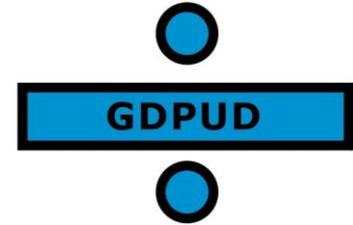


**REPORT TO THE BOARD OF DIRECTORS
BOARD MEETING OF SEPTEMBER 14, 2021
AGENDA ITEM 8.F.**



AGENDA SECTION: NEW BUSINESS

SUBJECT: APPROVING THE DISTRICT POLICY ON THE ROLE AND RESPONSIBILITIES OF THE FINANCE COMMITTEE

PREPARED BY: Gloria Omania, Interim Board Clerk

APPROVED BY: Andy Coyan, General Manager

BACKGROUND

During the regular meeting of June 9, 2020, the Board of Directors voted to rescind the existing policy on the role and responsibilities of the Finance Committee.

The Board created an ad hoc Finance Policy Committee at the regular meeting of January 12, 2021, to review and redefine the roles and responsibilities of the Finance Committee. The committee consisted of Board Treasurer Mike Thornbrough, Vice-President Mitch MacDonald, and the most recent Chairman of the Finance Committee, Steven Miller.

During the regular meeting of April 13, 2021, the Board adopted Resolution 2021-16 to reestablish the Finance Committee with three public members and two Board Liaison to participate in the FY 2021-2022 budget review process. The Board continued the work of the ad hoc Finance Policy Committee to refine and develop the policy and procedures for the Finance Committee for approval by the Board at a future meeting.

DISCUSSION

The ad hoc Finance Policy Committee submitted recommended changes to the policy (Attachment 1). Staff inserted additional language related to Brown Act provisions requested by Board President Michael Saunders and reformatted this document into District Policy 2021-0914 (Attachment 2), as directed by the Board through Resolution 2021-16.

FISCAL IMPACT

There is no fiscal impact.

CEQA ASSESSMENT

This is not a CEQA project.

RECOMMENDED ACTION

Staff recommends that the Board of Directors adopt Resolution 2021-41 (Attachment 3) approving District Policy 2019-0914, the Role and Responsibilities of the Finance Committee.

**Approval of District Policy on the Role
and Responsibilities of Finance Committee**

Page 2 of 2

Board Meeting of September 14, 2021
Agenda Item # 8.F.

ATTACHMENTS

1. Ad hoc Finance Policy Committee Recommendation
2. District Policy 2021-0914–Role and Responsibilities of Finance Committee
3. Resolution 2021-41

**Policy of the Board of Directors of the
Georgetown Divide Utility District
Providing Role and Responsibilities of the Finance Committee**

Whereas, the Georgetown Divide Utility District ("District") Board of Directors ("Board") previously memorialized its Finance Committee membership, role, responsibilities, and other duties through Resolution 2018-14; and

Whereas, the Board seeks to rescind and replace Resolution 2018-14 to **establish policy** for the roles and responsibilities of the Finance Committee; and

Whereas, the Finance Committee will assist the Board in the review of all financial information of the District and make recommendations to the Board for actions related to the District's finance, budgeting, and auditing;; and financial policies and reports; and

Whereas, the Board finds it to be in the best interest of the public to establish the Finance Committee's roles and responsibilities as set forth herein.

Now, therefore, be it resolved by the Board as follows:

SECTION 1: Resolution 2018-14 is hereby rescinded and replaced with this **Finance Committee Policy** and shall be of no further force or effect following the Board's adoption of this Policy.

SECTION 2: The Finance Committee ("Committee") shall be created as follows:

1. **Membership; Quorum.** The Committee shall be composed of no fewer than three (3) and no more than seven (7) members. A quorum shall consist of a simple majority of the total number of members currently appointed to the Committee.
2. **Selection of Committee Members.** The policies for selecting Committee Members are shown in "Exhibit A and Exhibit C" which are attached hereto and incorporated herein by references as set forth in full.
3. **Role of the Committee.** The primary role of the Committee is to provide recommendations to the Board of Directors (Board) in response to requests by the Board, or in response to Board approved proposals made by staff on matters related to the District's Finances. It shall be the Responsibility of the Committee to adhere to the Board approved Conceptual Budget Timeline and to:
 - a. Review annual operating budget proposed by staff and make recommendations to the Board prior to the Board receiving the annual budget for approval

- b. Review
 - 1. All emergency short-range, long-range strategic financial plans and quarterly financial reports proposed by staff, and
 - 2. Make recommendations to the Board prior to the Board receiving proposed financial plans and reports for approval.
- c. Review the audited annual financial data and statements and make recommendations to the Board prior to the Board receiving the audited annual financial statements for approval.
- d. Monitor, Analyze and Make Recommendations to the Board with Respect to:
 - 1. All District financial reports, to include budget amendments, as well as monthly and quarterly financial reports, **to be made in comparison to five years historical data,**
 - 2. Proposed budgets
 - 3. Capital Improvement Plan project budget information **and progress on active projects,**
 - 4. Monthly cash balances,
 - 5. Fund close-outs and transfers, loan balance changes,
 - 6. Investments
- e. Conduct a **no less frequent than** annual review of the reserve and investment policies.
- f. Present all Committee approved financial goals, proposals, and recommendations to the Board for approval.
- 4. **Meetings.** **Assuming a quorum,** the Committee shall meet monthly and more often if needed or requested by the Board. Meetings shall be held at the District's offices unless otherwise stipulated per an emergency or executive order which may allow *teleconference* and/or *videoconference* meetings. The Rules Operating Procedures are shown in "Exhibit B", which is attached hereto and incorporated herein by reference as if set forth in full.
- 5. **Terms.** The terms of the office shall be two (2) years. Committee members may be reappointed to subsequent terms after providing their resume **(if there was substantive change)** to the Board and the General Manager and following a Board vote on the Committee members reappointment.

