

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

6425 Main Street,
Georgetown, California 95634

TELECONFERENCE LOCATION (FOR DIRECTOR SAUNDERS)

993 Danby Rd
Ithaca, NY, 14850

**THURSDAY, JUNE 6, 2024
2:00 P. M.**

BOARD OF DIRECTORS

Mitch MacDonald, President

Donna Seaman, Vice President

Mike Thornbrough, Treasurer

Michael Saunders, Director

Robert Stovall, Director

PRESENTING STAFF

Nicholas Schneider, General Manager

Jessica Buckle, Office/Finance Manager

Adam Brown, Operations Manager

Alexis Elliott, Water Resource Manager

Frank Splendorio, Legal Counsel

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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A full record of this meeting is available on the District channel:

<https://youtube.com/live/hts3prO-J6E>

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

President MacDonald called the meeting to order at 2:03 p.m.

Roll Call:

Present: Saunders, Stovall, Seaman, Thornbrough, and MacDonald

Absent: None

President MacDonald led the Pledge of Allegiance.

2. ADOPTION OF AGENDA

Public Comment:

No public comments were received.

Director Stovall requested that item, 11 “Board Member Requests for Addition to Future Meeting Agendas”, be placed prior to the Closed Session on the Agenda.

Director Thornbrough motioned to adopt the agenda with the amendment of item 11 “Board Member Requests for Addition to Future Meeting Agendas” placement prior to the closed session. Director Stovall seconded the motion.

President MacDonald called for the vote:

Ayes: Saunders, Stovall, Thornbrough, Seaman, and MacDonald

Nays: None

The motion passed **unanimously**.

3. PUBLIC FORUM

No public comments were received.

4. CONSENT CALENDAR

A. Approval of Minutes

- May 2, 2024, Regular Meeting

B. Receive Update and Set the Annual Limit for \$35,000 on the Low Income Rate Assistance Program (LIRA Renewal Program)

C. Schedule July 10th Board of Directors Special Meeting

D. Receive and File Quarterly Investment Report from Optimized Investment Partners

Public Comment:

No public comments were received.

President MacDonald requested to pull items A. “Approval of the Minutes”, and item B “Receive and Set the Annual Limit for the Low Income RTate Assistance Program”, for further discussion.

Director Thornbrough motioned to approve the Consent Calendar items C “Schedule the July 10th Special Meeting”, and D. “Receive and File the Quarterly Investment Report”. Director Stovall seconded the motion.

President MacDonald called for the vote:

Ayes: Saunders, Stovall, Thornbrough, Seaman, and MacDonald

Nays: None

The motion passed **unanimously**.

A. Approval of the Minutes- May 2, 2024

A member of the public submitted comments for the April 4, 2024, Regular Board of Directors Meeting on May 2nd after the vote for approval by the Board had occurred. There was discussion regarding how best to address this submission. Given that the Board had already taken approval action for the April 4th meeting it was decided by the Board to attach the April public comment submission to the June 6th, meeting minutes record, and corresponding staff direction was given.

Public Comment

Cherie Carlyon

Director Thornbrough motioned to approve the May 2nd meeting minutes as presented. Director Stovall seconded the motion.

President MacDonald called for the vote:

Ayes: Saunders, Stovall, Thornbrough, Seaman, and MacDonald

Nays: None

The motion passed **unanimously**.

B. Receive Update and Set the Annual Limit for \$35,000 on the Low Income Rate Assistance Program (LIRA Renewal Program)

The funding amount allocated to the program was discussed. There was a public request that the allotment to the program be increased. It was explained that the allocation is set by policy and would require a policy amendment.

Public Comment:

Cherie Carlyon

Director Thornbrough Motioned to accept 4. B. Update and Set the Annual Limit for \$35,000 on the Low Income Rate Assistance Program (LIRA Renewal Program as presented. Director Stovall seconded the motion.

President MacDonald called for the vote:

Ayes: Saunders, Stovall, Thornbrough, Seaman, and MacDonald

Nays: None

The motion passed **unanimously**.

