

# CONFORMED AGENDA

## REGULAR MEETING

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT BOARD OF DIRECTORS  
6425 MAIN STREET, GEORGETOWN, CALIFORNIA

TUESDAY, SEPTEMBER 8, 2015  
2:00 P.M.

### MISSION STATEMENT

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

- Provide reliable water supplies
  - Ensure high quality drinking water
  - Promote stewardship to protect community resources, public health and quality of life
  - Provide excellent and responsive customer services through dedicated and valued staff
  - Insure fiscal responsibility and accountability are observed by balancing immediate and long term needs
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1. **CALL TO ORDER, ROLL CALL, AND PLEDGE OF ALLEGIANCE** – *The meeting was called to order at 2:00 PM. Directors present: Krizl, Hoelscher, Capraun, Hanschild, Uso. Staff present: General Manager Wendell Wall, Operations Manager Darrell Creeks, Office Manager Victoria Knoll. Legal Counsel: Barbara Brenner of Churchwell White.*

2. **ADOPTION OF AGENDA**

- A. Board Action to adopt agenda.

***Motion by Director Uso to adopt the agenda; second by Director Hoelscher.***

***Public Comment: None***

***Vote: Motion carries***

***Aye: 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 member's individual last name. The Board will hear communications on matters not on the agenda, but no action will be taken.

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

Unidentified person from the audience raised questions regarding the 20-year bond floated in 1977-78 for Cherry Acres. Director Krizl suggested that the person call the office the next day for information. Director Capraun noted that the topic would come up under Agenda Item #14.

Dennis Goodenow commented regarding the methodology used to determine the cost per customer for the treatment plant project.

Ken Proust commented regarding water theft and trucking in water for livestock.

Victoria Knoll, GDPUD Office Manager, corrected some erroneous information that had been publicized in the local press regarding the recently approved FY 2015-16 Budget.

#### 4. APPROVAL OF MINUTES

- A. Regular Meeting of July 14, 2015; Regular Meeting of August 11, 2015.
- B. Board Action to approve and file minutes.

**Motion by Director Uso to approve the minutes; second by Director Hanschild.**

**Public Comment:** None

Director Krizl requested that the two sets of minutes be considered separately, as he was not present for the August meeting.

**Motion amended to consider the minutes separately. Amendment seconded by Director Hanschild.**

**Vote: Motion to approve minutes of the July 14, 2015 meeting carries**

**Aye:** Krizl, Capraun, Hanschild, Uso.

**Abstain:** Hoelscher

**Vote: Motion to approve minutes of the August 11, 2015 meeting carries**

**Aye:** Hoelscher, Capraun, Hanschild, Uso.

**Abstain:** Krizl

#### 5. FINANCIAL REPORTS:

- A. Accounts Payable for September 2015
- B. Preliminary Revenue and Expense Summary for the Year Ended June 30, 2015.
- C. Cash and Investment Reports for August 2015
- D. ALT Zone and CDS Summary for June 2015
- E. Board Action to accept and adopt financial reports

**Motion by Director Uso to adopt the financial reports; second by Director Hoelscher.**

**Public Comment:** None

**Vote: Motion carries**

**Aye:** Krizl, Hoelscher, Capraun, Hanschild, Uso.

6. **PRESIDENT'S REPORT** – *Director Krizl noted that the recent passing of Boyd Sears is a great loss to the community. He further noted that Mr. Sears had been generous and very helpful to the District. A moment of silence was observed in memory of Boyd Sears.*

*Director Krizl reported that it is his understanding that the District is funding unemployment insurance for some Board members and that a former Board member collected after losing an election. He asked staff to look into the issue and report back to the Board to provide verification, a summary, and if that actually is the case, what needs to be done to rectify.*

7. **BOARD REPORTS** – *Director Capraun read a report and asked that it be included in these minutes. The report is included as "Attachment A."*

8. **GENERAL MANAGER'S REPORT**

*At the request of General Manager Wall, Operations Manager Darrell Creeks reported on the District's water use for the previous month. Mr. Creeks reported that the district produced 31% less water in August than it did in August 2013. This is one percent less than the state-required 32% reduction. Mr. Creeks noted that the state allows a one percent margin, so we barely squeaked by last month, and he urged customers to continue with conservation efforts.*

*He further noted that everything was in compliance last month, and that as of August 26 the lake level was at 8,646 acre feet, or 43% of capacity. Current releases from Stumpy on this date were 7 CFS. Flow into stumpy on this date was recorded at 2.1 CFS.*

*General Manager Wall continued his report noting that a draft policy, relating to the theft of water, has been sent to Counsel for review and comment. It is anticipated the policy will come before this Board for discussion and possible action at the October regular meeting.*

*GM Wall reported that the Finance Committee meeting had been postponed to September 21 due to the Labor Day holiday on the first Monday and the Prop 218 hearing scheduled for the second Monday of September.*

