Director Saunders seconded the motion. The motion passed by acclamation. The meeting adjourned at 6:25 PM.



Nicholas Schneider, General Manager

7-13-23

Date

Attachments:

1. PACE Grant Report
2. Board Report June 2023
3. Groundwater Recharge
4. Resilient Headwaters-ACWA
5. Public Comment of Cherie Carlyon

Report out on the Ad-hoc Grants Committee for June 13, 2023 BOD

United States Department of Agriculture (USDA) recently announced \$10.7 billion in funding available under the USDA Powering Affordable Clean Energy (USDA PACE) and Empowering Rural America (New ERA) programs. Eligible organizations may apply for loans, grants, loan modifications and partially forgivable loans. It is the largest single investment in rural electrification since the Rural Electrification Act of 1936

Under PACE, USDA Rural Development's Rural Utilities Service (RUS) will forgive up to 60 percent of loans for renewable energy projects that use wind, solar, hydropower, geothermal, or biomass, as well as for renewable energy storage projects.

These loan funds will be made to qualified PACE Applicants to finance power generation Projects for Renewable Energy Resource (RER) systems or Energy Storage Systems (ESS) that support RER Projects.

Who is eligible for this program?

The PACE program is available to eligible applicants that generate electricity for resale to residents in both rural and nonrural areas. However, at least 50 percent of the population served by your proposed renewable energy project must live in communities with populations of 20,000 or fewer.

The maximum available loan is \$100 million including the forgivable portion. The minimum loan is \$1 million.

Potential projects may include;

- Installing a hydro system below Stumpy Reservoir
- Installing Solar panels
- Installing water wheels
- Installing Battery Banks

Applications open June 30 through September 29, 2023

More information is available at <https://www.rd.usda.gov/programs-services/electric-programs/powering-affordable-clean-energy-pace-program>



Meetings/Events attended

El Dorado LAFCO

Board meeting (Placerville) - 5/24

Budget Committee Meeting - 6/12

Re-elected - Alternate, Special District Commissioner (2023-2027)

Regional Water Authority

RWA Executive Committee Meeting (Citrus Heights) - 5/30

Attaching article from Source magazine

Association of California Water Agencies

ACWA Water Use Efficiency Workgroup - 5/24

Region 3 Pre- ACWA Board meeting - 5/30

ACWA Board Meeting - 6/2

Region 3 Event Planning Meeting - 6/6

(Planning a Webinar for WUE and a Conference forum on Operations Emergency Management)

Headwaters Workgroup - 6/9 *Attaching Headwaters drop off document*

Interview ACWA Vice-President Election Committee - next week

Mountain Counties Water Resources Association

Attending CA-United Water Conference next week Santa Clara

LEGISLATIVE UPDATES

AB 676 (Bennett D- Ventura) Would define what is considered domestic use within existing law characterizing the highest uses of water.

Changes California Water Code - Section 106

Currently - It is hereby declared to be the established policy of this State that the use of water for domestic purposes is the highest use of water and that the next highest use is for irrigation.

Proposed:

Existing law establishes various state water policies, including the policy that the use of water for domestic purposes is the highest use of water and that the next highest use is for irrigation.

This bill would provide specific examples of the use of water for domestic purposes, including, but not limited to, sustenance of human beings and household conveniences.

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 106 of the Water Code is amended to read:

106. (a) It is hereby declared to be the established policy of this state that the use of water for domestic purposes is the highest use of water and that the next highest use is for irrigation.

(b) Domestic purposes include, but are not limited to, water use for all of the following:

(1) Sustenance of human beings and household conveniences.

(2) Care of household livestock and animals.

(3) Care of household gardens.

(4) Deliveries of water by community water systems, other public, municipal, and industrial water agencies, and water corporations regulated by the Public Utilities Commission.

(recommend oppose)

AB 1572 (Friedman D- Burbank) Would prohibit the use of potable water, as defined, for the irrigation of nonfunctional turf located on commercial, industrial, municipal, institutional, and multifamily residential properties.

Would also require - The bill would authorize a public water system, city, county, or city and county to enforce these provisions

(recommend oppose)

General Manager/Legislative Liaison

AB 754 - This bill would put budgeting requirements, mandated reports, and budgeting on raw water/ agricultural water. It also puts cookie cutter shortage contingency plans for reservoirs based on level and no other metric. This is being opposed and worked on by ACWA and RWA

Bill language -

(1) Existing law, the Urban Water Management Planning Act, requires every public and private urban water supplier that directly or indirectly provides water for municipal purposes to prepare and adopt an urban water management plan. Existing law requires an urban water management plan to quantify past, current, and projected water use, identifying the uses among water use sectors, including, among others, commercial, agricultural, and industrial. Existing law requires an urban water management plan to identify and quantify, to the extent practicable, the existing and planned sources of water available to the supplier over a specified period of time, providing supporting and related information, including, among other things, a description of the management of each supply in correlation with the other identified supplies when multiple sources of water supply are identified. Existing law requires an urban water management plan to include a narrative relating to water demand management measures implemented over the prior 5 years.

