

**CONFORMED AGENDA
REGULAR MEETING
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT BOARD OF DIRECTORS
6425 MAIN STREET, GEORGETOWN, CA,
TUESDAY, January 13, 2015
6:00 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 *Call meeting to order at 6:00 PM. Directors Present: Krizl, Hoelscher, Capraun, Hanschild, Uso Staff Present: General Manager Wendell Wall, Operations Manager Darrel Creeks General Counsel Barbara Brenner with Churchwell-White*

2. ADOPTION OF AGENDA

A. Board Action *Motion to Adopt Agenda by Director Uso 2nd by Director Hoelscher Public Comment: None Vote: Motion Carries 5 Ayes (Krizl, Hoelscher, Capraun, Hanschild, Uso)*

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 members 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. *Dianna Sampson of Georgetown worked as office manager and wishes to be reinstated as she feels that her separation was not appropriate.*

4. APPROVAL OF MINUTES – Board to consider approval of minutes for the following meetings:

- Conformed Agenda for the Regular Meeting of October 14, 2014
- Conformed Agenda for the Regular Meeting of November 11, 2014
Motion to Approve Minutes for October 14, 2014 and November 11, 2014 by Director Hoelscher 2nd by Director Hanschild Public Comment: None Vote: Motion Carries 5 Ayes (Krizl, Hoelscher, Capraun, Hanschild, Uso)

5. FINANCIAL REPORTS:

- A. *Accounts Payable for January GM Wendell Wall addresses an anomalous financial spike for Meyers and Fazi legal services. He explained that the legal fees of \$3,654 were to deal with an employee situation. The Churchwell White Legal Services payment has increased beyond the base monthly amount of approximately \$3,000 to approximately \$6,700 because of additional time necessary to deal with numerous issues. Director Hoelscher also has concerns. Barbara Brenner, the legal counsel answered that a more detailed explanation can take place during closed session. Director Uso has concerns about the Chase Credit Card amount. Director Capraun wants to review the credit card bill. Director Uso wants more information on vendors.*
- B. *Cash and Investment Report for November 2014 Retiree benefits were withdrawn from the general fund and money was not transferred to the retiree fund. Director Capraun clarifies that it was for the Retiree Health Care account and not for PERS.*
- C. *Board Action Motion to Receive and File Reports by Director Uso 2nd by Director Hanschild Public Comment: None Vote: Motion Carries 5 Ayes (Krizl, Hoelscher, Capraun, Hanschild, Uso)*

PRESIDENTS REPORT *Director Krizl missed a workshop a couple weeks ago for health reasons. Director Krizl sits on the board of Mountain Counties Water Resource Association which is putting together a program that will be held on Feb. 6th.*

6. BOARD REPORTS *Director Capraun announced that The El Dorado County Water Agency is looking for a General Manager.*

7. GENERAL MANAGER REPORT *GM Wendell Wall passes baton to OM Darrel Creeks who discusses treatment plant production statistics. He also discusses some decreases in potable water usage. Reports were prepared by Becky Siren and sent to the state as required on time. Waste water from Auburn Lake Trails was discussed. He reported Stumpy Meadows Reservoir levels at just over 50% of capacity and holding at that level. GM Wendell Wall discusses the King Fire and wants to create an expense category line item to track the expenses associated with the King Fire. Also, he wants to contract to obtain a bathymetric study to establish a baseline for sediment in the Stumpy Meadows Reservoir. Without a baseline, if sediment increases due to the King Fire, we will have trouble getting funds for remediation. With reference to the Sand Trap Siphon and Hydroelectric Project, there is no getting around California Department of Fish and Wildlife and Army Corps of Engineers Wetlands Issues. Former Interim GM George Sanders discusses issues involved in obtaining grant funding for various projects. He discusses general requirements to obtain CABY Grant funding of \$800,000. Director Krizl, wants to evaluate the potential value we will receive if we move forward with any project. Director Krizl is concerned about the cost of the projects as there are many regulatory wild cards. Director Uso feels that we need to research who has experience working through the regulatory issues and how the issues were resolved. Former Intirim GM George Sanders explains that we will get through these issues by working with EID etc. Director Uso feels that communication with the public about these issues is vital. GM Wendell Wall discusses prior Prop. 218 workshops. Director Krizl questions the need for a workshop on January 14, 2015. GM Wendell Wall references a financial report on expense and revenue figures.*

Motion to Receive and File Managers Report by Director Uso 2nd by Director Hanschild Public Comment: None Vote: Motion Carries 5 Ayes (Krizl, Hoelscher, Capraun, Hanschild, Uso)