5. OFFICE/FINANCE MANAGER'S REPORT

Office Finance Manager Jessica Buckle fielded Board and public inquiries regarding the Financial Reports. There are two vendors which will be listed with new company names. ADT was bought out by GTCR, and Aramark was bought out by Vestis financial reports will reflect this development moving forward.

Public Comment:

No public comments were received.

6. INFORMATIONAL ITEMS

A. Board Reports

Director Saunders- The Director attended the Mountain Counties Legislation Day interfacing with legislators regarding Assembly Bills which will be considered. The watershed resiliency pilot has a Dept of Water Resources for grant \$2,000,000 for the development of a new version of the Inter-Regional Water Management System attached. This was previously the CABY which is now dividing California into super shed regions. GDPUD's super shed will be in the region of Sacramento's raw water basin up to the Yuba basin. The next step is to develop a model which can then be utilized to create a networking system. The State Water Resource Control Board has made amendments to the "Making Conservation a Californian Way of Life" initiative has released the Residential Outdoor Water use Standard. Indoor variances for evaporative coolers as well as outdoor variances for populations of horses and other livestock, and irrigation for existing residential trees will be included. A recommendation was given to staff to develop a survey before the regulation comes out to ascertain counts for customers with evaporative coolers and horses/livestock. This will garner the submission data needed for the variance.

Director Stovall commented that he interacted with the crews and the new dump truck during a master meter installation. The Director was impressed with the quality of work he witnessed. The Association of California Water Agencies (ACWA) conference the Director attended was fulfilling, educational, and worthwhile.

President MacDonald attended the California Joint Powers of Insurance Authority (JPIA) conference as a voting director. There are 401 special district and member agencies. The director reviewed the JPIA liability programs and risk pools. The liability program has 347 members enrolled and experienced a 10% rate increase for 2023-24 due to increasing large losses impacting prices. The property program experienced a 20% increase due to catastrophic losses. Workers Comp half of the members are involved in the program. 267 members have increased medical costs by 12% this year. There may be higher insurance premium costs in the future.

B. Legislative Liaison Report

Director Saunders delivered the legislative report sharing developments regarding legislation which has been of interest.

Water rights bill Assembly Bill 1337 has come off of suspension file. This bill contained language with implications for the pre-1914 rights originally. The bill has returned with amendments which authorizes the State Water Resource Control Board (SWCB) to issue curtailment orders for any diversion regardless of the basis of right when water is not available under the diverter's priority of right. Violations would be considered a trespass. The bill also removes the emergency regulations for the diversions. The District position remains oppose unless amended.

Assembly Bill 460 was previously a water rights bill and has now changed to just a penalty bill. This legislation includes language which assigns a \$1,000-a-day penalty in which a trespass occurs. There is also a penalty of \$2,500 per acre-foot of water diverted which is used in excess of that diverter's water rights. There have been amendments that removed the definition of curtailment and references to instream front flows. The appellate process for the violations is uncertain. ACWA is removing their oppose position and moving to a watch position pending the amendments being accepted by the bill's author. The suggestion is to watch and ensure that the amendments change and if this occurs then the District position can move to neutral.

Assembly Bill 1820 and Senate Bill 937 have removed language to water and sewer connections. These amendments render the District unaffected by the bills. The recommendation is to adjust the District's position to a neutral stance.

The District submitted a letter of support for **Assembly Bill 867** which is a climate resiliency bond.

Senate Bill 1255 was initially a bill to analyze public water systems and include an assessment of funds which are necessary to make water affordable for customers of public water systems with fewer than 3,000 service connections. Amendments now require all water agencies to have a Low-Income Rate Assistance Program (LIRA). The recommendation is an oppose position as the bill removes local control.

