

REGULAR MEETING MINUTES
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT BOARD OF DIRECTORS
6425 MAIN STREET, GEORGETOWN, CALIFORNIA 95634

Special Notation:

*Director David Halpin will participate in this meeting from a satellite location via telephone. The Public may participate in all Open Session portions of this meeting from this location. The specifics of his location, while participating in the meeting, are as follows:
14750 Lakeside Circle, Sterling Heights MI 48313*

TUESDAY, DECEMBER 10, 2019
2:00 P.M.

MISSION STATEMENT

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

- Provide reliable water supplies
 - Ensure high quality drinking water
 - Promote stewardship to protect community resources, public health, and quality of life
 - Provide excellent and responsive customer services through dedicated and valued staff
 - Ensure fiscal responsibility and accountability are observed by balancing immediate and long-term needs.
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Out of respect for the meeting and others in attendance, please turn off all cell phones or put in the silent mode.

Pursuant to the Government Code Section 54954.3 (The Brown Act), members of the public shall be afforded the opportunity to speak on any agenda item, provided they are first recognized by the presiding officer. The Board President will call for public comment on each agenda item. Those wishing to address the Board on a matter that is not on the agenda and within the jurisdictional authority of the District may do so during the Public Forum portion of the agenda. Please be aware of the following procedures for speaking during Public Forum or public comment sessions:

1. When called on to speak by the Board President, please approach and speak from the podium.
2. Comments are to be directed only to the Board.
3. The Board will not entertain outbursts from the audience.
4. There is a three-minute time limit per speaker.
5. The Board is not permitted to take action on items addressed under Public Forum.
6. Disruptive conduct shall not be permitted.
7. Persistence in disruptive conduct shall be grounds for removal of that person's privilege of address.

The Board President is responsible for maintaining an orderly meeting.

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

The meeting was called to order at 2:00 P.M.

Directors present: Cynthia Garcia, Michael Saunders, David Souza, Dane Wadle.

Dave Halpin participated from a satellite location via telephone.

Staff present: General Manger Steven Palmer, Operations Manager Darrell Creeks, and Water Resource Manager Adam Brown.

Legal Counsel: Barbara Brenner, Churchwell White, LLP.

The Pledge of Allegiance was led by Director Souza.

Roll Call vote was taken:

Garcia: Present
Halpin: Present via telephone
Saunders: Present
Souza: Present
Wadle: Present

2. ADOPTION OF AGENDA

Director Wadle stated he received a request from the public to change the order of the agenda. The NEW BUSINESS section of the agenda was changed to reflect the following order:

- 7A: Provide Direction on Whether to Discuss a 2020 Water Rate Freeze at the Next Board Meeting*
- 7B: Approve Amended General Manager Employment Agreement*
- 7C: Accept 2018 Treated Water Line Replacement Project and Direct Filing of the Notice of Completion*
- 7D: Approve Purchase of Two Replacement Trucks*
- 7E: Appoint a Board Representative to the Joint Powers Insurance Agency*
- 7F: Appoint a Board Legislative Liaison*
- 7G: Consider Adoption of a Revised Board Policy 4050 Members of the Board of Directors Addressing Resignation from Volunteer Committees Upon Election to the Board*

Motion by Director Souza to adopt the change in item order of NEW BUSINESS agenda items. Second by Director Garcia.

Roll Call vote was taken, and the vote was as follows:

Garcia: Aye
Halpin: Aye
Saunders: Aye
Souza: Aye

Wadle: Aye

The motion passed unanimously.

3. PUBLIC FORUM (ONLY ITEMS THAT ARE NOT ON THE AGENDA)

Cherie Carlyon commented she was concerned that the Fiscal Year end totals, updated budget, and updated CIP had not been submitted.

Stephen Dowd commented that the District needs to remedy the impending rate increase. He also commented about a \$400K payment to Myers and Sons, the office generator, and District roof.

Kristy McKay requested that public comment include detailed specifics and that the District have a section for Old Business on the agenda. She also commented on the need for a forensic audit and the RFP for engineering firms to calculate the cost of replacement of equipment.