This bill would require an urban water management plan to include in that narrative any demand management measures that have a significant impact on water used by downstream water rights holders.

(2) Existing law requires every urban water supplier to prepare and adopt a water shortage contingency plan as part of its urban water management plan. Existing law requires the water shortage contingency plan to include procedures for an annual water supply and demand assessment, including the data inputs and assessment methodology used to evaluate the urban water supplier's water supply reliability for the current year and one dry year.

This bill would require a water shortage contingency plan to include a target water supply storage curve for a reservoir, if that reservoir constitutes at least 50% of the total water supply for the urban water supplier, based on target carryover levels sufficient to satisfy water users, ecological streamflow needs, and water quality needs, as specified. The bill would require a water shortage contingency plan to include reservoir shortage levels relative to the target water supply storage curve that will trigger specified shortage response actions.

(3) Existing law requires an agricultural water supplier to prepare and adopt an agricultural water management plan with specified components and to update those plans on or before April 1 in the years ending in 6 and one. Existing law requires an agricultural water supplier to submit its plan to the Department of Water Resources no later than 30 days after the adoption of the plan and requires the department to review an agricultural water management plan and notify an agricultural water supplier if the department determines that it is noncompliant, as provided. Existing law requires an agricultural water supplier to submit copies of its plan to specified entities no later than 30 days after the department's review of the plan and requires the department to submit its report summarizing the status of the plans to the Legislature on or before April 30 in the years ending in 7 and 2. Existing law requires an agricultural water supplier to include a drought plan as part of its agricultural water management plan. Existing law requires the drought plan to describe the agricultural water supplier's actions relating to drought preparedness and management of water supplies and allocations during drought conditions, as provided.

This bill would require a drought plan to include a target water supply storage curve for a reservoir, if that reservoir constitutes at least 50% of the total water supply for the agricultural water supplier, based on target carryover levels sufficient to satisfy water users, ecological streamflow needs, and water quality needs, as specified. The bill would require the drought plan to include reservoir shortage levels relative to the target water supply storage curve that will trigger specified shortage response actions

GROUNDWATER RECHARGE



ASR Wells



Water Banking Ready

WORKING TOGETHER TO LEAD THE CHARGE ON GROUNDWATER RECHARGE

By JIM PEIFER

IS THE DROUGHT OVER IN CALIFORNIA? That was the question on a million minds after nature delivered nine soaking-wet atmospheric river storms to the Golden State for three weeks after Christmas. ▼

The short answer is no. Those storms didn't end the drought, and a real end could be decades away. The reason is groundwater depletion. When we get that kind of deluge, it does help recharge groundwater, but only incrementally. In fact, decades of over-pumping groundwater exacerbated by the dry climate hydrology has left many of the state's groundwater basins in a condition of overdraft that will take years to overcome.

To end the drought, we need to start treating our groundwater aquifers as the water infrastructure of the climate change era. To do this, we must transform how we manage storm runoff to recharge groundwater on a much bigger scale.

Cities and agricultural irrigation districts are starting to figure it out, and the state is taking steps to help. So, while stormwater capture is happening, we have relied on surface reservoirs to meet our

water needs too long. Surface reservoirs remain essential but adding to the natural recharge of our groundwater basins and thereby increasing the amount of underground water storage will be needed to meet the demands of today's fickle winter storms.