C. Operation Manager's Report

The Stumpy Meadows Reservoir has ceased spilling for the season. Production numbers are average for this time of year. There has been an increase in underground service alert responses, the District is devoting more staff time to meet these demands. An additional master meter has been installed on Reservoir Road. A ten-wheel dump truck has been procured which is assisting crews with reducing the number of trips required for projects. A skid steer with a masticating head has been received by the District for the "Fire Safe on the Divide" project.

D. Water Resources Manager's Report

Water Resource Manager Alexis Elliott reviewed her report highlights. There were 131 inspections and 4 escrows. All reports were submitted.

E. General Manager's Report

General Manager Nicholas Schneider delivered his report focusing on the highlights. There was a signup for the 4th of July booth for the Directors to solicit participation. Whether the Delta is in excess or Folsom is operating as flood control are factors impacting potential refill agreements.

Discussion of potential water transfer involved discussion of potential timing and refill agreement criteria. The staff has analyzed the water situation and determined there was a potential for a late-season transfer. Westlands Water District has approved the prospective for such a transfer. Whether the Delta is in excess or Folsom is operating under flood control operator are factors impacting potential refill agreements. This is currently in the negotiations phase.

Public Comment:

Steve Dowd

7. COMMITTEES

A. Irrigation Committee – Ray Griffiths, Chairman – Next Meeting June 18, 2024

- **Board Liaisons:** Directors Seaman and Thornbrough

Director Seaman shared that the committee recommendation is that the irrigation customers receive the proposed changes in the Ordinance.

B. Finance Committee – Andy Fisher, Chairman - Next Meeting September 26, 2024

- **Board Liaisons:** Directors MacDonald and Stovall

Director Stovall Tuesday was the capstone of the Finance Committee. They are an accomplished committee and it is a pleasure to work with the professionals in the community.

C. Ad-Hoc Grant Writing Committee – Next Meeting August 7, 2024

- **Board Liaisons:** Directors Saunders and Stovall

General Manager Schneider shared that the meeting was canceled due to lack of available members. Nothing has changed with the grants. Senator Butler has officially submitted the appropriations funding request for a hydroelectric facility to the Senate for confirmation.

D. Ad-Hoc Labor Negotiations Committee- Meetings held as necessary.

- **Board Liaisons:** Directors Thornbrough and MacDonald
There was no report delivered.

E. Ad-Hoc Strategic Planning Committee- Meetings held as necessary.

- **Board Liaisons:** Directors Seaman and Stovall

It was shared that the Committee will hold its initial meeting soon.

Public Comment:

No comments were received.

8. ACTION ITEMS

A. Consider Adoption of the Final FY2024-25 Operating Budget and Capital Improvement Plan

There was an examination of the building rot repair funding allocation proposal. This was to be moved from the funding allocated for the building expansion. The allocation of \$200,000 to expand the headquarters was discussed. These funds were identified for the expansion and construction of a public restroom and should remain assigned for those purposes. Unfortunately adapting the building is most likely not feasible from an engineering standpoint. Direction was given to remove the roof rot funding allocation and list it as a separate item titled Building Maintenance Repair and address the \$200,000 allocation for the building at a later date.

Public Comment:

Cherie Carlyon

Director Saunders motioned to adopt the Final FY 2024-25 Operating Budget as recommended by staff and to accept the Capital Improvement Plan, CIP with revisions creating a line item for building maintenance, (for the airconditioner and rot repair), keeping the main office infrastructure allocation of \$200,000 separate and approving the Gann Limit as presented. **Director Stovall** seconded the motion.

President MacDonald called for the vote:

Ayes: Saunders, Stovall, Thornbrough, Seaman, and MacDonald

Nays: None

The motion passed **unanimously**.

B. Review, Receive and File the Annual Financial Report for Fiscal Year 2022-23

The District has received the Basic Financial Statements (Audit) for FY 2022-23 and has been assigned a clean result. There was a Director request to develop a statement of activities which provides a balance sheet outside of GASBY. The report will explain the discrepancies between the statement of activities and the GASBY regulations, showing the depreciation and the OPEB and fiduciary which is omitted. This would produce an audited statement of activities.