A member of the public, identified by Director Garcia to be Bill Threrkel commented that he wanted a rate freeze on agriculture water. He also suggested changing the irrigation calendar to include October and November.

Karen Bartholomew commented on a rate freeze, the settlement with Myers and Sons, and the rotation of Directors.

4. PROCLAMATIONS AND PRESENTATIONS – None were offered

5. CONSENT CALENDAR – Any member of the public may contact a Board member prior to the meeting to request that an item be pulled from the Consent Calendar.

A. Approval of Minutes

1. Special Meeting of September 19, 2019
2. Regular Meeting of October 8, 2019
3. Regular Meeting of November 12, 2019

B. Financial Reports

1. Statement of Cash Balances – November 2019
2. Month-End Cash Disbursements Report – November 2019

Director Garcia requested 5.A.1, 5.A.3, 5.B.1, and 5.B.2 be pulled.

Motion by Director Saunders to adopt item 5.A.2 from the Consent Calendar, seconded by Director Garcia.

Roll Call vote was taken, and the vote was as follows:

Saunders: Aye
Souza: Aye

Garcia: Aye
Halpin: Aye
Wadle: Aye

The motion passed unanimously.

Director Wadle stated he requested at the last meeting that one section of the minutes from September 19, be amended to reflect a specific comment from the public. Director Saunders objected to having his ethnicity and Director Garcia's gender added to the minutes, especially after requesting the same not be included prior to the meeting. He then said he would like a formal apology from the General Manager and Director Wadle at the next meeting. He said he would like the apology in writing and placed into the agenda for the January 2020 meeting. There was lengthy discussion among the Board members about the September minutes, whether it was proper to include the public comment as requested by Director Wadle, whether the Director Wadle acted properly when adjourning that meeting, and whether comments made after Director Wadle adjourned the meeting should be included in the September 19 meeting minutes.

Director Garcia made a motion to provide her recording of the September 19, 2019 meeting so that staff can make sure the minutes are clear, and accurate. She would also like to request the September minutes removed the ethnic and gender. She also requested that the Board President and General Manager submit a written apology to Director Saunders as an attachment for the January packet. Director Saunders said the apology does not have to be included in the motion and the minutes should revert back to as they were originally printed in the November minutes which did not include ethnicity and gender. Director Garcia said, for the record, Director Saunders has her apology.

Director Saunders clarified and said the apology should not be included in Director Garcia's motion. Director Garcia said the motion includes the apology letter.

Public Comment:

Cherie Carlyon commented regarding the comment from the woman during the September 19 meeting.

Motion by Director Garcia to have the version of the September 19 meeting (submitted on November 12) be used as the minutes of record, to have the comments stated after the September 19 meeting was adjourned be added to the meeting minutes, and have a written apology from Director Wadle, and the General Manager submitted with the January 2020 packet. The motion was seconded by Director Souza.

Roll Call vote was taken, and the vote was as follows:

Garcia: Aye
Halpin: Nay
Saunders: Aye
Souza: Aye

Wadle: Nay

The motion passed three to two.

Item 5.A.3. – Meeting Minutes of November 12, 2019

Director Garcia said she wanted to state a clarification on the November 12, 2019 meeting minutes. Director Garcia said she submitted a handout which was the CIP table. She said it went along with agenda item number eight.

Public Comment:

Cherie said the person identified as Carolyn O’Conner should be Carolyn Loomis.

Director Garcia motion to approve the meeting minutes with the addition of the handout. Director Souza seconded the motion.

Roll Call vote was taken, and the vote was as follows:

Garcia: Aye
Halpin: Aye
Saunders: Aye
Souza: Aye
Wadle: Aye

The motion passes unanimously.

5.B.1. – Statement of Cash Balances – November 2019

Director Garcia said she did not want this to be part of the consent calendar, as the Board has not had a chance to review the information. She requested to hold the item over to the January meeting. Director Wadle said the November 2019 cash balances would be brought back in January.