6. **Vacancies.** Any vacancies shall be filled after the General Manager advertises Committee vacancies on the website, social media sites, or the newspaper and interested persons have provided their resume to the Board and the General Manager. The Board will evaluate and vote on the **applicants** appointed during a Board meeting.
7. **Removal.** All Committee members serve at the will of the Board, and any member may be removed by an affirmative vote of three (3) members of the Board. **While recommended**, there shall be no requirement to show cause for removal.
8. **Officers.** The Committee shall designate from among its members, a Chair, Vice-Chair, and Secretary. The Chair shall preside over the meetings, and in the Chair's absence, the Vice-Chair shall preside. If both the Chair and the Vice Chair are absent, the remaining members, if a quorum exists, shall select from among themselves a person to preside over the meeting. The Secretary (or other member in the secretary's absence) shall prepare agendas and minutes of every meeting and shall be responsible for transmitting the agenda and the final copy of all minutes to the General Manager or designee. Items needing Board action shall be transmitted as soon as possible to the **Board and** General Manager or designee for inclusion on the next available Board agenda.
9. **Advisory nature of the Committee.** The Committee is advisory in nature and shall report and be responsible to the Board. The Committee and its members have no authority to set policy, expend funds, or make obligations on behalf of the Board and/or District.
10. **Board Reports.** The Committee shall report on its activities to the Board at least monthly, and more often if needed or requested by the Board. The Board Report can either oral or written and shall include a description of the activities of the Committee for the proceeding, as well as any on-going or outstanding activities or tasks. Committee meeting minutes may be used to satisfy this requirement.
11. **Board Liaison and Staff Support.** The Committee shall have the following Board and/or staff members to assist it with its work from time to time as may be necessary by the Committee and/or Board:

Board Treasurer who will serve as the Board Liaison, and a Staff Liaison who will be designated as or by the General Manager.

The Board Liaison and Staff Support shall (a) not be regular or ex-officio members of the Committee; (b) not have the right to vote; and (c) not be counted for purposes of determining the presence of a quorum.

SECTION 3. The Committee shall receive direction on activities regarding the review of all District's financial information directly from the Board., and per the conceptual budget timeline shown in "Exhibit D".

SECTION 4. This **Policy** shall take effect immediately upon adoption. This Policy shall remain in full force and effect until rescinded **and replaced** by a subsequent policy of the Board.

EXHIBIT A

Policy for Selecting and Removing Finance Committee Members

- 1) Publish vacancies in the website, social media sites, or in newspaper or general circulation in the district, a notice of vacancy on the Finance Committee ("Committee") and a desire to fill such vacancy.
- 2) The Board of Directors ("Board") members and the General Manager will receive all applicant's resumes (as appropriate)
- 3) All candidates for the Committee shall make a personal presentation of their qualifications to the Board of Directors during a Board meeting.
- 4) The Board of Directors members will use the selection ranking criteria form, "Exhibit C" to evaluate and rank potential Committee members. The applicants with the highest scores will be appointed to the Committee during a Board meeting until all vacancies are filled.
- 5) Finance Committee members who resign or do not renew their two year commitment shall provide a letter of resignation to the Finance Committee Chair, Board President and General Manager.
- 6) The Board will confirm the selection(s) or resignation(s) by resolution.

EXHIBIT B

Finance Committee of the Georgetown Divide Public Utilities District Rules of Operating Procedure

MEETINGS

- a) At any meeting of the Finance Committee ("Committee"), the majority of the members currently appointed shall constitute a quorum for the purposes of conducting business or meetings. Unless otherwise posted, a majority vote of those present and voting shall be sufficient to adopt any motion.
- b) All meetings of the Committee shall be open and public, and all persons shall be permitted to attend any meeting of the Committee as provided by Government Code, Section 54950 et seq.
- c) All meetings of the Committee shall be held in The Georgetown Divide Public Utilities ("GDPUD") office at 6425 Main Street, Georgetown, California 95634, unless there is a special need to hold a meeting at a different location.
- d) The proceedings of all meetings of the Committee shall be conducted in accordance with GDPUD Policy Numbers 5030 and 5040.
- e) The Committee shall determine the order of business for the conduct of its meetings.
- f) Any meeting may be adjourned at a time and place in the Order of Adjournment. Less than a quorum may also adjourn a meeting from time to time. If all members are absent, the Secretary may declare the meeting adjourned to a stated time and place and shall cause each notice to be given in the same manner as for special meetings.
- g) Special meetings may be called at any time at the direction of the Chairperson or by a majority of the Committee members. Twenty-four hours of advance notice of special meetings shall be provided by the Chairperson stating the time, place, and business to be transacted. The public shall be notified through the District regular communications and procedures, in accordance with the Brown Act
- h) At least 72 hours before a regular Committee meeting, the legislative body of the District, or its designee, shall post an agenda containing a brief general description of each item of business to be transacted or discussed at the meeting. The agenda shall be filed with the Board Liaison and Staff Liaison for posting outside the District Offices.

FC Objectives, Part 3 - Meetings

- i) The Committee Secretary shall maintain meeting minutes, including a complete record of all transactions, findings, and determinations, and present a full statement to the General Manager and to the Board prior to the next Board Meeting. A signed copy of the meeting minutes shall be filed with the Staff Liaison.
- j) The Board Liaison to the Committee shall be the Board Treasurer
- k) The duties of the Board Liaison include presenting relative data to the Board and arranging for any presentation of important progress on projects to the Board by the Committee Chairperson.
- l) The Board Liaison's role will be advisory to the Committee, but the process is meant to be **Committee** driven.
- m)The Board Liaison will not have a vote on the Committee.