Public Comment:

Cherie Carlyon

Director Saunders motioned to receive and file the Annual Financial Report for the Fiscal Year 2022-23 with the recommendation to look into providing a statement of activity and provide staff direction to develop and bring a policy to the Board which corrects the internal deficiencies. **Director Stovall** seconded the motion.

President MacDonald called for the vote:

Ayes: Saunders, Stovall, Thornbrough, Seaman, and MacDonald

Nays: None

The motion passed **unanimously**.

C. Discuss and Consider Amendments to the Investment Policy

General Manager Nicholas Schneider introduced the item. The legal department reviewed the policy and suggested the changes presented. Safekeeping and custodian had a slight change in delegation language. The quarterly investment report is changing to monthly. New statutes require monthly reporting. Investment policy statutes require finance expertise, financial acumen, staff members rather than the General Manager, thus the amendment.

Recess was taken from 4:01 p.m. to 4:03 p.m.

Public Comment:

Cherie Carlyon

Director Seaman motioned to adopt the investment policy with the amendments as proposed. Director Thornbrough seconded the motion.

President MacDonald called for the vote:

Ayes: Saunders, Stovall, Thornbrough, Seaman, and MacDonald

Nays: None

The motion passed **unanimously**.

D. Consider a Second Amendment to Employment Agreement with the General Manager

Legal Counsel Frank Splendorio presented the contract amendment item. This is a simple amendment which allows the General Manager to receive a cell phone allowance at \$60 a month in lieu of a District issued cell phone. This solution is to assist with the administrative needs of the General Manager in his daily practice.

Public Comment:

Cherie Carlyon

Director Stovall motioned to approve the second amendment to the employment agreement with the General Manager Nicholas Schneider. Director Thornbrough seconded the motion.

President MacDonald called for the vote:

Ayes: Saunders, Stovall, Thornbrough, Seaman, and MacDonald

Nays: None

The motion passed **unanimously**.

E. Discussion of Board Reconsideration of Items with Amendments to Policy 4125 Rules of Order for Conducting Board and Committee Meetings

Legal Counsel Frank Splendorio introduced the discussion item. There has been discussion as to whether the Board should have a policy covering reconsideration of motions after Board action has occurred. This can be accomplished in two ways by modifying either policy. The suggestion was to modify the Board agenda policy placing further limits and restrictions on whether an item can be reconsidered by the Board. Current policy allows for any Director to place an item on the agenda. The suggested edit would stipulate that the requestor must have been in the voting majority.

Board discussion explored considerations of potential amendment implications. Concern was expressed that amendments could hamper future Board's ability to respond to time-sensitive actions negatively. Assigning vague qualifications that put the General Manager in position as an arbiter of those standards proves problematic. Which could place the General Manager in a situation that is unfavorable with some Directors. Considerations to weigh in relation to agenda item requests were discussed. It was determined that both policies will be referred back to the Ad Hoc Policy Committee for further consideration with direction to bring the policy back at a future meeting. Board consensus was reached to refer the policies to the Ad Hoc Policy Committee for further review and development.

Public Comment:

Cherie Carlyon

F. Discussion of Policy 4030 Board Compensation, Expense Reimbursements and Travel Allowance

The General Manager Nicholas Schneider introduced the policy. Board discussion involved concerns about the proposed mileage requirements for lodging reimbursement consideration. Consensus was reached to refer the policy back to the Ad Hoc Policy Committee for further development of distance requirements for lodging expense reimbursements, with the direction that the policy return for Board consideration in the future.

Public Comment:
Cherie Carlyon

9. PUBLIC HEARING

A. Amendments to Irrigation Ordinance Establishing Rules and Regulations for Irrigation Service 2024-01

President MacDonald opened the public hearing at 5:27 p.m.

Public Comment:
Cherie Carlyon inquired about the amendments to the billing process.

President MacDonald closed the public hearing at 5:29 p.m.

There was a Director request that the irrigation service customers receive notices regarding the amendments especially as they relate to billing.