5.B.2. – Month-End Cash Disbursements Report – November 2019

Director Saunders inquired about check number 30490 related to Water Rights Fees and requested that Mr. Palmer send the list of water rights to the Directors.

Public Comment:

Mr. Hoffman commented about the water right fees.

Director Garcia inquired about check 30494 to the lab. Director Garcia requested that the test results be placed on the website.

Director Garcia asked about check number 30527 to Myers and Sons, check number 30541 to the lab, and check number 30551 to George Sanders.

Public Comment:

Cherie Carlyon commented about check number 30580 to the United States Forest Service.

Director Garcia motion to accept 5.B.2. with the questions answered. Director Souza seconded the motion.

Roll Call vote was taken, and the vote was as follows:

Garcia: Aye
Halpin: Aye
Saunders: Aye
Souza: Aye
Wadle: Aye

The motion passes unanimously.

6. INFORMATIONAL ITEMS

A. Board Reports

Director Saunders said the Finance Committee meeting was cancelled due to a PGE PSPS, and the committee is waiting to review the revised CIP Budget. Of the twelve water conservation legislation meetings, Director Saunders said the meeting on November 19 was very significant as it was the water work studies work group. He said the work being done in this group could mean the District has water in Stumpy Reservoir that it is not entitled to use. He said one way to off-set the water budget is the variances for evaporative coolers, horses and livestock, vegetation for irrigation for fire control. He said they are looking for Districts to work with and do a study. If the District works with DWR in how they calculate the water costs on livestock it will save the District resources after the fact trying to figure out who in the District has horses, and livestock.

Director Garcia said she and Director Saunders did host a Town Hall meeting at the Cool Hall on November 23. A Thanksgiving Day feast was provided and the meeting was well attended. She said a few questions were raised at the feast. One question asked if staff is being paid during the PSPS events.

Director Garcia asked about the Upcountry Ditch Rehabilitation Project and the 2018 Main Canal Reliability Project, how many bids were received on each of those? Mr. Palmer said the Upcountry Ditch Rehabilitation Project has not started because the District is trying to get grants. The District received one bid for the 2018 Main Canal Reliability Project.

Director Garcia commented on Supervisor Parlin's letter the Board received. Director Garcia asked if the District could provide the District's Grant Policy on the website. Mr. Palmer said the District does not have a policy for grants, but the process is to have the Board approve the grant before they are submitted.

Director Garcia said at the Christmas in Cool event, she was approached by a GDPUD customer Carl Matthews approached her, and asked why their drinking water taste has changed. Mr. Creeks responded that there have not been any changes that would cause this and he would follow up with Mr. Matthews.

Director Garcia asked when will the Board have FY 2018-2019 budget with the actuals? Mr. Palmer said those would be provided once the audit was completed.

Director Wadle said he too attended the Chamber meeting and gave a presentation.

B. General Manager's Report

Mr. Palmer presented a list of accomplishments, conferences, projects and upcoming Board items.

Director Garcia asked about and there was discussion about the need and funding for a project manager and a separate design engineer.

Director Garcia then asked when the revised sampling policy which would include the lead in the schools could be completed. Mr. Palmer assured the Board that the District has complied with that legislation, and the results have come back non-detect. Director Garcia requested that District develop a lead sampling policy place it on the website.

Director Garcia then requested that Mr. Palmer would put his projects on to a project management schedule and share with the Board.

Director Garcia commented on the need for dedicated capital project manager. There was discussion about the need for a capital project manager and whether this position should be contract or direct employee.

Director Wadle inquired about the content of the ACWA seminars related to keeping a water system operating during an emergency, and if the District has an emergency response plan. Mr. Palmer said the seminars discussed challenges and how to keep pump stations running during an emergency, which included liability exposure. Mr. Palmer stated the District has an emergency response plan, and staff is finishing an update of that plan.

Public Comment:

Mr. Hoffman commented regarding shutting down water production during PSPS.

