

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

*Special Notation:*

*Director David Halpin will participate in this meeting from a satellite location via telephone.  
The Public may participate in all Open Session portions of this meeting from this location.  
The specifics of his location, while participating in this meeting, are as follows:  
1192 Walterwalk Drive, Holland, Michigan 49423*

**TUESDAY, MARCH 13, 2018  
2:00 P.M.**

**MISSION STATEMENT**

---

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

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

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

*The meeting was called to order at 2:06 PM.*

*Directors Present: David Halpin (by conference call), Jesse Hanschild, David Souza, Lon Uso, Dane Wadle.*

*Staff Present: General Manager Steven Palmer, Operations Manager Darrell Creeks, Engineering Consultant George Sanders, Management Analyst Christina Cross. Legal Counsel: Barbara Brenner, Churchwell White, LLP.*

**2. ADOPTION OF AGENDA**

***Motion by Director Souza to adopt the agenda. Second by Director Hanschild.***

**Vote:**

***Ayes: Halpin, Hanschild, Souza, Uso, Wadle***

***The motion passed unanimously.***

- 3. PUBLIC FORUM** – Any member of the public may address the Board on any matter within the jurisdictional authority of the District. Public members desiring to provide comments, must be recognized by the Board President, and speak from the podium. Comments must be directed only to the Board. The public should address the Board members during the public meetings as President, Vice President, or Director, followed by the Board member's individual last name. The Board will hear communications on matters not on the agenda, but no action will be taken. No disruptive conduct shall be permitted at any Board meeting. Persistence in disruptive conduct shall be grounds for summary termination, by the President, of that person's privilege of address.

*A member of the public from Greenwood raised a concern regarding the safety of the ALT crossing at Sliger Mine Road and recommended its repair.*

*A member of the public requested that the Board consider adopting a Water Bill of Rights within the guidelines of Prop 218.*

*Cindy Garcia, a member of the GDPUD Finance Committee, asked that Strategic Planning documents and CIP and planned grant and loan projects be made available prior to the [budget] workshop to minimize time spent at the workshop. She also requested to have the financial information that went into the rate study, the information that was provided to Jon Van den Bergh. Ms. Garcia proposed that the agenda for the next meeting include an item for discussion about the District's billing processes and procedures.*

*A member of the public asked about the process for receiving irrigation water and the annual application period of January 1 through March 31.*

*Steven Dowd addressed the Board regarding the December water billing and the recent water rate increase. He also requested that the Directors donate their \$400 monthly compensation to the financial assistance fund for low income rate payers.*

#### **4. CONSENT CALENDAR**

##### **A. Approval of Minutes**

1. Regular Meeting of January 9, 2018

##### **B. Financial Reports**

1. Month End Cash Disbursements Report
2. Statement of Cash and Investment Balances

**Motion by Director Hanschild to approve the Consent Calendar. Second by Director Souza.**

**Vote:**

**Ayes: Halpin, Hanschild, Souza, Uso, Wadle**

**The motion passed unanimously.**

#### **5. INFORMATIONAL ITEMS**

##### **A. President's Report**

*Director Uso recently met with leaders and staff of other water agencies to discuss the direction the State is going with respect to water. He stated that clearly it is the ultimate goal of the State to take charge of our water. All water agencies throughout the state should come together. Although there are different ideas of how water should be utilized in different parts of the state, what we do have in common is that we have a State Water Board that is not working in the best interest of all the agencies in the state. Director Uso would like to continue to participate with this group and work to bring all agencies together to speak with one voice so we can enjoy the use of our own water for a long time.*

##### **B. Board Reports**

*There were no Board reports.*

##### **C. General Manager's Report**

*Steve Palmer provided a summary of his written report.*

*Staffing: Internal recruitment is underway to give current interested employees an opportunity to apply for the open Wastewater Technician position. External recruitment is underway to fill the open Administrative Aide I position.*

Rates: The newly adopted rates are now effective, and customers have received their bills. He reiterated that if customers are enrolled in autopay through another provider, such as their bank, they need to check with their provider regarding their autopay settings. Staff is receiving a lot of calls regarding the new rate structure.

Audit: Staff has released a Request for Proposals for auditing services. Since the District has a completely new management team and several Board members that were not involved in the selection of the current auditor, Staff felt it was appropriate to solicit proposals from qualified firms. Proposals are due on March 23, 2018. Approval of a new agreement will be presented to the Board at a future meeting.