POLICY TITLE: Role and Responsibilities of the Finance Committee

POLICY NUMBER: 2021-0914

BACKGROUND:

The Board of Directors (“Board”) of the Georgetown Divide Public Utility District (“District”) rescinded the resolution establishing the role and responsibilities of the Finance Committee (“Committee”) during the regular meeting of June 9, 2020. At the regular meeting of January 12, 2021, the Board created an ad hoc committee to work on a new Finance Committee Policy. The roles and responsibilities of the Finance Committee is set forth below:

1. **Purpose.** The Finance Committee was established as an advisory body to the Board on matters related to the District’s finances, budgeting, auditing, financial policies, and reports. Due to the Committee’s advisory nature, the Committee and its members have no authority to set policy, expend funds, or make obligations on behalf of the Board and/or the District.
2. **Membership; Quorum.** The Committee shall be comprised of no fewer than three (3) and no more than five (5) public members. A quorum shall consist of a simple majority of the total number of members currently appointed to the Committee.
3. **Board Liaison.** The Board Treasurer and another Director, for a total of two (2) Directors, shall be assigned to the Committee as Board Liaison members.
 - (a) The duties of the Board Liaison include presenting relevant data to the Board and arranging for any presentation of important progress on projects to the Board by the Committee Chairperson.
 - (b) The Board Liaison’s role will be advisory to the Committee.
 - (c) The Board Liaison will not have a vote on the Committee.
 - (d) Only two (2) Board of Directors can be present at any of the Committee meetings
 - (e) If a regular Liaison cannot attend a meeting, that member will contact the Board President and the Board President will arrange for another member to attend the meeting. If there are three members present, the Board Liaison is authorized to request the non-liaison Board member to leave.
4. **Selection of Committee Members.**
 - (a) A Notice of a Vacancy on the Finance Committee shall be posted on the District’s website and social media sites, and must be published in a newspaper of general circulation in the District with instructions for applying, including a deadline for submittal.
 - (b) All applicants who reside within the District boundaries will be eligible for consideration by the Board. It is recommended that applicants have experience in finance, budgeting,

accounting, management, and/or related fields.

- (c) Applications must be submitted by the stated deadline and must include a Statement of Interest and resume. Applicants can be mailed or hand-delivered to the General Manager at the District Office, located at 6425 Main Street, Georgetown, CA 95634, or transmitted by email to gm@gd-pud.org.
- (d) The General Manager will distribute all applications to the Board of Directors.
- (e) All applicants shall make a personal presentation of their qualifications to the Board of Directors during a Board meeting.
- (f) The Board of Directors will ask questions of the applicants during the Board meeting and will publicly vote on each applicant to be appointed. In the case where there are more applicants than Committee seats, Directors will submit their ranking of the applicants to the Board President after the questioning period. The applicant(s) with the highest number of first place, then second place, etc., (if needed) rankings shall be selected and announced as the appointee(s).
- (g) Those Finance Committee members who resign or who do not renew their two-year commitment shall provide a letter of resignation to the Finance Committee Chair, the President of the Board of Directors, and the General Manager.
- (h) The Board of Directors will confirm appointments and resignations by Resolution of the Board.

5. Role of the Committee. The primary role of the Committee is to provide recommendations to the Board of Directors from their direction, or in response to Board approved proposals made by staff on matters related to the District's finances. It shall be the responsibility of the committee to adhere to the Board approved Conceptual Budget Timeline (Exhibit A) and to:

- (a) Review annual operating budget proposed by staff and make recommendations to the Board prior to the Board receiving the annual operating budget for approval.
- (b) Review emergency, short-range, long-range strategic financial plans and quarterly financial reports proposed by staff and make recommendations to the Board prior to the Board receiving the proposed financial plans and reports for approval.
- (c) Review the audited annual financial data and statements available when the audit is presented to the Board of Directors.
- (d) Review and monitor all District financial reports including, quarterly reports, request for proposal budgets, Capital and Reserve funds, monthly cash balances, fund transfers, investments, source of funding, and make any recommendations to the Board.
- (e) Present alternative options with recommendations to the Board.
- (f) Present all Committee identified financial goals and proposals to the Board for approval.
- (g) Accept all projects requested by the Board.

6. Meetings. The committee shall meet monthly, and more often if needed or requested by the Board. Meetings shall be held at the District's offices unless otherwise stipulated by an emergency or Executive Order.

- (a) At any meeting of the Finance Committee, the majority of the members currently appointed show constitute a quorum for purposes of conducting business or meetings.

Unless otherwise posted, a majority vote of those present and voting shall be sufficient to adopt any motion. A quorum cannot be under three (3) members.

- (b) All meetings of the Committee shall be open and public, and all persons shall be permitted to attend any meeting of the Committee as provided by Government Code Section 54950 et seq.
 - (c) All meetings of the Committee shall be held in the GDPUD offices at 6425 Main Street, Georgetown, CA 95634, unless there is a special need to hold a meeting at a different location.
 - (d) The proceedings of all meetings of the Committee shall be conducted in accordance with GDPUD Board Policy Numbers 5000, 5030 and 5040.
 - (e) The Committee shall follow the order of business for the conduct of its meetings by the agenda. The order can be changed during the Adoption of the Agenda by majority vote.
 - (f) Any meeting may be adjourned to a time and place stated in the Order of Adjournment. Less than a quorum may also adjourn from time to time. If all members are absent, the Secretary may declare the meeting adjourned to a stated time and place and shall cause each notice to be given in the same manner as for special meetings.
 - (g) Special meetings may be called at any time at the direction of the Chairperson or by a majority of the Committee. However, scheduling must be coordinated with the General Manager and Board President to ensure there are no conflicts with other scheduled Committee, Board, County, Regional, or Legislative meetings. A minimum of Forty-Eight (48) hours advance written notice of special meetings shall be provided by the Chairperson to the Board President and General Manager stating the date, time, and business to be transacted. The public shall be notified through the district regular communications and procedures, in accordance with Government Code Section 54950 et seq – at least twenty-four (24) hours prior to the meeting.
 - (h) The Board Clerk shall maintain meeting minutes, including a complete record of all transactions, findings, and determinations, and present a full statement to the General Manager for the Board prior to the next Board meeting. A signed copy of meeting minutes shall be filed with the Staff Liaison.
- 7. Terms.** The terms of office shall be two (2) years. Committee members may be reappointed to subsequent terms by providing their resume to the Board and the General Manager, and then the Board voting on the Committee members reappointed during a Board meeting.
- 8. Removal.** All committee members serve at the will of the Board, and any member may be removed by an affirmative vote of three (3) members of the Board. There shall be no requirement to show cause for removal.
- 9. Officers.** The committee shall designate from among its members a Chair, Vice-Chair, and Secretary. The Chair shall preside over the meetings, and in the Chair's absence, the Vice-Chair shall preside. If both the Chair and the Vice-Chair are absent, the remaining members, if a quorum exists, shall select from among themselves a person to preside over the meeting. The Board Clerk, or Staff designee, shall prepare agendas and minutes of every meeting and shall be responsible for transmitting the agenda and the final copy

of all minutes to the General Manager or designee. Items needing Board action shall be transmitted as soon as possible to the General Manager or designee for inclusion on the next available Board agenda.

