



MINUTES

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

TUESDAY, NOVEMBER 9, 2021
2:00 P.M.

BOARD OF DIRECTORS

Michael Saunders, President
Mitch MacDonald, Vice President
Mike Thornbrough,
Treasurer
Donna Seaman,
Director
Gerry Stewart,
Director

MISSION STATEMENT

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

- Provide reliable water supplies.
 - Ensure high quality drinking water.
 - Promote stewardship to protect community resources, public health, and quality of life.
 - Provide excellent and responsive customer services through dedicated and valued staff.
 - Ensure fiscal responsibility and accountability are observed by balancing immediate and long-term needs.
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1. CALL TO ORDER, ROLL CALL, AND PLEDGE OF ALLEGIANCE

Director Saunders called the meeting to order at 2:02 PM

ROLL CALL:

***DIRECTORS PRESENT: THORNBROUGH, MACDONALD, SEAMAN,
STEWART, SAUNDERS.***

Director Thornbrough led in the Pledge of Allegiance.

2. ADOPTION OF AGENDA

***MOTIONED BY DIRECTOR MACDONALD TO ADOPT THE AGENDA. SECONDED
BY DIRECTOR STEWART.***

ROLL CALL VOTE:

AYES: THORNBROUGH, MACDONALD, SEAMAN, STEWART, SAUNDERS

NOES: None.

ABSENT/ABSTAIN: None.

THE MOTION PASSED.

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

No public comment.

4. PROCLAMATIONS AND PRESENTATIONS

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. Financial Reports

1. Budget to Actual Report
2. Pooled Cash Report
3. Monthly Check Report – August 2021

B. Approval of Minutes

1. Regular Meeting October 12, 2021

C. Approval of Participation in the ACWA Fall Conference for Expense Reimbursement

Possible Action: Adopt Resolution 2021-47 approving reimbursement for conference-related expenses for participation in the Fall ACWA Conference

Director Thornbrough pulled Agenda Item 5A from the Consent Calendar. Director Saunders pulled Agenda Item 5C.

MOTIONED BY DIRECTOR THORNBROUGH TO APPROVE AGENDA ITEM 5B – APPROVAL OF MINUTES. SECONDED BY DIRECTOR MACDONALD.

ROLL CALL VOTE

AYES: THORNBROUGH, MACDONALD, SEAMAN, STEWART, SAUNDERS

NOES: None.

ABSENT/ABSTAIN: None.

THE MOTION PASSED.

The Board discussed **Item 5A, Financial Reports**. Director Thornbrough asked about a possible double payment to ACWA/JPIA Health for an annual premium. Mr. Coyan stated he would make sure double payment did not occur.

Director Thornbrough referenced Page 1 of 3 of Pooled Cash Report and asked if the CDS Reserve Fund in the amount of \$169,669 is what was left of the money that was overcharged the CDS residents. Adam Brown stated the CDS Reserve is the annual transfer from the General Operating Fund. Director Saunders added the account Director Thornbrough was referring to is the Zone Fund which has a current balance of \$885,734 and Mr. Brown concurred.

Director Seaman referenced Page 1 of 7 of the Account Summary and inquired about the Deferred Comp Retirement activity reported under Water Fund 100 without a salary reported to trigger it. Mr. Coyan indicated there may be an internal coding issue on this non-departmental charge and will look into it.

Director Saunders thanked Mr. Coyan for all the hard work to provide the budget to actuals until the Tyler system can be customized.

Director Saunders noted that there still some account balances that are not included in the reports, like the Low Income Assistance Program and some others. He added in the future we will want to be able to track contracts to make sure the payments do not exceed the Board-approved amounts. There are at least two agreements, Eide Bailly and Interwest, that we will be reviewing along with other professional services agreements.

Public Comment: None

MOTIONED BY DIRECTOR THORNBROUGH TO RECEIVE AND FILE FINANCIAL REPORTS. SECONDED BY DIRECTOR MACDONALD.