Operation Manager's Report

Mr. Creeks' said the lake is rising quickly and has risen 1000-acre foot in the last ten days. The District has two bids for generators, which are both more than budgeted and Mr. Creeks' is negotiating prices. He said he is preparing to send out a request for bids at Walton. The Polaris that was purchased is ready for snow.

Cherie Carlyon commented regrading new treated service lines

Water Resources Manager Adam Brown stated the annual inspections for the year were completed. Manholes are being inspected and sealed if needed. He said the sampling was completed and the quarterly report is being finalized.

A member of the public commented about maintaining septic systems during a power outage. Mr. Brown responded that information is on the GDPUD website.

C. Finance Committee Report

Steve Miller said he wanted to mention, the committee will be losing another member at the end of December, and he suggested the Board think about replacing the two members. He said the next Finance Committee meeting is scheduled for December 18, at 2PM. Director Garcia asked if the committee had received any resumes or applications yet? Mr. Miller said no.

Director Garcia requested to see a breakdown of the labor rate for the work in Fund 40. Mr. Palmer responded that an email was sent to the Board before the meeting with that information.

7. NEW BUSINESS

A. Provide Direction on Whether to Discuss 2020 Water Rate Freeze at the next Board Meeting

Possible Board Action: *Discuss and provide direction to Staff*

Mr. Palmer said this item is to get direction from the Board as to whether or not the Board would like staff to analyze the impact of a freeze, giving the Board the option to freeze rates.

There was Board discussion about the process that was followed to place this item on the agenda.

Director Garcia said she would like to see this item on the January 2020 Board agenda; but before any reasonable steps can be taken, she said the FY budget with the actuals so the Board knows where the District stands.

There was discussion about whether that information could be available for the January Board meeting and whether the Board would like the Finance Committee to review and comment on the rate freeze before the Board takes action. The General Manager stated he cannot commit to having it all ready for the December 18, Finance Committee meeting as the auditors work is not complete at this time and is not scheduled to be complete until December 31, 2019.

There was discussion about whether to place this on the agenda for the January or the February meeting.

Public Comment:

Donna commented regarding the allocation of rates and costs between irrigation and treated water.

Mitch MacDonald commented regarding including investment income in the budget.

Kristy commented on the loss of irrigation customers and the fire in Cool.

Cherie Carlyon commented regarding the need for FY 2018-2019 draft actual to budget comparison.

Bill suggested using ditch water to make money.

Karen B. commented that if the District lowered rates they would sell more water, especially irrigation water.

Mike commented that these discussions are out of the line of the topic, and would like this item back on the agenda for January, continuing the rates as they are now until which time the Board has all the financial information needed.

Mr. Hoffman commented regarding irrigation water pricing and the last fire.

Mr. Miller commented that the Finance Committee is able to review information and provide a recommendation to the Board.

Ken Pauley commented that it would be helpful to him as a Finance Committee member if the Board would identify specific points for the committee to review. Ken commented regarding the time constraint for Finance Committee review, effect of a freeze on capital improvement project delivery, and continuing to freeze rates that were already adopted.

Mr. Miller commented that another important issue is the total revenue lost as it affects the ability to afford capital improvement projects.

Director Garcia made a motion to put this item on to the January agenda, and discuss at that time as to whether or not to freeze rates, until the General Manager has the data needed for the finance committee to review and then the finance committee can make recommendations to the Board. Director Souza said, and then come back in February to decide. Director Garcia said, yes. Director Souza seconded the motion. Mr. Palmer said he wanted to get clarification. He confirmed the item would be placed on the January agenda, and then if the information is not completed, bring the item back in February. Director Garcia said yes, but if the data is not completed by January the Board has the option to temporarily freeze rates. Mr. Palmer said yes, the January discussion would be whether or not to freeze rates.

Director Garcia motioned to have this item return to the Board on January 14, 2020 for the Board to provide Direction on Whether to continue a Water Rate Freeze. Director Souza seconded the motion.

Roll Call vote was taken, and the vote was as follows:

Garcia: Aye

Halpin: Aye

Saunders: Aye

Souza: Aye

Wadle: Aye

The motion passes unanimously.