Public Records Act Requests: The office has been inundated with Public Records Act requests recently. Generally, the District is required by State law to respond no later than 10 calendar days from receipt of the request. During the last two weeks of February, the District received 11 Public Records Act requests. This is an unusually high volume as the District historically has received 13 or fewer requests in an entire year. Responding to this large volume of requests in a short period of time places a large burden on staff.

FY 2018-19 Budget Preparation: The GM provided a tentative timeline for the adoption of the budget. A strategic planning session is scheduled for March 30. The theme will be "Creating Stability and Looking to the Future." An agenda will be out shortly. A draft budget will be presented to the Finance Committee on April 17. The final draft budget will be presented to the Board in a joint meeting with the Finance Committee on May 8, with the final budget presented for adoption by the Board on June 17. The May and June presentations will also include a Five-Year CIP update.

Director Uso asked about moving the strategic planning meeting to a Saturday. Mr. Palmer responded that 1) the agenda will be made public prior to the meeting, and it will be specific enough that anyone can submit comments or questions prior to the meeting, and 2) there is not enough time to reschedule to another date and venue without pushing it out to May.

Director Wadle noted that in his experience Saturdays don't usually work for a variety of reasons and that he prefers to stick to the March 30 date.

An independent facilitator will be drawing input from all participants: the Board, the GM and staff, and customers.

Mr. Palmer reviewed upcoming agenda items.

Bonnie Neeley of Georgetown stated her concerns regarding the plans of the District and the strategic planning session scheduled for March 30.

#### **D. Operation Manager's Report**

Darrell Creeks provided a summary of his report. Everything is going well in the system. The system sampling coming back good. Stumpy is still spilling.

#### **E. ALT Treatment Plant Update**

George Sanders provided a slide show to enhance his written report and update. This month's activities continue to focus on the filter building, chemical storage room, office area, and lab.

Mr. Saunders reported on the status of the work being done by various contractors. He further reported that no change orders were processed during the current reporting period.

The District has received seven reimbursement payments from the State Revolving Fund Loan Agreement (SRF) for a total amount of \$4,870,205. At the time of this report, the District has one outstanding reimbursement request, in the amount of \$891,256.

Director Uso commended staff for keeping this project on time and on budget and for the overall management of the project and high quality of work being performed.

Director Wadle asked for clarification regarding the one last reimbursement request from the SRF. Mr. Saunders clarified that he was referring to the February reporting period, not the entire term of the project. There will be more reimbursement requests each month.

Director Uso also noted that there has been some misconception in the community regarding who benefits from the treatment plant located at Auburn Lake Trails (ALT). This plant services the north end of the District, about half of the customers in the District, not just the residents of ALT.

#### **F. Finance Committee Report**

Rick Gillespie, Finance Committee Chair, reported that the Committee met on February 20, which was the first meeting for some time. The following officers were elected: Rick Gillespie, Chair; Cindy Garcia Vice Chair. The next item looked at was the mid-year budget review, making sure that the District is in line with the budget.

The next regular meeting will be Tuesday, March 20.

### **6. NEW BUSINESS**

#### **A. Receive and File Prior Year Water Supply and Demand Report**

**Possible Board Action:** Receive and File.

Mr. Creeks introduced Adam Brown, the District's new Water Quality Manager. Mr. Brown reported that the Water Quality Report is a snapshot into the District's yearly use and the supply and demand of our treated and untreated water. It tracks water sold for residential and commercial use.

The report was received and filed.

#### **B. Receive Mid-Year Budget Report and Approve Associated Budget Adjustments**

**Possible Board Action:** Receive and file Budget Report. Adopt resolution approving Budget Adjustment.

Mr. Creeks introduced the new Management Analyst, Christina Cross. Director Uso congratulated Ms. Cross on her new position. Ms. Cross reported the following:

Revenues: At the end of the second quarter, the water operating fund revenues were at 34.8% of the budgeted amount. Residential water sales were at 58.4%, commercial water sales were at 61.2%, and irrigation sales at 53.4%. Property tax revenues were not received during the first and second quarters, but in January some revenue came in and it was at 54% of projected annual receipts. Wastewater operating fund revenues are at 54.5% of the budgeted amount.

Expenditures: At the end of the first two quarters, water operating fund expenditures were at 43.1% of the budgeted amount, and wastewater operating fund expenditures were at 42.9% of the budgeted amount.

Many unexpected emergencies, water line breaks, and water line leaks are having a measurable impact on overtime, materials and supplies, and vehicle operations. Overtime expenses are running higher than expected at this point in the fiscal year. Across all water divisions, administration, and customer service, overtime expenditures are averaging 55%. At this point in time, it appears that this increase in overtime expenditures requires a budget increase of \$15,146.