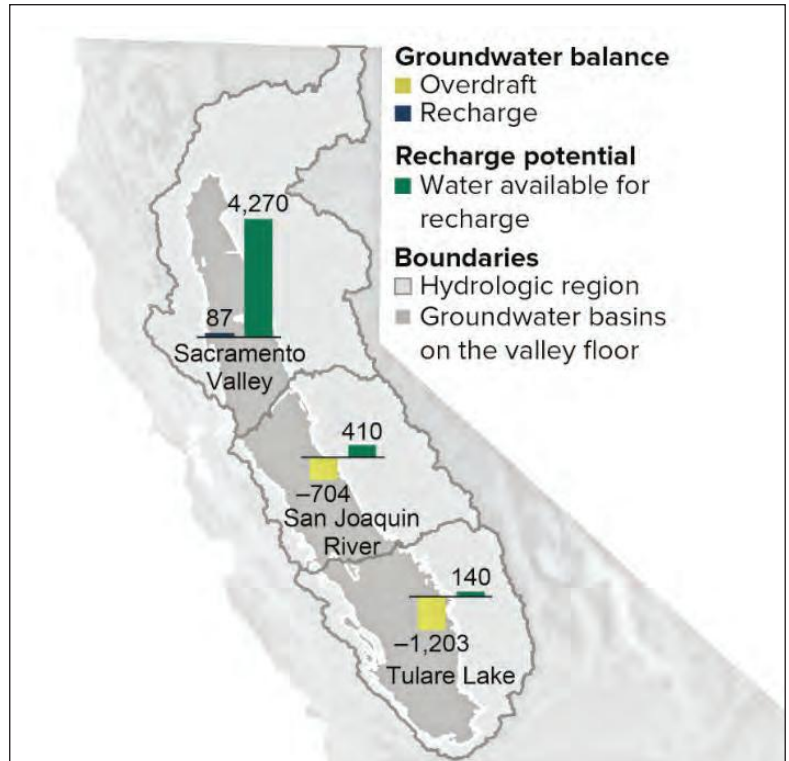
It's been estimated that the State Water Project and federal Central Valley Project will lose 10 percent of their capacity by 2040 due to shrinking Sierra Nevada snowpack

and warmer storms that challenge dam operations. This amounts to a loss of six to nine million acre-feet annually. That's equivalent to losing two Shasta reservoirs!

It's time to focus on an even bigger water storage solution: the aquifers beneath our feet. The State Department of Water Resources estimates that California's groundwater aquifers have capacity for between 850 million and 1.3 billion acre-feet of water. That's extraordinary compared to the 50 million acre-feet held by all existing surface reservoirs in the state.

Unfortunately, much of that aquifer capacity sits unused. For the past century, in many cases, we've done nothing but extract groundwater, drastically depleting aquifers that took eons to fill. Only in recent years have we begun to focus on reversing that trend, spurred in part by the Sustainable Groundwater Management Act passed by the state in 2014.

In the Sacramento metro area, a coalition of local agencies working through the Regional Water Authority has developed the Sacramento Regional Water Bank. This interconnected network allows agencies entirely dependent on groundwater to obtain surface water from neighboring agencies during periods of high stormwater flow, allowing their wells to rest and refill naturally. This is what's known as "in lieu" recharge, a strategic method of refilling aquifers the old-fashioned way—by leaving



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them alone. We also operate a handful of aquifer storage and recovery (ASR) wells, which allow storm runoff to be pumped directly into aquifers.

The Water Bank is possible thanks to two decades of investing in groundwater wells, pumps, and plumbing interties that link the region’s local water agencies. Today we can reliably pump and refill 60,000 acre-feet of groundwater every year—enough to meet the domestic needs of 180,000 families for a year. We have plans in place to boost our recharge capacity to 90,000 acre-feet, if funds can be secured to build more water interties and ASR wells. That would create a drought-resilient supply for 270,000 families annually—over a third of the region’s population.

The Sacramento region’s recharge system might look a bit different than programs in other parts of California, but the end goal is the same: turning aquifers into refillable reservoirs.

In Orange County, for example, tertiary-treated wastewater is allowed to refill its aquifers. In San Bernardino

County, stormwater from the Santa Ana River is diverted into settling basins on the surface, where it then gradually percolates underground. In the San Joaquin Valley, a few farms are experimentally flooding orchards and vineyards with stormwater when it’s available. They’re finding they can recharge groundwater without damaging crops.

The important point is that it’s all groundwater recharge.

In-lieu recharge in the Sacramento region is an obvious and simple replenishment solution that has been proven to work over the past two decades. But the fact is, it didn’t happen until water agencies started cooperating by sharing resources to move water around for the greatest benefit. This kind of cooperation is needed on a state-wide scale to solve California’s looming water supply crisis.

That’s why the Regional Water Authority is proposing legislation—the California Water Supply Solutions Act of 2023—requiring the state to develop a plan to achieve 10 million acre-feet of

groundwater recharge annually by 2035.

This plan would make groundwater recharge an official state goal, something not clearly embodied in the Sustainable Groundwater Management Act. It would also require state agencies to identify the resources they need—money, staff, and programs—to achieve a truly ambitious groundwater recharge goal.

Reforming California’s permit system for diverting surplus stormwater is another important step. Right now, it takes at least 10 days to get permits to divert stormwater for aquifer recharge from the State Water Resources Control Board and California Department of Fish and Wildlife. By the time those permits are approved, the storm pulse is gone.