ROLL CALL VOTE:

AYES: THORNBROUGH, MACDONALD, SEAMAN, SAUNDERS

NOES: None.

ABSTAIN/ABSENT: STEWART (having internet connection issues.)

The Motion passed 4-0 to accept those items.

The Board then discussed **Agenda Item 5C - ACWA Fall Conference**. Director Saunders announced he was planning to attend in person. Since no one else was planning to attend in person, Director Saunders announced this triggers action on Items 9E and F.

Director Stewart continued to have wi-fi connection difficulties and was absent; Director Saunders announced he would be approved to receive reimbursement if

he decided to attend the conference.

MOTIONED BY DIRECTOR THORNBROUGH TO APPROVE AGENDA ITEM 5C - REIMBURSEMENT FOR DIRECTORS WHO PARTICIPATE IN THE ACWA FALL CONFERENCE. SECONDED BY DIRECTOR MACDONALD.

ROLL CALL VOTE

AYES: THORNBROUGH, MACDONALD, SEAMAN, SAUNDERS

NOES: None.

ABSENT/ABSTAIN: STEWART (having technical difficulties with his virtual connection.)

THE MOTION PASSED 4-0.

6. INFORMATIONAL ITEMS

A. Board Reports

Director Seaman reported she learned the Folsom Lake Junior College has a College Work Study Program and will gather additional information to direct to Staff.

Director Seaman asked if the hazardous disposal manifest related to the demolition of the old ALT treatment plant building was provided by the contractor. She also inquired if there was a CalEPA number.

Mr. Creeks stated that the contractor will provide the documentation once the project been completed. He noted the project is a small area, less than acre. With regard to the CalEPA number, Mr. Creeks stated Coastland Engineers took care of all of that before the project was started.

Director Thornbrough reported last month's El Dorado Water Agency meeting was cancelled, but will be attending this month's meeting tomorrow morning.

Director Saunders reported he had meetings with the DWR on the water conservation bills; the last set that we went through was for the outdoor residential standard landscape area management stuff. We are one of three agencies that still does not have an updated land area management. Director Saunders asked Mr. Brown if had any new updates and Mr. Brown indicated he did not. They're still trying to make accountancies in the way they calculate the outdoor area.

Director Saunders stated he will bring forward at the next meeting the upcoming laws re indoor-outdoor water budget; what the standards are going to be; and when we can start trying to get a picture of what it is going to look like starting in January 2022. He added he has three more meetings this month and we'll update on anything else that we have going on.

Director Saunders reported that he received some updated information on grant opportunities so we may have an emergency Grant Committee meeting. He indicated he will coordinate with Director Thornbrough on inviting Ken Payne to the meeting.

Director Seaman asked Director Thornbrough to inquire about the stormwater plan with Mr. Payne and where she can get a copy.

B. Legislative Liaison Report

Director Saunders reported that the concerns previously discussed related to the requirement that public utility districts be converted to corporate has been removed from the legislation.

C. General Manager's Report

Mr. Coyan summarized his written report with the following points:

- worked on the recruitment for Management Analyst; reviewed applications and prepared documentation for the upcoming agenda item;*
- attended an event of the Divide Chamber of Commerce.*
- met with Steven Proe about runoff from a waste gate during the recent storm event, and took a tour of the ditch in the area.*
- participated in some teleconferencing meetings.*
- changed the format of the vendor report in the budget to actuals.*
- Responded to a Public Records Request for all the emails from Board members regarding the budget for the last two budget years.*

Director Seaman offered an addition to the General Manager's interview checklist related to customer service and dealing with customer complaints in terms of how to diffuse things and redirect inquiries. Mr. Coyan was receptive to Director Seaman's suggestion.

Public Comment: No comments.

D. Operation Manager's Report

Darrell Creeks summarized his written report adding that things are going well in the system, and he was pleased water breaks have slowed down. He noted the demolition of the old ALT treatment plant will be completed, except for the gravel, on December 1st. The irrigation crews have been busy now that the season is over doing maintenance and repairs.