**8. PRESENTATION – EL DORADO COUNTY WATER AGENCY
2014 WEST SLOPE UPDATE OF WATER RESOURCES DEVELOPMENT AND
MANAGEMENT PLAN**

- A. Discussion *Former Interim GM George Sanders discusses the report. Director Krizl comments on the long term projections made in the report*
- B. Possible Board Action *No action required*

9. RESOLUTION 2015-01 – Banking Signature Authority

- A. Discussion *GM Wendell Wall discusses the many forms to complete that will reflect changes in board and staff makeup.*
- B. Board Action *Motion to Accept the Resolution by Director Capraun 2nd by Director Uso Public Comment: None Vote: Motion Carries 5 Ayes (Krizl, Hoelscher, Capraun, Hanschild, Uso)*

10. CONTRACT WITH ANDREGG GEOMATICS – Stumpy Bathymetric Survey

- A. Discussion *GM Wendell Wall discusses advantages of obtaining the survey. Former Interim GM George Sanders discusses the need for the survey. Director Krizl questions OM Darrell Creeks about the specifics of the information that the survey would provide. Former Interim GM George Sanders explains that through multiple sonar soundings we will have a picture of what exists below the current static water level including the specific location of the dead pool. Director Capraun questions whether the specialized nature of the work eliminates the need to send the process out to bid. Legal Counsel Barbera Brenner confirms that going out to bid on this project is not necessary. Director Krizl questions the accuracy that we could obtain through this survey. Dennis Goodenow of Garden Valley questions necessity to pursue this survey given that the dead pools are the low point in the reservoir where silt should settle and these “dead pools” do not contain easily useable water reserves. Director Krizl and Director Hanschild respond to Mr. Goodenow. Former Interim GM George Sanders and OM Darrell Creeks provide further clarification.*
- B. Board Action *Motion to Accept Contract with Andregg Geomatics for \$17,960 by Director Capraun 2nd by Director Uso Public Comment: None Vote: Motion carries 5 Ayes (Krizl, Hoelscher, Capraun, Hanschild, Uso)*

11. CONTRACT WITH CCSINTERACTIVE – District Website

- A. Discussion *GM Wendell Wall discusses ongoing challenges with the maintenance of the web site, problems with posting of documents, and the pressing need to replace the site. Former Interim GM George Sanders discusses things that have happened with the web site in that it is difficult to work with and confusing. GM Wendell Wall discusses transparency of the proposal and the upfront cost of \$6,500 plus the monthly maintenance cost of \$105 per month to manage the site plus \$2 per month for each e-mail address. Teresa, in the office has a certificate in IT and will be responsible for uploading changes to the site. Additionally, GM Wendell Wall wants to increase the internet speed from 6 mb/sec to 50 mb/sec with Comcast. Director Capraun wants to know where the money is coming from. GM Wendell Wall explains that the money is coming from the contingency fund. Director Hoelscher thinks we should move forward with a system that Kathy knows about. Director Krizl feels that moving forward with the recommendation of GM Wendell Wall should be followed as the cost seems reasonable. Director Uso thinks that we should have information about alternatives. Director Hanschild wants to back GM Wendell Wall in his desire for a new web site. Director Capraun confirms that there is not a line item for this purchase so the board must approve the withdrawal of money from the contingency fund*
- B. Possible Board Action *Motion to move money and make money available by Director Uso 2nd by Director Hanschild Public Comment: Dennis Goodenow thinks that the contingency fund is being depleted beyond its balance and a mini budget revamp should occur. Ray Kringel feels that*

accounting for transfer of funds between accounts lacks tracking. Director Capraun discusses balances in the various funds, GM Wendell Wall discusses putting together a revised budget because of some compliance issues. Ray feels that the expense should come out of the capital asset pool of funding. Rick Gilespi suggests that we need to evaluate classification of funds and the financial needs associated. Original Motion withdrawn and new motion offered to allow GM to move forward with the website replacement by Director Uso 2nd by Hoelscher Vote: motion carries 5Ayes(Krizl, Hoelscher, Capraun, Hanschild, Uso)(2:08:30)

12. CONTRACT WITH UTILITY SERVICE GROUP – Water Storage Tank Inspections

- A. Discussion GM Wendell Wall discusses need to get water storage tank inspections every 5 years. Director Capraun asks for clarification on how inspection of water tanks is performed. GM Wendell Wall explains process and that the initial inspection is free and we will be free to go out to bid for any repairs that are required. OM Darrell Creeks discusses the need to move forward with inspections and the potential costs of repairs.*
- B. Board Action** *No motion required*