State lawmakers have expressed strong support for groundwater replenishment. In fact, Governor Gavin Newsom’s new *Water Supply Strategy*, released last summer, sets a target to boost groundwater storage by 500,000 acre-feet by 2040.

That’s an encouraging goal, but we know first-hand that the potential is much

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greater: The Sacramento region alone can readily contribute 30,000 acre-feet before the end of the decade and has the capacity to greatly expand moving forward. Statewide, the California Department of Water Resources estimates we have 13 million acre-feet of groundwater capacity available for recharge. About 2.5 million acre-feet of that—five times the Governor’s goal—is available for recharge using existing infrastructure.

Moreover, this expanded sustainable supply comes at a cost that will support the affordability goals included in the *Water Supply Strategy*.

Storms like the New Year’s event came fast and sudden: nine atmospheric rivers in three weeks. With climate change, these dramatic events might be most of the rain we get for years. We must do more to capture some of that precious stormwater for the next dry spell. We must and can work together so that our legislative and regulatory environment fits the hydrology we are experiencing. 💧



Jim Peifer is Executive Director of the Regional Water Authority, a coalition of two dozen municipal water agencies in the Sacramento region.



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RECOMMENDATIONS FOR RESILIENT HEADWATERS

The Association of California Water Agencies (ACWA) represents more than 460 public water agencies that collectively deliver over 90 percent of the water in California. Public water agencies play a vital role in managing California's water resources, including our forests and headwaters. As the climate changes, severe wildfires are threatening our already constrained water resources. ACWA recognizes the importance of resilient headwaters as an unmatched source of clean, reliable water and air for people and ecosystems across the state.

WHAT ARE HEADWATERS AND WHY ARE THEY IMPORTANT?

Headwaters are where the rivers, streams, and lakes begin, providing flow to surface and groundwater supplies across the state. Like most western states, two-thirds of California's surface water supply originates in these mountainous and typically forested regions. The majority are located in public lands, including several National Forests, and span from the Cascade Range through the Sierra Nevada Range, down to the San Bernadino mountains and coastal ranges.

Improving the health of our headwaters can significantly improve water quality, water supply, ecosystems, and habitat, as well as public safety and recreation, increase carbon sequestration and reduce harmful emissions and particulates from catastrophic wildfire, and reduce stress on water supplies during periods of drought.

THE PROBLEM

Decades of fire suppression in conjunction with a lack of investment in forest health projects, an emphasis on short-term management priorities, increased occurrence of pests and disease, weather extremes and a warming climate have contributed to the decline in headwaters forest resilience.

The challenges we collectively face to restore and improve our headwaters are great:

- Forest overcrowding promotes rapid wildfire growth, creating catastrophic megafires that cause long-term damage to the region's ecology and infrastructure.
- Overstocked forests result in greater competition for water and increased evapotranspiration, reducing water infiltration into aquifers and increasing strain on water supplies during times of drought.
- Dense and homogenous forests are more susceptible to pest infestation that can cause widespread tree death.
- Fragile ecosystems in unhealthy headwaters are at greater risk because of poor water quality, reduced in-stream flows, increased sedimentation of rivers, and loss of habitat.



HOW DO WE IMPROVE HEADWATERS HEALTH?

FEDERAL RECOMMENDATIONS

Protect and Expand Investments

- Build on federal investments through FY 2023 appropriations, the Infrastructure Investment and Jobs Act and the Inflation Reduction Act supporting U.S. Forest Service and Department of Interior programs providing project funding to State and local governments, including water agencies as eligible recipients of funding, increasing the pace and scale of forest management, landscape-scale restoration activities, source water protection and post-fire water quality monitoring, and wildfire mitigation and recovery projects.
- Establish and expand federal programs for disaster mitigation to provide funding to municipal water agencies for infrastructure for fire suppression and to protect critical water infrastructure in the wildland-urban-interface.

Improve Forest Management

- Improve the permitting process to expedite forest management projects with multiple benefits.
- Create long-term strategies to restore and maintain healthy watersheds. Implement the "Confronting the Wildfire Crisis" strategy developed by the Forest Service to put years of research and planning into action.
- Continue efforts to use every available tool in forest management, including prescribed fire, mechanical thinning, project maintenance, rehabilitation of forest access roads, and encourage partnerships with tribes, nongovernmental organizations, state and local governments.

STATE RECOMMENDATIONS

Improve Forest Management


- Aggressively pursue implementation of the "Roadmap to a Million Acres" strategy developed by the California Wildfire and Forest Resilience Task Force.
- Create stability and opportunity in the marketplace for increased utilization of trees and biomass products.
- Expand workforce training opportunities and programs statewide.