B. Approve Amended General Manager Employment Agreement

Possible Board Action: Adopt resolution approving the agreement

Legal Counsel presented the staff report based on the review of the General Manager. She said the increase is roughly ten percent which is a cost of living increase for the three years the General Manager has been with the District. She said the increase would take effect as of December 1, 2019, and nothing else in Mr. Palmer's employment agreement would change.

Director Souza said based on what Mr. Palmer has done in three years, and previously what Mr. Palmer has done in other Districts, he feels Mr. Palmer is an asset to the District, and supports the increase.

Director Saunders said he has only been a Board member for a year and he can only evaluate the General Manager for the one year he has been a Board member.

Director Garcia said she feels the same as Director Saunders. Director Garcia said she has only been a Board member for a year and she can only evaluate the General Manager for the one year she has been a Board member. She commented that historically the cost of living increases that staff receives were not 3.3%.

Public Comment:

Cherie Carlyon commented regarding the salary range from the 2016/2017 recruitment, the probationary period, and commented that any increase should only be relative to the last 12 months.

Kristy commented that an annual cost of living increase is typically 2.8%.

Karen B. commented that she used to receive 2% per year, and 3% when a contract was negotiated. She said she feels 10% is high.

A woman who identified herself as Carolyn commented that she feels Mr. Palmer already received his increase.

A woman who identified herself as Donna commented on the cost of living increase for this area.

Director Souza motioned to approve the first amendment to the employment agreement for Steve Palmer. Director Halpin seconded the motion.

Roll Call vote was taken, and the vote was as follows:

Garcia: Nay
Halpin: Aye
Saunders: Nay
Souza: Aye
Wadle: Aye

Director Saunders Position for Dissenting Vote: I can only evaluate for the one year I have been on the Board so my recommended compensation would be lower.

Director Garcia Position for Dissenting Vote: I can only evaluate for the one year I have been on the Board so my recommended compensation would be lower.

The motion passes three to two.

C. Accept 2018 Treated Water Line Replacement Project and Direct Filing of the Notice of Completion

Possible Board Action: Adopt a Resolution

Mr. Creeks presented a Powerpoint presentation of the line replacement. Mr. Creeks said this was the first job like this that he has managed. Mr. Palmer expressed gratitude to Mr. Creeks for taking over this project.

Director Saunders commended Mr. Palmer for pushing his subordinate staff to move up in roles and branch out.

Director Saunders motioned to accept completion of the Treated Water Line Replacement Project and Direct Filing of the Notice of Completion with the County recorder. Director Souza seconded the motion.

Roll Call vote was taken, and the vote was as follows:

Garcia: Aye
Halpin: Aye
Saunders: Aye
Souza: Aye
Wadle: Aye

The motion passes unanimously.

D. Approve Purchase of Two Replacement Trucks

Possible Board Action: Adopt Resolution

Mr. Creeks presented the staff report.

Director Saunders thanked Mr. Creeks for providing a list of the fleet of District vehicles including their scores because it gives the Board a snapshot of what will be needed next.

Director Garcia also thanked Mr. Creeks for the list. She asked if the vehicles that are listed to be purchased have all the equipment needed or was Mr. Creeks intending to purchase other items later. Mr. Creeks said the only things to be added are a toolbox, and updated radio systems.

Director Saunders motioned to approve the purchase of two additional trucks based on staff's recommendation. Director Garcia seconded the motion.

Roll Call vote was taken, and the vote was as follows:

Garcia: Aye
Halpin: Aye
Saunders: Aye
Souza: Aye
Wadle: Aye

The motion passes unanimously.

Let the record reflect, at 1517hrs, Director Halpin ended his phone call with the Board of Directors and is not available to vote on any further agenda items.

E. Appoint a Board Representative to the Joint Powers Insurance Agency

Possible Board Action: Adopt a Resolution appointing a Board Representative

Director Souza stated he would like to remain as a representative for the JPIA, and Director Souza recommended that Director Garcia take position as alternate. Director Garcia stated she would like to be an alternate.

