

**CALAVERAS PUBLIC UTILITY DISTRICT**

**August 20, 2019**

**Regular Meeting**

**7:00 P.M.**

MEMBERS PRESENT: J.W. Dell'Orto  
Clifford Overmier  
Richard Blood  
Alan (Bill) Claudino  
John Lavaroni

MEMBERS ABSENT: None

STAFF PRESENT: Donna Leatherman, District Manager  
Kate Jesus, Administrative Account Assistant  
Christopher Williams, Legal Counsel

OTHERS PRESENT: Tammy and Charlie Hebrard  
T. M. Moran  
Scott Speer  
Sharon Fischer  
Joyce Bernier

1. ROLL CALL AND PLEDGE OF ALLEGIANCE: The regular meeting was called to order by Chairperson Dell'Orto at 7:07pm. Director Overmier, Blood, Claudino and Lavaroni were present.
2. PUBLIC COMMENT (Limit 3 minutes per person/15 minutes per subject): Joyce Bernier introduced herself. She expressed concerns regarding the impact the rate increase would have on her fixed income. Chairperson Dell'Orto understood her concerns and thanked her for her comments.
3. APPROVAL OF CONSENT CALENDAR:
  - a. Minutes for Regular Meeting of July 16, 2019
  - b. Minutes for Public Hearing of August 13, 2019
  - c. Directors Report for July 2019
  - d. Monthly Maintenance Report for July 2019

Director Blood inquired about the difference between the water treated and sold and when the report would be available; the Manager stated that this would be discussed in item #8. A motion was made by Director Overmier, seconded by Director Claudino to approve the Consent Calendar. Motion carried 5-0.

4. FINANCIAL BUSINESS:
  - a. Approval of Claim Summary #730: Directors Lavaroni inquired about the payment to Inland Potable Services Inc; the Manager stated the payment was for water tank maintenance. Tammy Hebrard commented on the public relations and special legal counsel expenses associated with the public hearing, stating that the sub-contracting work could have been done in-house. She also expressed concerns regarding Resolution 2019-8 and the number of parcels served by the District in regards to the number of protests needed for the majority. Director Blood noted that during an Ad Hoc Committee meeting, he had stated that the special legal services of Mandell Municipal Counseling were not needed at the public hearing. Christopher Williams, District Legal Counsel, discussed the need to contract with special legal counsel to support the District during the Proposition 218 rate increase proceedings. Director Lavaroni stated that Mr. Williams had a planned vacation at the time of the Public Hearing and the District needed legal representation. The Manager agreed that the services were needed and took it upon herself to have Mr. Mandell attend the public hearing. A motion was made by Director Overmier, seconded by Director

Claudino to approve the Claim Summary #730 in the amount of \$236,570.11 as presented. Motion carried 5-0.

b. 4<sup>th</sup> Quarter Investment Report: The Board reviewed the report. A motion was made by Director Lavaroni, seconded by Director Overmier to approve the 4<sup>th</sup> Quarter Investment Report as presented. Motion carried 5-0.

5. ACCEPT: SPECIALIZED UTILITY SERVICES PROGRAM (SUSP) MEDIAN HOUSEHOLD INCOME (MHI) SURVEY: The District received the results of the survey which determined that the MHI for the District is \$47,540 which qualifies the District as a Disadvantaged Community (DAC). The Board reviewed the report. Director Lavaroni inquired about the service addresses listed in Exhibit E of the report and if this was a confidentiality issue; the Manager would clarify with SUSP and follow up with the Board. The Board agreed that the acceptance of the report would be tabled until the September Board meeting.

6. REVIEW/DISCUSSION: ACWA/JPIA – RISK MANAGEMENT ASSESSMENT: The Board reviewed the results of the annual Risk Management Assessment from ACWA/JPIA. The Manager stated that staff would be participating in additional safety training this Fall hosted by ACWA/JPIA.

7. REVIEW: PRELIMINARY 2019/20 BUDGET: The Manager reviewed the preliminary budget with the Board addressing changes from FY 2018/19. Director Blood inquired about the county taxes income, which was clarified. Tammy Hebrard expressed concerns regarding the District's overhead expenses being too high and also suggested that the ~~Ad Hoc Committee re-evaluate the rate increase~~Board consider the Ad Hoc Committee's recommendation from the March 19, 2019 Special Meeting. The Board discussed several line items of the preliminary budget including engineering, employee wages and benefits. The Manager stated that cost of living adjustments (COLA) were not included in the 2019/20 budget. Director Blood inquired about the comments on the expense page suggesting COLA increases were included; the Manager noted that this was an error and would be removed. Director Blood requested a spreadsheet showing each employee's merit increases; the Manager will follow up. Director Blood suggested that certain budget line items have a breakdown showing more detailed information and a detailed description of each capital improvement project be presented to the Board prior to any funds being spent. He also suggested a line item showing the Cafeteria Plan be added to the budget. The Manager stated that our current accounting software does not have this capability. Tammy Hebrard and Scott Speer expressed concerns with the current accounting procedures of the District. A motion was made by Director Overmier, seconded by Director Lavaroni to approve the Preliminary 2019/20 Budget with review of budget line items and District policies including the Cafeteria Plan and merit increases. Motion carried 5-0. Scott Speer inquired if the Board would reconsider and discuss the recently adopted water rates; the Board replied no.

8. MONTHLY WATER USAGE REPORT: The water usage for the month of July 2019 was presented for review and discussion. The Manager reported that staff continues to work on the water loss investigation and preliminary results show an average daily discrepancy between 350,000 and 400,000 gallons. A presentation will be made to the Board at an upcoming meeting. The Board discussed the option of recalibrating the existing meter but agreed that installation of a new meter would be best due to its age. The Manager is recommending the replacement of the existing meter with an estimated cost not to exceed \$15,000. Director Lavaroni and Overmier inquired about the amount of chemicals used to treat the water regarding the usage difference; the Manager would follow up.

9. MANAGERS COMMENTS:

a. Monthly Report: A report of ongoing projects was provided to the Board for review and discussion. The Manager also reported on recent discussion with California Rural Water Association

(CRWA) and the availability of Proposition 1 funds for leak detection and possible meter replacement project.

10. DIRECTORS COMMENTS (Save the Date: Board Training – Tuesday, November 12, 2019)

a. LAFCO – Meeting Reminder 9/16/19 – Director Lavaroni: None.

b. CAMRA – Meeting Reminder 8/21/19 – None.

c. UMRWA – Meeting Report 7/26/19 – Director Blood: Director Blood gave a recap of the meeting which included a tour of the forest restoration projects and updates to Prop 1 IRWM grant applications for Calaveras County Water District (CCWD) and Amador Water Agency (AWA).

The Manager reminded the Board of the upcoming Board training for Tuesday, November 12, 2019 at 6:00pm prior to the Board meeting. Director Lavaroni requested a reminder be sent out.

11. CLOSED SESSION: None

12. ADJOURNMENT (Next Regular Meeting September 10, 2019): As there was no further business to come before the Board, the meeting was adjourned at 8:56 p.m.

Respectfully submitted,

Kate Jesus, Administrative Account Assistant