*He provided an update on drought funding as related to the CABY grant, stating that staff is in the process of collecting data for the billing of time accrued to date under the category of "Direct Administration Costs" and that an invoice will be submitted prior to September 30, 2015.*

*Regarding the status of the District's new website, he said that during the month of September, District staff will work with the contractor to load data onto several pages of the site. Materials under development on the new site are currently not available to the public. Staff anticipates launch of new website in mid to late October.*

*GM Wall said that the public hearing relating to the proposed regulatory compliance charge is scheduled for September 14, 2015 from 6:00 PM to 9:00 PM. The hearing will be held at the Georgetown School, 6530 Wentworth Springs Road.*

*He further noted that the District anticipates a subsequent 218 process which will address the cost of providing both treated and untreated water to customers, reporting that RCAC had provided the District with assistance in the preparation of a rate study which addresses those costs associated with providing water service to District Customers. The information contained within that study was a key element in determining the actual cost of service. The process, undertaken by RCAC, was never finalized to the stage of providing a written report.*

*The District received a notice from Mary Fleming, of RCAC, that the agency will no longer be able to provide the District with further assistance in the preparation of the rate study. A key element of that notice reads as follows:*

*“It is with regret I must inform you that RCAC does not have available resources to continue working with GDPUD on the second rate study and subsequent 218 process. Both myself and the RCAC engineer whose assistance was recently requested are fully engaged with other work commitments for the foreseeable future.”*

*GM Wall continued his report stating that the FY 2014-15 Audit was currently underway.*

*The SMUD payments for the current year and previous year totaling \$216,500 were finally received by the District. Staff will come to the Board with recommendations for how to best allocate the funds.*

*GM Wall concluded his report stating that the NPDES permit Notice of Intent was prepared by Becky Siren and submitted to the State on August 26, 2015. The fee for filing the notice is \$500.00.*

**9. FINANCE COMMITTEE REPORT** – *There was nothing to report.*

**10. PROFESSIONAL SERVICES AGREEMENT WITH GEORGE SANDERS**

**A. Discussion** – George Sanders Professional Services Agreement to assist the District with engineering work pertaining to the ALT Treatment Plant, CABY grant project, and other projects requiring engineering expertise in an amount not to exceed \$75,000.

**B. Possible Board Action** – Approve sole source Professional Services Agreement with George Sanders.

***Motion by Director Uso to approve the professional services agreement with George Sanders; second by Director Hanschild.***

***Public Comment:*** *Director Hoelscher asked about liability insurance. Steve Proe commented on the scope of the contract.*

***Vote: Motion carries***

*Aye: Krizl, Hanschild, Uso.*

*No: Hoelscher*

*Abstain: Capraun*

**11. FINANCE COMMITTEE APPOINTMENTS**

**A. Discussion** – Consideration of two Finance Committee candidates, Dennis Goodenow and Pat Snelling, to fill a vacancy on the Finance Committee.

*Director Capraun reported that Pat Snelling had withdrawn her name from consideration.*

- B. Possible Board Action** – Select one candidate to fill the remaining position on the Finance Committee and adopt Resolution 2015-10 confirming appointments to the Finance Committee.

***Motion by Director Uso to appoint Dennis Goodenow to the Finance Committee; second by Director Hanschild.***

***Public Comment:*** None.

***Vote:*** Motion carries

*Aye: Krizl, Hoelscher, Capraun, Hanschild, Uso.*

## **12. APPROVE FY 2015/2016 ORGANIZATIONAL CHART WITH TWO NEW POSITIONS**

- A. Discussion** – The current organizational chart has only two water distribution operator positions to maintain 75,000 acres of service area consisting of 200 miles of mains. Staff is recommending the addition of two more positions for a total of four water distribution operators.

*Director Capraun requested that two corrections be made to the Organizational Chart: Change two maintenance workers to temporary status and remove one administrative assistant.*

- B. Possible Board Action** – Approve the FY 2015/2016 Organizational Chart.

***Motion by Director Uso to approve the Organizational Chart with corrections; second by Director Hanschild.***

***Public Comment:*** Steven Proe requested clarification regarding overtime and stand-by pay in the total cost. Director Capraun provided Mr. Proe with a wage chart.

***Vote:*** Motion carries

*Aye: Krizl, Hoelscher, Capraun, Hanschild, Uso.*

## **13. APPROVAL OF BIDS FOR PURCHASE OF VACUUM TRAILER AND UTILITY TRUCK**

- A. Discussion** – At the August 11, 2015 Board meeting, the Board approved the purchase of one vacuum trailer and the 48-month capital lease-purchase of a utility truck. Three bids each were obtained for the vacuum trailer as well as for the utility truck.