Director MacDonald asked if the Stumpy Meadows reported volume was in line with the 2,000 ac-ft less than in previous years because of the sale, but noted that the storm brought it back to within 1,000 ac-ft. Mr. Creeks responded that it has come up about 1,400 ac-ft total.

Public Comment: None

E. Water Resources Report

Adam Brown stated he prepared an overview of loss water year showing a comparison of 2019/2020 to 2020/2021 reflecting some increases in treated water delivery and less water loss. The District moved more water and had less losses.

Mr. Brown elaborated on the 2021/2022 Seasonal Precipitation Outlook chart pointing out it calls for average precipitation in our area during the wettest season, which is a good sign. Mr. Brown indicated he is using the forecasting tool developed last year to put together a water budget. It is difficult to do this during this time of the year because there are so many variances; however, the forecast shows a 7,000 ac-ft inflow at Pilot Creek into Stumpy Meadows. All these scenarios are favorable in meeting the District's delivery requirement for the year.

Mr. Brown reported inspections in the Zone are nearly complete for the year.

Director MacDonald asked Mr. Brown for a definition of the term "exceedance" as shown in his report. Mr. Brown referenced the 2021/2022 Water Year Water Budget Outcome Scenarios chart which shows "10th percentile" in the Exceedance Percentile column, and explained this means there is a 10% chance that we will exceed the inflow of 57,566 ac-ft into Stumpy Meadows.

Director Saunders commented that it looks like the gages are working and the gunniting is reducing the amount of water losses. He added it is good to know the forecast indicates at this point in time we have 95% confidence that we will be able to meet water delivery obligations. He thanked Mr. Brown for providing all the data the Board needs.

Public Comment: None.

F. Update on the Goal-Setting and Strategic Planning Process

Gloria Omania provided an update on the upcoming goal-setting and strategic planning process describing outreach efforts and status of the customer survey, as well as advance work on the logistics of the community workshop.

Public Comment: None

7. COMMITTEES

A. Finance Committee – Steven Miller, Chair

Mr. Miller reported the committee reviewed the first quarter budget to actuals presented by the General Manager to their satisfaction.

The committee voted to recommend to the Board that a letter be sent to customers indicating the FC has looked at the automated meters replacement project and found that the impact to individuals will be minor if any at all. Mr. Miller offered to prepare the body of the letter for the customers that should come from the General Manager.

The next task for November is to examine the CalPERS unfunded liability; hopefully, the committee will receive some advance information.

Director Thornbrough stated he brought up at the Finance Committee meeting that he found it interesting that one of the justifications for replacing the meters was to recover loss revenue and now Chairman Miller in his research shows very little customer impact so we're not generating additional revenue.

Public Comments: None.

B. Irrigation Committee – Update on recruitment

Director Saunders reported that one application of interest in an appointment to the committee has been received.

C. Ad Hoc Grant Writing Committee - President Saunders

Director Saunders reported there may be a need to schedule an emergency meeting of the Grant Committee to address new grant opportunities.

D. Ad Hoc Committee for Policy Manual – To be appointed.

Director Saunders stated the list of policies for this committee's review is growing.

E. Ad Hoc Committee for the Special Audit – Directors Saunders and Director Thornbrough

Public Comment: None.

8. OLD BUSINESS

A. Review RFP for External Investigative Audit

Possible Action: Provide direction to Staff.

Mr. Coyan began his report by stating that over the past ten years there have been 19 administrative aides that have worked for the District, and that doesn't include the temp employees through Blue Ribbon Personnel. In the last nine years, there have been 12 general managers (counting Darrell Creeks the three times he served as interim GM); and there's been 7 management analyst/office managers. There's a mandatory reserve fund, restricted funds, and non-restricted funds. All those funds are based on the accrual accounting method. If mistakes were made inadvertently during the transition of those personnel, the District could be in violation of comingling restricted funds with non-restricted funds. He elaborated further on the justification of the investigative audit and recommended that the review go back ten years due to the transition of personnel. Mr. Coyan then stated the Board needs to discuss the scope of work, the RFP timeline, and the multi-year matrix of costs to understand what such an audit could cost. If there are findings of comingling of funds, the costs could balloon so there really should be threshold costs for audit

services.