13. PROPOSITION 218 – Rate Increase

- A. Discussion GM Wendell Wall discusses need to guarantee a \$400,000 per year revenue stream to support the \$8,000,000 loan necessary for the ALT Plant replacement. The loan servicing would require an average monthly increase of \$9 per month for each treated water customer. He discusses the increase in terms of a Flat rate vs. Proportional rate. Under the proportional structure, the large users would bear the brunt of the increase while the smaller users would be asked to contribute at a reduced level. Two structures are on the table to determine the best way to capture the \$400,000 per year: flat charge vs. proportional surcharge. Director Krizl feels that the charge should be based on the service being received: for example, ¾ inch service should be paying the same surcharge. Finance Committee Member Ray Kringel discusses the potential structure of a proportional rate increase. Director Uso wants to move forward with the Prop. 218 process for the ALT plant replacement and deal with other district needs in a later Prop. 218 rate increase process. Director Capraun feels that ALT and Operations & Maintenance should be included in the same Prop. 218 process because the engineering and rate study are required for both. The study is almost complete. Director Krizl wants to postpone the workshop scheduled for Jan 14th and reschedule for a time when the rate study is complete. Director Uso wants to know if GM Wendell Wall can complete a budget requirement in 1 or 2 or 3 months? Director Uso thinks that time is too short to do a combined 218 process with ALT and O & M. GM Wendell Wall feels that in moving forward with the plant replacement, we know we need to increase revenues by \$400,000 per year so we should move forward with the plant aspect of the rate increase. Director Capraun suggests that we should proceed with a 218 process that will provide funding to meet all district needs including the ALT treatment plant since the rate study is almost complete. Director Krizl suggests that we schedule a special meeting if the rate study is completed before next regular meeting. Legal Counsel Barbara Brenner explains the Prop. 218 process and its requirement that; the need for a rate increase must be justified. Additionally, she confirms that the rate study is an integral part of the justification needed before the 218 process can go forward. Director Uso wants to move forward with construction of the ALT plant without delay. Dennis Goodenau describes when the cost of service was established in 2011, and nothing has changed since then... this has already been done, so we should move forward as soon as possible. Ray Kringel wants to have a workshop that will give everyone information on the*

biggest capital project we have had since construction of the Stumpy Meadows Dam. Director Krizl concludes by reiterating that this subject will move forward when the rate study is complete.

B. Possible Board Action *No Board Action required*

14. AUBURN LAKE TRAILS WATER TREATMENT PLANT

A. Discussion *Discussed under previous agenda item #14 "Proposition 218" above; no additional information or discussion is necessary*

B. Possible Board Action *No Board Action*

15. 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 wants to address the retiree health plan in a closed session

Director Uso wants to review the structure of the finance committee; its function and vetting and term of service. He wants to review how the treasurer functions within the system. He wants staff to have more control. He wants to have a finance committee policy discussion. He wants to establish metrics with which to evaluate the GM so the board can measure his progress.

GM Wendell Wall explains that the metrics are in his contract.

Director Uso wants to avoid personal metrics and thereby provide fairness in the evaluation.

Barbara Brenner suggests that this topic should be addressed in closed session.

Director Capraun suggests that a form be developed.

Barbara Brenner suggests that there is a job description.

Director Hoelscher expresses appreciation that Wendell Wall has stepped into this situation.

Director Krizl, wants to add goals and priorities as provided by the board to the Agenda for open session.

Director Krizl, wants to add clarification of drought issues including expectations of rate payers. The moratorium on new accounts should be added to the Agenda

Moving to closed session (2:57:49)

17. CLOSED SESSION - Conference with Legal Counsel

A. Existing Litigation (Government Code Section 54956.9(d)(1) (Leow v GDPUD)

B. Existing Litigation (Government Code Section 54956.9(d)(1) (Mecklenberg v GDPUD)

C. Pursuant to Government Code Section 54957(b)(1) Public Employment/Public Employee Union Negotiations

18. ADJOURN TO OPEN SESSION - Announcement of action taken in closed session *2 litigations are ongoing. Director Uso will be part of negotiations for the Local 1 and the Local 39 Unions*

19. NEXT MEETING DATE AND ADJOURNMENT - Next regular meeting February 10, 2015 at 6:00 PM, at the Georgetown Divide Public Utility District office.

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 in the District's bulletin board at the Georgetown Divide Public Utility District office, at 6425 Main Street, Georgetown, California, on January 9, 2015.

Wendell B. Wall *Wendell Wall*

Date 2-11-2015

General Manager