*Office Manager Victoria Knoll provided a summary of the three bids received for the vacuum trailer and the utility truck. Staff recommend Board approval of the Ditch Witch Equipment Company in West Sacramento for the purchase of the vacuum trailer and Hoblit Chrysler Jeep Dodge for the lease-purchase of the utility truck.*

- B. Possible Board Action** – Approve the selection of 1) Ditch Witch Equipment Company for the purchase of the vacuum trailer, and 2) Hoblit Chrysler Jeep Dodge, Inc. for the 48-month capital lease-purchase of the utility truck.

**Motion by Director Uso to follow staff recommendation; second by Director Hanschild.**

**Public Comment:** Steven Proe commented regarding location of the dealers.

**Vote: Motion carries**

*Aye: Krizl, Hoelscher, Capraun, Hanschild, Uso.*

#### **14. GDPUD DESIGNATED AND RESTRICTED FUNDS**

- A. Discussion** – On August 11, 2015, the Board requested an explanation of Fund restrictions and if not restricted, their designations.

*Office Manager Victoria Knoll provided a summary of the District's designated and restricted funds.*

- B. Possible Board Action** – Direct staff to work with Finance Committee to set designation parameters on Funds 10, 12, 19, 24, 30, and 37 and to finalize the fund listing (10 through 52) with its corresponding restriction and/or designation.

**Motion by Director Uso to direct staff to work with the Finance Committee as described in the recommendation; second by Director Hanschild.**

**Public Comment:** Steven Proe believes the District is operating with a huge profit. Dennis Goodenow was glad to see this effort as a first step in defining goals and objectives. Kevin McClarnon said this is an opportunity to figure it out and applauded the staff and Board.

**Vote: Motion carries**

*Aye: Krizl, Hoelscher, Capraun, Hanschild, Uso.*

#### **15. ALT TREATMENT UPDATE**

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

*Engineering Consultant George Sanders provided the following updates.*

**US Fish & Wildlife** – Staff continues to work with this federal agency in an effort to secure its final approval. Recent submittals include an updated Project Description and Site Plan.

**Foothill Associates – Environmental Document** – Staff is in receipt of a proposal from Foothill Associates to provide the biological surveys as identified under mitigation measures. These surveys would include a Raptor Survey, a Pond Turtle Survey, a Red-Legged Frog Survey, and a Special-Status Plant Survey, together with Worker Awareness Training. The total cost of this work is estimated at \$12,270. Staff anticipates bringing a contract to the Board for action at the October meeting.

**Fire Marshall** – The Fire Marshall has completed the plan review, the necessary corrections have been made to the plans, and fees have been paid for inspection of the work.

**State Water Board (WRCB) Environmental Document** – The review of the revised site plan, a revision prompted by the change in design, was completed in September 2014 by Foothill Associates and submitted to the State in October 2014. Staff has been in contact with the State on multiple occasions. Review has been completed by State with final approval pending response from Federal Fish & Wildlife.

**State Water Board (WRCB) Plan Review** – The review of the plans has been ongoing for more than a year. To date the District has received no response. It is likely this activity will move forward once the District has completed the Prop 218 process and the State funding (loan) is in place.

**Utility Reviews and Design** – Staff is in receipt of a contract agreement from PG&E for its portion of the construction work associated with the extension of the facilities. This item will be brought forward for Board action at the October Board meeting.

**Funding** – Key elements of funding include the following sources: District reserves of approximately \$1M; EPA grant of approximately \$1M; state loan of \$10M.

**Bid Documents** – Psomas, working under a prior contract amendment, is preparing the bid documents. This item is generally complete.

**Other** – Prior to construction, the District will need to contract for outside services in the areas of construction management, construction staking (surveying), and materials testing (soils and concrete). These items have already been accounted for in the project budget.

**B. Possible Board Action** – Informational item only; no action required or taken.

- 16. 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 Uso requested that going forward staff provide a cost-benefit analysis for equipment purchases and capital improvements. He also requested that staff draft a procurement policy, including an equipment replacement policy.*

*Director Capraun asked for the cost of mailing the new style of bills. Mr. Creeks said that had already been provided, but the information could be sent again.*

**17. CLOSED SESSION**

**A. CONFERENCE WITH LEGAL COUNSEL** – Existing Litigation (Government Code Section 54956.9(d)(1) (Mecklenberg v GDPUD).

**B. CONFERENCE WITH LEGAL COUNSEL** – Anticipated Litigation. Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Government Code Section 54956.9: (one potential case).

C. CONFERENCE WITH LEGAL COUNSEL – Board to consider the appointment, employment, evaluation of performance, discipline or dismissal of a public employee pursuant to Government Code Section 54957 (b)(1).