Discussion followed about the need to establish a matrix of threshold costs where the District can go to a certain level of audit services and then come back to the Board if there is a need to go to the next level. Director Saunders provided additional input and recommended that the RFP include a phased-in timeline through this cost threshold matrix.

Director Seaman inquired about the liability issue and whether a previous General Manager's or Board's liability or is it the liability of the District as a whole. Erin Derwin, representing Legal Counsel Barbara Brenner, responded that the current Board would not have liability. Ms. Derwin further stated that the question of liability would only apply to an individual Director, or the Board as constituted, if they were disregarding their obligation either under the Brown Act or other regulatory schemes; or, if a Director personally benefitted from a decision that he or she made, or was somehow personally involved in the comingling. The liability individually as a Board member is almost none. Ms. Derwin further stated that the General Manager is referring to regulatory liability (fines, etc.). It is always possible that there could be misuse of funds or embezzlement that could be discovered, but as the General Manager indicated, the concern is really about inadvertent misallocation or comingling of funds. The worst case scenario is the District is fined or issued some kind consent decree or consent judgement if the District was successfully sued by one of those regulatory state agencies due to some misconduct. She added a staggered approach to requesting audit service is typical from her experience.

Public Comments: None.

Director Saunders stated the phased timeline dividing it up 0-5 and then 5-10 is a good way to amend the RFP. He described how the selected accounting firm would provide updates and reports to inform the Board if thresholds are triggered so it is still up to the Board to determine whether to go forward to the next level of audit service.

Mr. Coyan asked about the timeline for issuance and Director Saunders said he would like to have the amendments done and the RFP released. Director Saunders asked that the Board be notified when the RFP is released and requested notification to stated it would be beneficial to allow the firm conducting the annual audit to also submit a proposal as they would be also a certain level deep in the review and could save the District costs.

MOTIONED BY DIRECTOR SEAMAN TO APPROVE THE RELEASE OF THE RFP FOR AN EXTERNAL INVESTIGATIVE AUDIT WITH THE AMENDMENTS REQUESTED RELATED TO A MAXTRIX OF THRESHOLD COSTS. SECONDED BY DIRECTOR MACDONALD.

AYES: THORNBROUGH, MACDONALD, SEAMAN, STEWART, SAUNDERS

NOES: None.

ABSENT/ABSTAIN: None.

THE MOTION PASSED.

B. Review RFP for Asset Inventory and Valuation

Possible Action: Provide direction to Staff.

Adam Brown presented the Staff Report outlining the elements of the RFP which was developed last year through a cost-sharing agreement with El Dorado Water Agency. The outcome of the RFP is to develop a 20-year condition assessment and registry of infrastructure value, expected use of life, and replacement costs of the District's assets. This is an update to the KASL Report that was done twenty years ago.

Director Seaman, referencing Page 5 of the RFP, stated a description of irrigation water needs to be added to the description of raw water and Mr. Brown concurred and indicated he would make sure it is clear to include all assets that relate to irrigation.

Director Thornbrough asked that the asset list be provided in larger font, so it is easier to read.

Public Comments: None

MOTIONED BY DIRECTOR THORNBROUGH TO AUTHORIZE THE RELEASE OF THE RFP WITH THE REQUESTED CHANGES. SECONDED BY DIRECTOR MACONALD.

ROLL CALL VOTE:

AYES: THORNBROUGH, MACDONALD, SEAMAN, STEWART, SAUNDERS

NOES: None.

ABSENT/ABSTAIN: None.

THE MOTION PASSED.

9. NEW BUSINESS

A. Consider Approval of Amended Organizational Chart

Possible Board Action: Adopt Resolution 2021-XX approving General Manager's request to amend the Organizational Chart.