Materials and supplies are also higher than expected at this point in the year due to unplanned water line breaks and leaks. Materials and supplies expenses across all water departments are at approximately 61% of the annual budget for this item. A budget increase of \$18,000.00 for materials and supplies is recommended to allow for purchases of materials and supplies for the remainder of the year.

Vehicle operations expenses are also higher than expected at this point in the year. Across all water divisions, vehicle operations expenses are at approximately 66% of the annual budget for this item at mid-year. A budget increase of \$8,000.00 is required.

All wastewater operating expenditures during the first quarter are within expected ranges for this point in the fiscal year.

Director Wadle asked if there might be potential savings in other areas that could offset higher expenses. Ms. Cross responded that staff had already adjusted other accounts.

**Motion by Director Hanschild to adopt Resolution 2018-12 authorizing the Mid-Year Budget Adjustment. Second by Director Halpin.**

**Public Comment:** Mike Saunders commented that the over-budget items were on the vehicle maintenance and pipes, and regular maintenance on pipes and vehicles will offset the emergency fund. Director Uso agreed, citing the July 4 emergency as an example.

**Vote:**

**Ayes: Halpin, Hanschild, Souza, Uso, Wadle**

**The motion passed unanimously.**

#### **C. Review and Adopt Resolution Approving the Low-Income Rate Assistance Program**

**Possible Board Action:** Review Low-Income Rate Assistance Program and adopt Resolution 2018-4 if moving forward.

Ms. Cross presented the staff report for this item. During the January 9, 2018, Regular Board Meeting a low-income rate assistance program for treated water customers was presented. The Board of Directors requested that this item be brought back to the March 13 meeting along with the Mid-Year Budget Review. Legal Counsel reviewed the item and found no issues with it. Barbara Brenner confirmed, stating that she had no suggestions for modifications or any concerns from a legal perspective.

Director Uso provided some background stating that the Board set aside \$35,000 from ad valorem tax revenue. He explained that the funds must come from a source other than rate payer revenue to set up anything not directly related to the operation of the District.

Mr. Palmer provided a summary. The funds will be disbursed upon a first come, first served basis until the money that was set aside has been allocated. Any rate payer can apply, based either upon participation in the PG&E CARE program (as verified by their PG&E bill), or based upon District parameters. The Board can act every year to set aside a certain amount of money for the program through the budgeting process. This assistance is for residential treated water customers only, and discounts go to the account holder.

Director Halpin asked if the \$15,000 identified by staff as administrative cost to the program would be paid from the \$35,000 set aside for the program. There was some discussion between the Directors and Legal Counsel as to how to make sure the entire \$35,000 is allocated to the program.

Director Uso asked if it is possible to make this retroactive to the last billing cycle. Mr. Palmer said he would have to look into this with Legal Counsel.

**Motion by Director Hanschild to adopt Resolution 2018-04 Low-Income Rate Assistance Project starting with the next billing cycle using ad valorem funds, and allowing the General Manager to vet the possibility of making the program retroactive to the January-February 2018 billing cycle. Second by Director Souza.**

**Public Comment:**

Ms. Garcia asked if ad valorem funds can be used for administrative work. Ms. Brenner answered "Yes."  
+

Ms. Neeley commented that it shouldn't take much administrative work to process applications from people on the CARE program.

**Vote:**

**Ayes:** *Hanschild, Souza, Uso*

**Noes:** *Halpin, Wadle*

**The motion passed on a 3-2 vote.**

- D. Acknowledge the Valuable Service provided by Donna Bruss on the Finance Committee, remove Donna Bruss from the committee, consider resolution increasing Finance Committee membership to seven (7), and consider appointment of Ken Pauley and Michael Saunders to the Finance Committee**

**Possible Board Action:** Adopt Resolution 2018- removing Donna Bruss from the Finance Committee. Adopt Resolution 2018- increasing Finance Committee Membership to seven (7). Adopt Resolution 2018- appointing Ken Pauley and Michael Saunders.