Vice President Seaman motion to adopt Ordinance 2024-01 Establishing Rules and Regulations for Irrigation Service with the proposed amendments. Director Saunders seconded the motion.

President MacDonald called for the vote:
Ayes: Saunders, Stovall, Thornbrough, Seaman, and MacDonald
Nays: None
The motion passed **unanimously.**

11. BOARD MEMBER REQUESTS FOR ADDITIONS TO FUTURE MEETING AGENDAS

There was Directors request for a reconsideration of the schedule for regular meetings.

President MacDonald adjourned the open session to a closed session at 5:39 p.m.

10. CLOSED SESSION

**A. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION
(Gov. Code § 54956.9(d)(1))
Name of Case: GDPUD v. PG&E**

B. CONFERENCE WITH LABOR NEGOTIATORS (Gov. Code § 54957.6)

Agency Designated Representative: General Manager Schneider

Employee Organizations: Local 1

C. REPORT OUT OF CLOSED SESSION

No report out of the closed session was delivered.

President MacDonald adjourned the closed session to an open session at 6:50 p.m.

12. NEXT MEETING DATE AND ADJOURNMENT

- A. The next Regular Meeting will be August 1, 2024, at 2:00 PM., at the Georgetown Divide Public Utility District, 6425 Main Street, Georgetown, California 95634

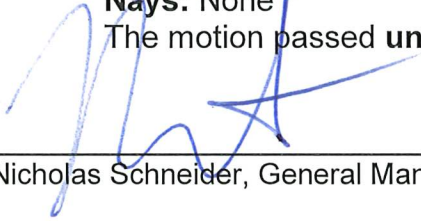
Director Seaman motioned to adjourn the meeting. Director Thornbrough seconded the motion.

President MacDonald called for the vote:

Ayes: Saunders, Stovall, Thornbrough, Seaman, and MacDonald

Nays: None

The motion passed **unanimously. The meeting adjourned at 6:51 p.m.**



Nicholas Schneider, General Manager



Date

Attachments:

1. Public Comment

GDPUD Board Meeting

April 4, 2024, at 2 pm

Public Comments

Cherie Carlyon

3. Open forum

On March 8th I requested the 5 audio meeting recordings that were not on the District's website.

On March 14th, I received the following reply:

"Please note that going forward, the District is not obligated to, and no longer intends to provide records in a format other than that which the records are maintained as statutorily required within the Public Records Act. A follow-up response to your inquiry will be transmitted on or before March 28, 2024, at which time responsive records will be made available to you. In the meantime, District meeting recordings are available on the District YouTube Channel for your review."

On March 28th, I received a notice that the response to my PRA has now been extended to April 19th. That's 42 days for 5 files.

California Government Code § 7922.570, subd. (b)(1) holds that "an agency shall make the information available in any electronic format **in which it holds the information.**"

So, having a recording on a audio recorder doesn't count as a electronic format? Does the district want Youtube to be in charge of the District's official recordings? What if someone complains to Youtube and Youtube decides to delete the recordings?

5. FY 24/25 budget review.

At the March 28th FC meeting, I brought up the issue of the Pension Expense account that was added to each department. Nick stated that the office staff was told by the CPA'S that according to GASB statement 68 the district needed to include this information on their financial statements.

Here is part of statement 68: "Beginning with FY 14-15 GASB statement 68 will require reporting of net pension liability in accrual-based financial statements". A budget is not an accrual-based financial statement, it is a projection of revenues and expenses. This information can be put on a balance sheet. You can, if you want, put the information in the budget as a comment or a notation.

6F. LSL contract amendment.

What new services will LSL be performing for the added \$80,000 contract increase that wasn't included in their original bid to the District? The original contract should have been included in this agenda item. As of 2-9-24, LSL'S billings are now at \$180,616.80 for the first 7 months of this fiscal year with a budget of only \$80,000. With 5 months to go in this fiscal year, their billings will probably hit \$220,000 with normal monthly billings and a budget amendment still hasn't been presented to the board.