Secure Stable Funding for Headwaters Health

- Establish a permanent, progressive funding source for state investment in watershed and forest improvement and post-fire restoration.
- Ensure State funding is available to local agencies for rapid post-fire recovery projects, including erosion control, soil, rock and tree removal, and revegetation.
- Make funding for fire response in headwaters communities part of forest health priorities.



North Yuba Forest
Partnership
BEFORE



North Yuba Forest
Partnership
AFTER

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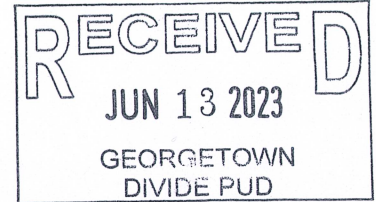
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GDPUD Closed Regular Board Meeting

June 13, 2023

Cherie Carlyon Public Comments



This closed session meeting is still not following the proper procedures of the California Brown Act. From my research, your posted closed meeting session section number 54957 does not apply to this meeting.

The March 6, 2023 closed session meeting had no government code indicated on the agenda.

The April 25, 2023 closed special session meeting had Gov. code 54957 (b) (1)

You are hiring a corporation and a corporation cannot be an officer for the District and therefore, you have held these meetings in violation of the Brown Act. If you could hire Mr. Frank Splendorio as the district's independent counsel instead of the the BBK, LLC, then section 54957 (4) would apply.

I request that this board put the RFP's of all of the Law firms that you interviewed in closed session into the public record on the next agenda and try to be transparent.

"54957 (a) This chapter shall not be construed to prevent the legislative body of a local agency from holding closed sessions with the Governor, Attorney General, district attorney, agency counsel, sheriff, or chief of police, or their respective deputies, or a security consultant or a security operations manager, on matters posing a threat to the security of public buildings, a threat to the security of essential public services, including water, drinking water, wastewater treatment, natural gas service, and electric service, or a threat to the public's right of access to public services or public facilities.

(b) (1) Subject to paragraph (2), this chapter shall not be construed to prevent the legislative body of a local agency from holding closed sessions during a regular or special meeting to consider the appointment, employment, evaluation of performance, discipline, or dismissal of a public employee or to hear complaints or charges brought against the employee by another person or employee unless the employee requests a public session.

(2) As a condition to holding a closed session on specific complaints or charges brought against an employee by another person or employee, the employee shall be given written notice of his or her right to have the complaints or charges heard in an open you session rather than a closed session, which notice shall be delivered to the employee personally or by mail at least 24 hours before the time for holding the session. If notice is not given, any disciplinary or other action taken by the legislative body against the employee based on the specific complaints or charges in the closed session shall be null and void.

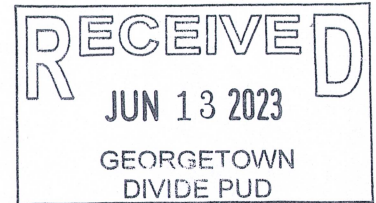
(3) The legislative body also may exclude from the public or closed meeting, during the examination of a witness, any or all other witnesses in the matter being investigated by the legislative body.

(4) For the purposes of this subdivision, the term "employee" shall include an officer or an independent contractor who functions as an officer or an employee but shall not include any elected official, member of a legislative body or other independent contractors. This subdivision shall not limit local officials' ability to hold closed session meetings pursuant to Sections 1461, 32106, and 32155 of the Health and Safety Code or Sections 37606 and 37624.3 of the Government Code. Closed sessions held pursuant to this subdivision shall not include discussion or action on proposed compensation except for a reduction of compensation that results from the imposition of discipline."

GDPUD Closed Regular Board Meeting

June 13, 2023

Cherie Carlyon Public Comments



I have reviewed the Journal Entries for the water district and starting September 2022 I have found that HR is over paying GM Schneider on his \$6000 car allowance that was included in his employment contract.

There are 26 employee pay periods and the \$6000 contract was divided by 24 pay periods and not the proper 26 pay periods. He has been paid \$250 per each pay period and should have only been paid approximately \$230.77. The district has over paid him for seven of the 2022 pay periods by \$134.61 and as of the 5-28-23 pay period he has been over paid by \$211.53 in the eleven 2023 pay periods. This error needs to be corrected because it will be a gift of public funds to do other wise.

Here is the Journal Entry for the last pay period ending May-28-2023.

Account number 100-5600-50103 Automobile Allowance GM Fuel Allowance. \$250.00

FY 22/23 YTD paid out \$4,500.00.