10. Agenda.

- (a) The General Manager, in cooperation with the Board President and the Chair of the Finance Committee, shall prepare an agenda for each regular and special meetings of the Finance Committee Meeting in accordance with the Ralph M. Brown Act (California Government Code Section 54950).
- (b) All items on the agenda must have been approved or directed by the Board of Directors. These items may come from either the Board, Staff, or Finance Committee requests.
- (c) There is a conceptual timeline which should be automatically incorporated each month at the direction of the Board.
- (d) During the last item of the Finance Committee agenda before adjournment, a Committee member may bring up items they would like the Committee to review and for what purpose. Requests affirmed by a majority vote of the Committee shall be reported to the Board of Directors by the Committee Chair at the next meeting of the Board of Directors.
- (e) Reports will be prepared each month based on the conceptual timeline for the Finance Committee and any other monthly financial committee reports or agendized items.
- (f) Requests for additional information by Committee members should be directed to the Finance Committee Chair. The Chair will provide the Board Treasurer with these requests. The requests will then be given and discussed with the General Manager by the Treasurer with a copy to the Board President. Only the General Manager can direct staff for reports. Only the Board can direct the General Manager. Committee members must be aware of the conceptual timeline and reports required for the agenda when requesting additional information.

11. Board Reports. The Committee shall report on its activities to the Board at least monthly and more often if needed or requested by the Board. The Board Report shall be either oral or written and shall include a description of the activities of the Committee for the proceeding, and any on-going or outstanding activities or tasks. The Board Report will be given at the next Regular Board Meeting by the Finance Committee Chair or Vice-Chair. Committee member minutes can be used to satisfy this requirement if the Chair or Vice-Chair is not present at the Board of Directors meeting.

12. Board Liaison and Staff Support. The Committee shall have a following Board and/or staff members to assist it with its work from time to time as may be necessary or desired by the Committee and/or the Board: Board Treasurer who will serve as the Board Liaison, and a Staff Liaison designated by the General Manager. The Board Liaison and Staff Liaison shall (a) not be regular or ex officio members of the committee; (b) not have the right to vote; and (c) not be counted for purposes of determining the presence of a quorum.

EXHIBIT A

Georgetown Divide Public Utility District Finance Committee Conceptual Timeline

The Finance Committee shall accept direction from the Board of Directors to provide financial reviews, make recommendations, and report on its activities to the Board at least monthly, or more often if needed or requested by the Board. The Board Report can be either oral or written and shall include a description of Committee activities per this timeline, and on any ongoing or outstanding activities or tasks. The Board Report is given during the Regular Board meeting during Committee Reports by the Committee Chair. Committee meeting minutes may be used to satisfy the reporting requirement if the Chair will not be present.

January – Review Second Quarter Budget Report, Comparison of Mid-Year Budget Report.

February – Capital/Reserve Budget Review, ALT Wastewater Rate to Budget Review.

March – Begin Review Next FY Budget

April – Review Next FY Draft Budget, Review Third Quarter Budget Report.

May – Review Next FY Final-Draft Budget, Audit Prep Review.

June – Joint Budget Workshops with the Board of Directors

July – Review Fourth Quarter Budget Report, FY-End Actuals Review.

August – Review Investment Policy, Water Rate to Budget Review.

September – Fund Transfer Tracking Review.

October – Review First Quarter Budget Report.

November – Review CalPERS Unfunded Liabilities, Compare Prior FY Budgets with Matching Prior FY Audits.

December – Develop Finance Committee’s Annual Work Report for the Board of Directors.

RESOLUTION NO. 2021-41
OF THE BOARD OF DIRECTORS OF THE
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
APPROVING THE DISTRICT POLICY ON THE
ROLE AND RESPONSIBILITIES OF THE FINANCE COMMITTEE

WHEREAS, the Board of Directors created the ad hoc Finance Policy Committee on January 12, 2021, to review and redefine the role and responsibilities of the Finance Committee; and

WHEREAS, during the regular board meeting of April 13, 2021, the Board adopted Resolution 2021-16 to reestablish the Finance Committee and allow the ad hoc Finance Policy Committee to continue the work on a District policy on the role and responsibilities of the Finance Committee; and

WHEREAS, the ad hoc Finance Policy Committee submitted recommended changes to the policy; and

WHEREAS, additional language related to the Brown Act provisions was inserted and the document was reformatted into District Policy.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT THAT the District Policy on the Role and Responsibilities of the Finance Committee is adopted.

PASSED AND ADOPTED by the Board of Directors of the Georgetown Divide Public Utility District at a meeting of said Board held on the 14th day of September 2021, by the following vote:

AYES:

NOES:

ABSENT/ABSTAIN:

Michael Saunders, President, Board of Directors
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Attest:

Adam Coyan, Clerk and Ex officio
Secretary, Board of Directors
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

CERTIFICATION

I hereby certify that the foregoing is a full, true and correct copy of Resolution 2021-41 duly and regularly adopted by the Board of Directors of the Georgetown Divide Public Utility District, County of El Dorado, State of California, on this 14th day of September 2021.