Director Saunders motioned to have Director Souza remain as the JPIA representative and Director Garcia as alternate. Director Garcia seconded the motion.

Roll Call vote was taken, and the vote was as follows:

Garcia: Aye
Halpin: Absent
Saunders: Aye
Souza: Aye
Wadle: Aye

The motion passes four to none.

F. Appoint a Board Legislative Liaison

Possible Board Action: Appoint a Board Legislative Liaison

Director Saunders said he is happy this item is coming to the Board for a vote this year. He would also like to see the policy be followed by bringing items agendized to the Board after emergency decisions are made.

Director Wadle stated he enjoys his position as legislative liaison and would like to continue in that role.

Director Souza said he is aware of the good work Director Wadle does and said Director Wadle is doing a good job.

Director Saunders said he is happy this item is coming to the Board for a vote.

Director Garcia said she too feels that Director Wadle is doing a good job. She would like to see more of the work being done come through to the Board. Director Wadle said he would try to include more information in his reports.

Mr. Palmer asked the Board if they would like to have an agenized item that would include all of the letters written this last calendar year. There was consensus among the Board that this would be appreciated.

Director Garcia motioned to have Director Wadle retain this position. Director Souza seconded the motion.

Roll Call vote was taken, and the vote was as follows:

Garcia: Aye
Halpin: Absent
Saunders: Aye
Souza: Aye
Wadle: Aye

The motion passes four to none.

G. Consider Adoption of a Revised Board Policy 4050 Members of the Board of Directors Addressing Resignation from Volunteer Committees Upon Election to the Board

Possible Board Action: Adopt a Resolution approving the revised policy

Mr. Palmer presented the staff report.

Directors Saunders and Garcia expressed appreciation that this item was placed on the agenda.

Director Souza motioned to revise Board Policy 4050. Director Wadle seconded the motion.

Roll Call vote was taken, and the vote was as follows:

Garcia: Aye
Halpin: Absent
Saunders: Aye
Souza: Aye
Wadle: Aye

The motion passes four to none.

8. BOARD MEMBER 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 Saunders said one of the things he wanted to mention is the Disaster and Emergency Preparedness Committee. He said it was brought up in a JPIA meeting. He said it was brought up as a governance issue from Presidents who went through significant disasters, and those Boards felt there was more they could have done to prepare. He wanted the ability to speak to those individuals to get recommendations to bring back to the Board to share. Director Wadle said he agreed. Mr. Palmer said he or Mr. Creeks were always available to help if needed. Director Saunders suggested creating a calendar roadmap for Board requests. Director Garcia agreed. Director Saunders suggested all the Directors come up with a list of items they would like to see on the calendar and give them to staff. Mr. Palmer said staff can itemize this item and have a discussion. Director Wadle said a calendar is a good idea. Director Saunders said it is very important to start looking at a shared grant writer.

Director Garcia said she submitted items she has turned in to have as part of the permanent record.

Director Wadle commented regarding public comments and accusations, and allegations for the past three years against him. He also commented that he understands that his request related to the September minutes offended people, but to him it was accurate reporting. He said understands the way he wanted to be reported was maybe not the best way, and he feels it is a lesson learned going forward.

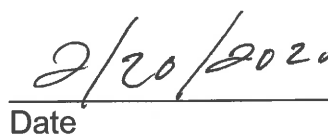
The meeting was adjourned at 1749 hours.

9. NEXT MEETING DATE AND ADJOURNMENT – The next Regular Meeting will be on January 14, 2020, at 2:00 P.M. at the Georgetown Divide Public Utility District, 6425 Main Street, Georgetown, California 95634.

In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this meeting, please contact Steve Palmer by telephone at 530-333-4356 or by fax at 530-333-9442. Requests must be made as early as possible and at least one-full business day before the start of the meeting. In accordance with Government Code Section 54954.2(a), this agenda was posted on the District's bulletin board at the Georgetown Divide Public Utility District office, at 6425 Main Street, Georgetown, California, on December 5, 2019.



Steven Palmer, PE, General Manager



Date