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

*The Board returned to open session at 5:20 PM and reported that no action was taken in closed session.*

**19. NEXT MEETING DATE AND ADJOURNMENT** – Next regular meeting October 13, 2015 at 2:00 PM at the Georgetown Divide Public Utility District office.

*Director Krizl stated that the next regular meeting will be the second Tuesday of October at 2:00 PM at the Georgetown Divide Public Utility District office and the next gathering will be the Prop 218 Hearing on Monday, September 14, at 6:00 PM at the Georgetown School.*

*The meeting adjourned at 5:20 PM.*

In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this meeting, please contact Wendell Wall by telephone at 530-333-4356 or by fax at 530-333-9442. Requests must be made as early as possible and at least one-full business day before the start of the meeting. In accordance with Government Code Section 54954.2(a), this agenda was posted on the District's bulletin board at the Georgetown Divide Public Utility District office, at 6425 Main Street, Georgetown, California, on September 2, 2015.

Signed Wendell B. Wall  
Wendell B. Wall, General Manager

Date 10-13-2015



September 8, 2015

Board of Directors Meeting – Board reports

Honorable Board of Directors and Public,

I would like to clarify information regards to the ALT Plant.

1. This plant is for more than just ALT, it serves Pilot Hill, Cherry Acres and a portion of Greenwood.
2. This project has been in the works since 2009 but was first addressed in 2003 when the District looked at placing an ultraviolet system at a cost of \$600,000 to meet the compliance order. A portion could be transferred to Greenwood allowing the District to be in compliance and move forward with the Greenwood plant. The Board voted this down.
3. The Compliance order was presented formally to the District February 2004.
4. The District decided in 2005 to address the location of Greenwood Lake for a new treatment plant at a cost of \$9 million. A Prop 218 in September 2008, which was confusing to all. The resolution included Greenwood WTP but funds requested only allowed for cost of service. On December 15, 2008 the State told the District to raise \$49 per month for each customer through prop 218 to pay for a loan of \$20 million. On March 9, 2009 the State wrote removing funding to the District for the Greenwood project due to noncompliance. The District started the investigation into ALT retrofit. The District has never formally vacated the Greenwood Lake Water Treatment Plant.
5. In 2011 the District received the ruff cost estimate for the new ALT plant of \$8 million and in 2012 completed a Prop 218 of a \$7 month charge for \$5 million dollar loan from USDA along with a \$1 million grant and District funds of \$2 million.
6. In January 2013 the Board was told the plans were 100% complete and staff wanted to send the plans out for bid. I requested a budget for the project prior to the plans being sent out. Based on review of the Districts funds and the presented cost estimate of over \$8 million, from the engineer; I questioned how the District could award the bid if it was more than \$8 million. I was told by staff that the bids could come in lower. The Board voted to send the project out to bid. Then the Board was told the plans were not complete and would be by May 2013 and would be sent out for bid once fully completed. NO approval from the state had been received regarding the compliance of the plan, the project could not have been awarded without State Approval.

7. Lowest bid was \$10.7 million. The District did not have enough funds to complete the project and needed to re-evaluate. Psomas stated they could remove \$1 million of extras added in by staff in 2011 not needed for the compliance order. The Board voted to review the plans.

8. Staff recommended placing the contact time under the plant leaving room for a future water storage tank. There are presently two 500,000 gallon water storage tanks in the area.

9. We are now applying for a \$10 million loan with \$1 million grant and District funds available of \$2.3 million dedicated to this plant at last report. Between February 2013 and May 2015 cost of net construction, there was an increase of \$317,500.

10. Prop 218 when originally addressed was to raise the revenue from water consumption and allow the use of Property tax revenue to be dedicated to the Loan repayment and also allow for actual coverage of water costs. (Presently about \$800,000 is used from Tax revenue to fund treated water use.) This would allow the District to pay the loan and once completed have additional revenue, ensuring the future of the District and this project with these additional revenue. The District could continue to collect revenue from the prop 218 after the loan was paid off.

11. Presently we are completing a Prop 218 for loan repayment only and then the District is planning to complete another 218 for Cost of Service.

12. I do not agree with the presentation by the District of the prop 218 but I voted to send it to the rate payers to decide. I have heard of the public's creating their own forums to address this and feel that this Board has done a great disservice to its rate payers by not having any additional public information hearing to address the public's concerns. We are only having one at which time votes will be counted.

13. FYI \_ Compliance Order has been under one GM from 2004 until 2013, ten years.  
A variety of different Boards from 2004-2015.

We need look to the future of the District. Keeping the public fully informed with documented proof of on all issues. I am not nor have ever been in charge of the District finances. I can only address issues at each board meeting. I have the same level of responsibility as any other director. I was appointed by the board as treasurer to sign checks for the District and cannot solely approve any expenses or transfers without prior Board approval.



Maria Capraun

Treasurer, Board of Directors

Georgetown Divide Public Utility District