*Mr. Palmer summarized the staff report.*

*Director Uso recognized the service and fine work of Finance Committee Member Donna Bruss.*

**Motion by Director Hanschild to adopt Resolution 2018-13 Recognizing Donna Bruss for Her Service and Removing Her from the Finance Committee. Second by Director Souza.**

**Public Comment:** *There was no public comment.*

**Vote:**

**Ayes:** *Halpin, Hanschild, Souza, Uso, Wadle*

**The motion passed unanimously.**

**Motion by Director Hanschild to adopt Resolution 2018-14 Providing Role and Responsibilities of the Finance Committee and correcting Exhibit A 4) to "no more than seven." Second by Director Souza.**

**Public Comment:** *There was no public comment.*

**Vote:**

**Ayes:** *Halpin, Hanschild, Souza, Uso, Wadle*

**The motion passed unanimously.**

**Motion by Director Hanschild to adopt Resolution 2018-15 Confirming Appointments to the Finance Committee appointing both Ken Pauley and Michael Sanders to the Finance Committee. Second by Director Souza.**

*Mike Saunders introduced himself and described his background and qualifications.*

*Ken Pauley introduced himself and described his background and qualifications.*

*Rick Gillespie spoke in favor of increasing the Finance Committee to seven members.*

*Public Comment: There was no public comment.*

**Vote:**

**Ayes: Halpin, Hanschild, Souza, Uso, Wadle**

*The motion passed unanimously.*

**E. Review and Provide Direction Regarding Implementation of a Level Pay Plan for Irrigation Customers**

**Possible Board Action:** Review issues related to a level pay plan and provide direction to Staff.

*Mr. Palmer listed several points the Board might want to consider before moving to a level pay plan for irrigation customers. There was some discussion.*

*The Board instructed Staff to continue to explore the issue and bring a recommendation to the May 2018 Board Meeting.*

**F. Review and Provide Direction for Update of Irrigation Ordinance**

**Possible Board Action:** Review plan for potential update of irrigation ordinance and provide direction to Staff.

*Mr. Palmer recommended the Board hold at least one public workshop with the goal of gathering suggestions for updates and changes to the irrigation ordinance. This workshop would not be a Board meeting and would be run by Staff as a forum to receive suggestions for consideration. The second step of this process would be for Staff to analyze these suggestions and bring the suggestions and corresponding analysis to the Board for direction. Pending that direction from the Board, Staff could prepare a new ordinance regarding irrigation rules and regulations for Board action. Mr. Palmer further stated that scheduling the workshop during late April or early May would allow sufficient time to develop a program for the workshop and provide notice to customers well in advance of the workshop.*

*Director Uso stated that he would like the Board to be included in that workshop. Director Halpin agreed, saying it is helpful to keep the Board involved in these public discussions.*

*There was some discussion between the Board, Legal Counsel, and Staff on the nature of public workshops generally. It was clarified that a public workshop must be noticed according to the Brown Act, there can be input and comments from all participants – Staff, Directors, and the public – but no decisions can be made, and Directors cannot give direction to Staff. It is strictly a public dialogue.*

*There were some comments from the public revolving around the degree of participation by the Board Directors at the workshop and the comfort level of the irrigation customers to speak freely in the presence of Board Members.*

*Director Uso confirmed that Staff will organize a public workshop.*

**7. Board Discussion**

**A. Time of Board Meetings (Requested by Director Souza)**

*Director Souza said that he had been approached a few members of the public who would like to see the 2:00 PM Board Meetings moved to a morning schedule, such as 9:00 or 10:00 A.M. and recommended that change.*

*Director Hanschild commented that there are many items coming up on the April and May agendas, and there may be people who are expecting to come to these meetings at 2:00 P.M. He therefore recommended that any change in the time of day for Board meetings be brought to the Board for discussion later.*

8. **BOARD MEMBER COMMENTS, REQUESTS FOR ADDITIONS TO FUTURE MEETING AGENDAS AND REQUESTS FOR INFORMATION OR RESEARCH TO BE COMPLETED BY STAFF** – Opportunity for Board members to discuss matters of interest to them and provide input for future meetings as well as report on their District-related meeting attendance.

*There being no further comments, the Board adjourned to closed session at 4:50 P.M.*

9. **ADJOURN TO CLOSED SESSION – CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION: Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9: (one potential case).**

*The Board returned to open session at 6:04 P.M. and reported that no action was taken in closed session.*

10. **NEXT MEETING DATE AND ADJOURNMENT** – Next regular meeting is April 10, 2018, at 2:00 PM, at the Georgetown Divide Public Utility District, 6425 Main Street, Georgetown, CA 95634.

*The meeting adjourned at 6:04 P.M.*

In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this meeting, please contact Steve Palmer by telephone at 530-333-4356 or by fax at 530-333-9442. Requests must be made as early as possible and at least one-full business day before the start of the meeting. In accordance with Government Code Section 54954.2(a), this agenda was posted on the District's bulletin board at the Georgetown Divide Public Utility District office, at 6425 Main Street, Georgetown, California, on March 9, 2017.



Steven Palmer, PE, General Manager



Date