Adam Coyan, Clerk and Ex officio
Secretary, Board of Directors
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

DRAFT

**REPORT TO THE BOARD OF DIRECTORS
BOARD MEETING OF SEPTEMBER 14, 2021
AGENDA ITEM NO. 8.G.**



AGENDA SECTION: NEW BUSINESS

SUBJECT: AWARD CONTRACT TO FERGUSON WATERWORKS, AUTHORIZE GENERAL MANAGER TO NEGOTIATE AND EXECUTE A CONTRACT IN AN AMOUNT NOT TO EXCEED \$2,060,000, AND AUTHORIZE THE GENERAL MANAGER TO HAVE CHANGE ORDER AUTHORITY IN AN AMOUNT NOT TO EXCEED 10% OF THE CONTRACT AMOUNT WITH A TOTAL EXPENDITURE AMOUNT NOT TO EXCEED \$2,266,000 FOR THE AUTOMATED METER READING AND METER REPLACEMENT PROJECT

PREPARED BY: Adam Brown, Water Resources Manager and
Asa Utterback, Coastland Civil Engineering

APPROVED BY: Adam Coyan, General Manager

BACKGROUND

The District has been awarded funding and financial assistance from the Drinking Water State Revolving Fund (DWSRF) program of the United States Environmental Protection Agency (EPA) through the State Revolving Fund (SRF) administered by the California State Water Resources Control Board (SWRCB) for the Automated Meter Reading and Meter Replacement Project, which proposes to replace all of the approximately 3,668 water consumption meters on the District's treated water system and add automated smart meter reading technology. The District has also been awarded a \$500,000 through the U.S. Bureau of Reclamation's 2021 WaterSMART Grant program to satisfy the remaining funding requirements.

The existing mechanical water meters have far exceeded their service life with an average age of more than 33 years. The meters are known to have lost accuracy over the years resulting in large cumulative losses to the District through unbilled water use. Additionally, the current manual meter reading requirements consume a large amount of staff resources that are much needed elsewhere for the maintenance and management of the water system.

The Automated Meter Replacement (AMR) Project is a top priority for the District and is expected to result in annual water savings of 92 acre-feet (ac-ft), energy savings of 52,370 kilowatt-hours (kWh), and greenhouse gas reduction of 31,946 pounds of CO₂. The water saved will provide increased water supply reliability for municipal and industrial users and agricultural users in the mid to late summer months during periods of drought.

Coastland Civil Engineering is providing project management and engineering services for this project under Task Order No. 2 of the professional services agreement approved by the Board on February 11, 2020, for various capital projects.

DISCUSSION

All of the consumption meters will be replaced under this project with new electronic water meters and integrated in a new AMR system with data analytic capability. These improvements will increase water use efficiency and system reliability by:

1. Streamlining water use data collection and accuracy resulting in more rapid identification and correction of customer water leaks (currently meters are manually read bi-monthly);
2. Providing end users with more accurate, timely, analyzed water use data with programable flags that encourage water conservation by making them aware of their water use patterns including continuous low flow rates indicative of customer leaks like a toilet flap, high flow rate indicative of a customer leaks like a line break, and consumption over time analysis by either a chart, bar graph, or table to help customers with water savings and or budgeting; and
3. Reducing cost associated with manual meter reading which will indirectly result in more efficient use of District financial and human resources to replace meters in a timely manner, reducing Real Losses in the future by replacing/repairing leaking infrastructure, managing system pressure that will further reduce Real Losses, and improve overall water system efficiencies.

Coastland prepared the Request For Proposals/Request For Bids (RFP/RFB) document with specifications for the project which defined a process by which the District was able to receive and compare competitive bids for the various technologies and manufacturers of the meters and AMR systems. The process enabled the District to select the combination of technologies, manufacturer quality, implementation service capabilities and lifecycle costs that best suits the long-term goals of the District.

The District advertised the request for proposals/request for bids on July 20th and the proposals/bids were due on August 19, 2021. The District received four proposals; from Ferguson Enterprises, LLC dba Ferguson Waterworks (Neptune metering equipment), Aqua Metric (Sensus metering equipment), Mueller and Zenner. While all four proposals represented large, well-known manufacturers, the proposals from Mueller and Zenner were deemed non-responsive and had to be disqualified due to their failure to submit all of the required bid forms. The Aqua Metric proposal came with a proposed cost that was over \$1 million higher than Ferguson's and exceeded the District's budget by more than \$700 thousand in spite of the fact the proposed meters did not meet all of the specified requirements.

The Ferguson proposal was top ranked as it met all of the required and preferred specifications, fully satisfied the proposal requirements, and was within the project budget with a proposed

project cost of \$2,052,865.92. Summaries of the proposed costs and the composite proposal scoring by the staff review panel are shown in Tables 1 and 2 below. Some of the key factors which distinguished the Ferguson/Neptune proposal and products are the following:

1. The Neptune meters fully met the specifications for all sizes needed, are all brass bodied and American-made.
2. Ferguson has demonstrated a reliable history of prompt delivery and good service to the District.
3. The Neptune AMR system allows for ready use with a broad range of mobile devices which will limit the on-going reading equipment costs, improve flexibility, and work with the mobile devices already used by field crews.
4. Neptune maintains full backward compatibility for their products as technology moves forward which will protect the usability of and the District's investment in their products.
5. The meter register technology and design of the larger meters enables less costly and easier replacement when needed which will help reduce District costs.
6. Both Ferguson and Neptune maintain relatively local supply houses for quick supply, which limits the amount of material stocking needed by the District.
7. Neptune included an enhanced schedule of warranty coverage with increased reimbursement percentages.

Table 1 – Proposed Costs

	Ferguson / Neptune	Aqua Metric / Sensus
Proposed Cost / Bid	\$ 2,052,865.92	\$ 3,195,148.40
20-Year Lifecycle Cost	\$ 2,192,362.03	\$ 3,427,883.08
<i>Total</i>	\$115,000	\$ 123,148

Table 2 – Composite Proposal Scoring

Scoring Factor	Value / Weight	Ferguson / Neptune	Aqua Metric / Sensus
Qualifications, Experience and History of Proposed Vendor Team	20	18.7	16.3
Technical Requirements / System Capabilities	30	28.0	20.3
Reference Rating of Product Quality, Reliability, Ease of Use & Customer Service	20	19.3	13.0
20-year Life Cycle Cost	30	30.0	19.0
TOTAL SCORE	100	96	68.6

Since two of the proposals were disqualified and one of the two qualifying proposals has costs which far exceed the budget, only the Ferguson/Neptune team was invited for an interview. As a result of the interview and the proposal reviews, Ferguson was confirmed to be the top ranked proposer and fully compliant with the specifications and the project intent. There are some minor points which need to be negotiated, but Ferguson's proposal formed the best representation of the set of improvements and products which will best serve the District's automated water metering needs.