Mr. Coyan presented the staff report stating a recruitment process as opened for a Management Analyst on September 17 and closed the applications on October 26, 2021. They did a first review of the applications received with attached matrix.

Director Seaman asked that customer service be added to the future matrix for pre-interview screening. She also suggested adding dealing with union employees on disciplinary matters to the matrix.

Director Saunders asked that committees be added to the organizational chart. He commented on organizational charts that showed managerial positions that didn't have staff under them. He also stated that the District will need to see salary levels for the size of the District so see if we are at adequate salaries so we can be competitive with other districts.

Mr. Coyan confirmed that he brought the job description for the union to review before bringing it to the Board.

At this point, Director Stewart called in and Director Saunders placed him on speaker. Director Stewart confirmed he voted aye in the prior two items. The Board Clerk was directed to reflect that in the vote recorded.

Public Comments: None

MOTIONED BY DIRECTOR MAC DONALD TO APPROVE THE AMENDED ORGANIZATIONAL CHART. SECONDED BY DIRECTOR THORNBROUGH.

ROLL CALL VOTE

AYES: THORNBROUGH, MACDONALD, SEAMAN, STEWART, SAUNDERS

NOES: None

ABSENT/ABSTAIN: None.

THE MOTIONED PASSED.

B. Discuss Customer Building Permit Request for Auxiliary Dwelling Unit and Wastewater Discharge Permit

Possible Action: Consider an engineer review of the Community Disposal System and potential modification to Wastewater Discharge Permit and provide Staff direction.

Mr. Coyan stated a resident of Auburn Lake Trails requested approval to build an auxiliary dwelling unit (ADU). That would put the District in violation of its Wastewater Discharge Permit. He summarized what is described in the staff report to remedy the situation.

After lengthy discussion among Staff and the Directors about the necessary steps to allow this resident to add the ADU, the resident, Gary Philbin, was invited to comment.

Mr. Philbin explained that El Dorado County had approved their application to add 1600 square feet to their home to accommodate his older widowed sister to live

with them. He stated they are on a stand-alone septic system, and it looks like there is capacity for the expansion. He recounted how he contacted GDPUD and became aware of the need for an engineering study and the unit limitation in the District's discharge permit.

Director MacDonald said he one of his neighbors and commented that if his single family home was originally built with the cumulative square footage he is trying to achieve, this would not be an issue.

Discussion followed related to the cost of the engineering study and how it would be funded.

Public Comment: Mr. Miller stated he didn't have any issues with the subject per se, but brought up the unresolved issue of whether CDS customers were overcharged. Directors Saunders responded that this will probably be looked at in the external investigative audit. In the meantime, accessing those funds may be an issue.

Director Thornbrough stated if an RFP can be issued, we can get a quote of the costs without a commitment of doing the study until the Board can decide next steps.

Director Stewart stated the State of California has approved this extra dwelling unit to address the housing shortage. He asked if the unit limit in the Discharge Permit could be waived. .

Mr. Coyan stated this was discussed with the State and was informed the District must still follow the requirements of the Discharge Permit. There could be no modification to the permit without a study.

MOTIONED BY DIRECTOR MACDOALD TO DIRECT STAFF TO GET THREE INFORMAL BIDS FOR AN ENGINEERING STUDY TO DETERMINE THE COSTS. SECONDED BY DIRECTOR MACDONALD.

ROLL CALL VOTE:

AYES: THORNBROUGH, MACDONALD, SEAMAN, STEWART, SAUNDERS

NOES: NONE.

ABSENT/ABSTAIN: NONE.

THE MOTIONED PASSED.

C. Vote for LAFCO Special District Representative

Possible Action: Adopt Resolution 2021-XX approving ballot for election of LAFCO Special District Representative

Director Saunders explained the need for this election for a Special District

Representative. He also announced the current opening on LAFCO for a public representative.

Public Comment: None

MOTION BY DIRECTOR THORNBROUGH TO SUBMIT THE BALLOT WITH A VOTE FOR DIRECTOR SAUNDERS. SECONDED BY DIRECTOR SEAMAN. DIRECTOR THORNBROUGH AND DIRECTOR SEAMAN AGREED TO AN AMENDMENT TO THE MOTION TO RANK TIM WHITE AS #2 ON THE BALLOT.