The project is planned to be completed by the end of June 2022.

All construction management and inspection will be handled by District staff. Coastland is planned and budgeted to provide construction and implementation support to assist District staff.

Once the board takes action to award the contract, Staff will send the Contractor a Notice of Award, and commence negotiation of the contract. Once negotiations are complete, the Contractor will execute the agreement and supply the required performance and payment bonds and insurance documentation.

ANALYSIS

The District can take one of two alternative actions: award the construction contract to Ferguson Waterworks or reject all proposals/bids and provide direction to staff for re-soliciting proposals for the planned improvements.

Alternative 1 – Award Project

The Board could award the project to Ferguson as recommended by staff, and have the project proceed according to the planned schedule. The budgeted funding with the SRF loan and the WaterSMART grant funding is sufficient to fully fund the award to Ferguson with the recommended expenditure limits as shown in Table 3 – Project Budget. Award to Ferguson would provide for timely completion of a reliable replacement of the existing antiquated system.

Alternative 2 – Reject All Bids

Alternatively, the Board could reject the proposals/bids. If the Board rejects the bids, District Staff would need to consider repackaging or deferring the project to advertise again later. The schedule would need to be defined later, but staff would probably be able to re-advertise the project later in the Fall of 2021 with construction probably beginning in early 2022.

Bid prices can vary throughout the year based on many factors, including contractor workload, number of interested contractors, and cost of materials. The results of a future rebid are unknown, and bids could be higher or lower depending on market conditions at the time of the bid.

FISCAL IMPACT

The District will utilize two funding sources to complete the AMR project. The first funding source is from the DWSRF at an amount of \$1,726,046.00 through a low interest 20-year loan. Annual installments of 97,458.18 will be paid through the term of the loan from Capital Reserve account. The second funding source is from WaterSMART grant program of \$500,000. The WaterSMART grant program requires a 50/50 match and funds to be spend before reimbursement. The DWSRF will act as the 50/50 match and funds spent.

RECOMMENDED ACTION

Staff recommends that the Board award the project to Ferguson Waterworks; authorize the General Manager to negotiate and execute a contract with Ferguson Waterworks in an amount not to exceed \$2,060,000, and authorize the General Manager to have change order authority in an amount not to exceed 10% of the contract amount with a total expenditure amount not to exceed \$2,266,000. This will eliminate the need to return to the Board of Directors for minor changes to the project allowing for a timely completion of the project.

ALTERNATIVES

Alternatively, the Board may reject all bids and provide a direction for rebid.

ATTACHMENTS

1. Ferguson Waterworks Submitted Proposal/Bid
2. Request for Proposals/Request For Bids Automated Meter Reading (AMR) and Meter Replacement Project
3. Resolution 2021-

RESOLUTION NO. 2021-42

**OF THE BOARD OF DIRECTORS OF THE
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
AWARDING THE CONTRACT FOR THE AUTOMATED METER REPLACEMENT
PROJECT TO FERGUSON WATERWORKS; AUTHORIZING THE GENERAL
MANAGER TO NEGOTIATE AND EXECUTE A CONTRACT WITH FERGUSON
WATERWORKS IN AN AMOUNT NOT TO EXCEED \$2,060,000; AND AUTHORIZING
CHANGE ORDER AUTHORITY FOR THE GENERAL MANAGER IN AN AMOUNT
NOT TO EXCEED 10% OF THE CONTRACT AMOUNT**

WHEREAS, the Automated Meter Reading and Meter Replacement Project was planned for Fiscal Year 2019/20 in the Board Adopted Five Year Capital Improvement Plan with a total project budget of \$1,925,000; and

WHEREAS, the District subsequently applied for and was awarded a WaterSMART grant in the amount of \$500,000 from the US Bureau of Reclamation for the project; and

WHEREAS, a notice inviting bids to select a contractor to perform the Project was issued on July 20, 2021, and four (4) proposals/bids were received on August 19, 2021; and

WHEREAS, after reviewing the proposals/bids, District Staff has determined that Ferguson Enterprises, LLC dba Ferguson Waterworks was the top-ranked, responsive and responsible proposer/bidder; and

WHEREAS, the Ferguson Waterworks total proposal/bid price is in the amount of \$2,052,865.92; and

WHEREAS, some limited negotiation will be required to resolve and confirm the final contract scope and cost; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT THAT:

1. The construction contract is awarded to Ferguson Waterworks.
2. The General Manager is authorized to negotiate and execute a contract with Ferguson Waterworks in an amount not to exceed \$2,060,000 for the Project.
3. The General Manager is authorized to have change order authority in an amount not to exceed 10% of the contract amount with a total expenditure amount not to exceed \$2,266,000.

PASSED AND ADOPTED by the Board of Directors of the Georgetown Divide Public Utility District at a meeting of said Board held on the fourteenth day of September 2021, by the following vote:

AYES:

NOES:

ABSENT/ABSTAIN:

Michael Saunders, President, Board of Directors
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Attest:

Adam Coyan, Clerk and Ex officio
Secretary, Board of Directors
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

CERTIFICATION

I hereby certify that the foregoing is a full, true, and correct copy of Resolution 2021-42 duly and regularly adopted by the Board of Directors of the Georgetown Divide Public Utility District, County of El Dorado, State of California, on the 14th day of September, 2021.