ROLL CALL VOTE:

AYES: THORNBROUGH, MACDONALD, SEAMAN, STEWART, SAUNDERS

NOES: None.

ABSENT/ABSTAIN: None.

THE MOTION PASSED.

D. Execute JPIA Commitment to Excellence Certificate

Possible Action: Execute Certificate and direct Staff to submit to JPIA.

Adam Brown reported this was just a formality and could make the District eligible to apply for grants.

Public Comment: None.

MOTIONED BY DIRECTOR THORNBROUGH TO EXECUTE THE COMMITMENT TO EXCELLENSE CERTIFCATE. SECONDED BY DIRECTOR MACDONALD.

ROLL CALL VOTE:

AYES: THORNBROUGH, MACDONALD, SEAMAN, STEWART, SAUNDERS

NOES: None.

ABSENT/ABSTAIN: NONE.

THE MOTION PASSED.

E. ACWA JPIA Voting Alternate Member

Possible Action: Designate JPIA Alternate and direct Staff to submit member form.

Director Saunders offered to serve as JPIA Alternate.

MOTIONED BY DIRECTOR THORNBROUGH TO DESIGNATE DIRECTOR

SAUNDERS AS JPIA ALTERNATE. SECONDED BY DIRECTOR MACDONALD.

ROLL CALL VOTE:

AYES: THORNBROUGH, MACDONALD, SEAMAN, STEWART, SAUNDERS

NOES: None.

ABSENT/ABSTAIN: None.

THE MOTION PASSED.

F. Designation of ACWA Voting Member and Alternate for Election of ACWA President and Vice-President at the Fall Conference

Possible Action: Designate a Director attending the Fall Conference as the Voting Member and Alternate and direct Staff to submit Voter Designation Form

Director Saunders requested to be designated as the voting member.

Public Comment: None.

MOTIONED BY DIRECTOR THORNBROUGH TO NOMINATE DIRECTOR SAUNDERS. SECONDED BY DIRECTOR MACDONALD.

ROLL CALL VOTE:

AYES: THORNBROUGH, MACDONALD, SEAMAN, STEWART,, SAUNDERS

NOES: None.

ABSENT/ABSTAIN: None.

THE MOTION PASSED.

10. PUBLIC HEARING

None.

11. 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 reiterated following direction to staff:

(1) check on possible double payment to ACWA/JPIA for annual premium;

(2) follow up on hazardous materials manifest for the Old ALTWTP Demolition Project;

- (3) check on deferred comp listed under the Water Fund;*
- (4) phase timing for External Investigative Audit RFP;*
- (5) the addition of irrigation-related assets to the added Asset Inventory RFP;*
- (6) adding customer service to the pre-interview screening matrix; and*
- (7) adding Board committees to the Organizational Chart.*

Director Saunders then listed the following items for future agendas:

- (1) Review of professional services agreements that may be up for renegotiation;*
- (2) Review of Eide Bailly and Interwest Consulting agreements for possibly exceeding approved compensation.*
- (3) How does the Water Budget Work?*
- (4) Extending the AB 361 teleconferencing for December in a special meeting or include during the Strategic Planning Workshop.*

For the Finance Committee, Director Saunders discussed scheduling Brown Act training.

12. NEXT MEETING DATE AND ADJOURNMENT – The next Regular Meeting will be on December 14, 2021, at 2:00 P.M. via teleconference. Details to follow. There is a Special Meeting scheduled for November 28, 2021, at 4 PM for a Strategic Planning Workshop.

MOTIONED BY DIRECTOR THORNBROUGH TO ADJOURN. SECONDED BY DIRECTOR MACDONALD.

THE MOTION PASSED BY ACCLAMATION. Director Saunders adjourned the meeting at 5:17 PM.

Adam Coyan, General Manager

Date