Adam Coyan, Clerk and Ex officio
Secretary, Board of Directors
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

**REPORT TO THE BOARD OF DIRECTORS
BOARD MEETING OF SEPTEMBER 14, 2021
AGENDA ITEM NO. 8.G.**



AGENDA SECTION: NEW BUSINESS

SUBJECT: AWARD CONTRACT TO FERGUSON WATERWORKS, AUTHORIZE GENERAL MANAGER TO NEGOTIATE AND EXECUTE A CONTRACT IN AN AMOUNT NOT TO EXCEED \$2,060,000, AND AUTHORIZE THE GENERAL MANAGER TO HAVE CHANGE ORDER AUTHORITY IN AN AMOUNT NOT TO EXCEED 10% OF THE CONTRACT AMOUNT WITH A TOTAL EXPENDITURE AMOUNT NOT TO EXCEED \$2,266,000 FOR THE AUTOMATED METER READING AND METER REPLACEMENT PROJECT

PREPARED BY: Adam Brown, Water Resources Manager and
Asa Utterback, Coastland Civil Engineering

APPROVED BY: Adam Coyan, General Manager

BACKGROUND

The District has been awarded funding and financial assistance from the Drinking Water State Revolving Fund (DWSRF) program of the United States Environmental Protection Agency (EPA) through the State Revolving Fund (SRF) administered by the California State Water Resources Control Board (SWRCB) for the Automated Meter Reading and Meter Replacement Project, which proposes to replace all of the approximately 3,668 water consumption meters on the District's treated water system and add automated smart meter reading technology. The District has also been awarded a \$500,000 through the U.S. Bureau of Reclamation's 2021 WaterSMART Grant program to satisfy the remaining funding requirements.

The existing mechanical water meters have far exceeded their service life with an average age of more than 33 years. The meters are known to have lost accuracy over the years resulting in large cumulative losses to the District through unbilled water use. Additionally, the current manual meter reading requirements consume a large amount of staff resources that are much needed elsewhere for the maintenance and management of the water system.

The Automated Meter Replacement (AMR) Project is a top priority for the District and is expected to result in annual water savings of 92 acre-feet (ac-ft), energy savings of 52,370 kilowatt-hours (kWh), and greenhouse gas reduction of 31,946 pounds of CO₂. The water saved will provide increased water supply reliability for municipal and industrial users and agricultural users in the mid to late summer months during periods of drought.

Coastland Civil Engineering is providing project management and engineering services for this project under Task Order No. 2 of the professional services agreement approved by the Board on February 11, 2020, for various capital projects.

DISCUSSION

All of the consumption meters will be replaced under this project with new electronic water meters and integrated in a new AMR system with data analytic capability. These improvements will increase water use efficiency and system reliability by:

1. Streamlining water use data collection and accuracy resulting in more rapid identification and correction of customer water leaks (currently meters are manually read bi-monthly);
2. Providing end users with more accurate, timely, analyzed water use data with programable flags that encourage water conservation by making them aware of their water use patterns including continuous low flow rates indicative of customer leaks like a toilet flap, high flow rate indicative of a customer leaks like a line break, and consumption over time analysis by either a chart, bar graph, or table to help customers with water savings and or budgeting; and
3. Reducing cost associated with manual meter reading which will indirectly result in more efficient use of District financial and human resources to replace meters in a timely manner, reducing Real Losses in the future by replacing/repairing leaking infrastructure, managing system pressure that will further reduce Real Losses, and improve overall water system efficiencies.

Coastland prepared the Request For Proposals/Request For Bids (RFP/RFB) document with specifications for the project which defined a process by which the District was able to receive and compare competitive bids for the various technologies and manufacturers of the meters and AMR systems. The process enabled the District to select the combination of technologies, manufacturer quality, implementation service capabilities and lifecycle costs that best suits the long-term goals of the District.

The District advertised the request for proposals/request for bids on July 20th and the proposals/bids were due on August 19, 2021. The District received four proposals; from Ferguson Enterprises, LLC dba Ferguson Waterworks (Neptune metering equipment), Aqua Metric (Sensus metering equipment), Mueller and Zenner. While all four proposals represented large, well-known manufacturers, the proposals from Mueller and Zenner were deemed non-responsive and had to be disqualified due to their failure to submit all of the required bid forms. The Aqua Metric proposal came with a proposed cost that was over \$1 million higher than Ferguson's and exceeded the District's budget by more than \$700 thousand in spite of the fact the proposed meters did not meet all of the specified requirements.

The Ferguson proposal was top ranked as it met all of the required and preferred specifications, fully satisfied the proposal requirements, and was within the project budget with a proposed

project cost of \$2,052,865.92. Summaries of the proposed costs and the composite proposal scoring by the staff review panel are shown in Tables 1 and 2 below. Some of the key factors which distinguished the Ferguson/Neptune proposal and products are the following:

1. The Neptune meters fully met the specifications for all sizes needed, are all brass bodied and American-made.
2. Ferguson has demonstrated a reliable history of prompt delivery and good service to the District.
3. The Neptune AMR system allows for ready use with a broad range of mobile devices which will limit the on-going reading equipment costs, improve flexibility, and work with the mobile devices already used by field crews.
4. Neptune maintains full backward compatibility for their products as technology moves forward which will protect the usability of and the District's investment in their products.
5. The meter register technology and design of the larger meters enables less costly and easier replacement when needed which will help reduce District costs.
6. Both Ferguson and Neptune maintain relatively local supply houses for quick supply, which limits the amount of material stocking needed by the District.
7. Neptune included an enhanced schedule of warranty coverage with increased reimbursement percentages.

Table 1 – Proposed Costs

	Ferguson / Neptune	Aqua Metric / Sensus
Proposed Cost / Bid	\$ 2,052,865.92	\$ 3,195,148.40
20-Year Lifecycle Cost	\$ 2,192,362.03	\$ 3,427,883.08
<i>Total</i>	\$115,000	\$ 123,148

Table 2 – Composite Proposal Scoring

Scoring Factor	Value / Weight	Ferguson / Neptune	Aqua Metric / Sensus
Qualifications, Experience and History of Proposed Vendor Team	20	18.7	16.3
Technical Requirements / System Capabilities	30	28.0	20.3
Reference Rating of Product Quality, Reliability, Ease of Use & Customer Service	20	19.3	13.0
20-year Life Cycle Cost	30	30.0	19.0
TOTAL SCORE	100	96	68.6

Since two of the proposals were disqualified and one of the two qualifying proposals has costs which far exceed the budget, only the Ferguson/Neptune team was invited for an interview. As a result of the interview and the proposal reviews, Ferguson was confirmed to be the top ranked proposer and fully compliant with the specifications and the project intent. There are some minor points which need to be negotiated, but Ferguson's proposal formed the best representation of the set of improvements and products which will best serve the District's automated water metering needs.

The project is planned to be completed by the end of June 2022.

All construction management and inspection will be handled by District staff. Coastland is planned and budgeted to provide construction and implementation support to assist District staff.

Once the board takes action to award the contract, Staff will send the Contractor a Notice of Award, and commence negotiation of the contract. Once negotiations are complete, the Contractor will execute the agreement and supply the required performance and payment bonds and insurance documentation.

ANALYSIS

The District can take one of two alternative actions: award the construction contract to Ferguson Waterworks or reject all proposals/bids and provide direction to staff for re-soliciting proposals for the planned improvements.

Alternative 1 – Award Project

The Board could award the project to Ferguson as recommended by staff, and have the project proceed according to the planned schedule. The budgeted funding with the SRF loan and the WaterSMART grant funding is sufficient to fully fund the award to Ferguson with the recommended expenditure limits as shown in Table 3 – Project Budget. Award to Ferguson would provide for timely completion of a reliable replacement of the existing antiquated system.

Alternative 2 – Reject All Bids

Alternatively, the Board could reject the proposals/bids. If the Board rejects the bids, District Staff would need to consider repackaging or deferring the project to advertise again later. The schedule would need to be defined later, but staff would probably be able to re-advertise the project later in the Fall of 2021 with construction probably beginning in early 2022.

Bid prices can vary throughout the year based on many factors, including contractor workload, number of interested contractors, and cost of materials. The results of a future rebid are unknown, and bids could be higher or lower depending on market conditions at the time of the bid.

FISCAL IMPACT

The District will utilize two funding sources to complete the AMR project. The first funding source is from the DWSRF at an amount of \$1,726,046.00 through a low interest 20-year loan. Annual installments of 97,458.18 will be paid through the term of the loan from Capital Reserve account. The second funding source is from WaterSMART grant program of \$500,000. The WaterSMART grant program requires a 50/50 match and funds to be spend before reimbursement. The DWSRF will act as the 50/50 match and funds spent.

RECOMMENDED ACTION

Staff recommends that the Board award the project to Ferguson Waterworks; authorize the General Manager to negotiate and execute a contract with Ferguson Waterworks in an amount not to exceed \$2,060,000, and authorize the General Manager to have change order authority in an amount not to exceed 10% of the contract amount with a total expenditure amount not to exceed \$2,266,000. This will eliminate the need to return to the Board of Directors for minor changes to the project allowing for a timely completion of the project.

ALTERNATIVES

Alternatively, the Board may reject all bids and provide a direction for rebid.

ATTACHMENTS

1. Ferguson Waterworks Submitted Proposal/Bid
2. Request for Proposals/Request For Bids Automated Meter Reading (AMR) and Meter Replacement Project
3. Resolution 2021-

(PLEASE NOTE: Due to the size of Attachments 1 and 2, they can be accessed at this link:

[Staff report attachmts-AMR award](#))

RESOLUTION NO. 2021-43

**OF THE BOARD OF DIRECTORS OF THE
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
RESCINDING CONTRACT AWARD TO JM ENVIRONMENTAL OF AUGUST 10,
2021; REJECTING ALL BIDS RECEIVED FROM JULY 9, 2021 BID OPENING;
ACCEPTING BIDS FROM THE SEPTEMBER 2, 2021 BID OPENING; AWARDED
THE CONSTRUCTION CONTRACT TO JM ENVIRONMENTAL, INC. IN THE
AMOUNT OF \$72,727 FOR THE OLD AUBURN LAKE TRAILS WATER TREATMENT
PLANT DEMOLITION PROJECT; AND AUTHORIZING THE GENERAL MANAGER
TO APPROVE CHANGE ORDERS NOT TO EXCEED 10% OF THE CONTRACT
AMOUNT FOR A TOTAL CONSTRUCTION AUTHORIZATION AMOUNT OF \$80,000**

WHEREAS, the Old Auburn Lake Trails Water Treatment Plant Demolition Project was planned for Fiscal Year 2020/21 in the Board Adopted Five Year Capital Improvement Plan with a total project budget of \$115,000; and

WHEREAS, bids were invited by the District and three (3) bids were received on July 9, 2021; and

WHEREAS, the District took action on August 10, 2021 to award the Project to JM Environmental, Inc.; and

WHEREAS, the District subsequently modified the project requirements and repackaged the project bid documents for a rebid; and

WHEREAS, a notice inviting bids to select a contractor to perform the Project was issued on August 25, 2021, and three (3) bids were received on September 2, 2021; and

WHEREAS, after reviewing bids, District Staff have determined that JM Environmental, Inc. was the lowest responsive and responsible bidder; and

WHEREAS, the JM Environmental, Inc. total bid price is in the amount of \$72,727; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT THAT:

1. The contract award to JM Environmental from August 10, 2021 is rescinded.
2. All bids received from July 9, 2021 bid opening are rejected.
3. All bids received from the September 2, 2021 bid opening are accepted.
4. The construction contract is awarded to JM Environmental, Inc. in the amount of \$72,727.

5. The General Manager is authorized to execute a construction contract with JM Environmental, Inc. in the amount of \$72,727 for the Project.
6. The General Manager is authorized to approve change orders not to exceed 10% of the contract amount with a total expenditure authorization of \$80,000.

PASSED AND ADOPTED by the Board of Directors of the Georgetown Divide Public Utility District at a meeting of said Board held on the fourteenth day of September, 2021, by the following vote:

AYES:

NOES:

ABSENT/ABSTAIN:

Michael Saunders, President, Board of Directors
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Attest:

Adam Coyan, Clerk and Ex officio
Secretary, Board of Directors
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

CERTIFICATION

I hereby certify that the foregoing is a full, true, and correct copy of Resolution 2021-43 duly and regularly adopted by the Board of Directors of the Georgetown Divide Public Utility District, County of El Dorado, State of California, on the 14th day of September, 2021.

Adam Coyan, Clerk and Ex officio
Secretary, Board of Directors
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT