

CALAVERAS PUBLIC UTILITY DISTRICT

September 19, 2023

Regular Meeting

9:00 am

DIRECTORS PRESENT: Richard Blood
Jack Tressler
Steve McDermed

MEMBERS ABSENT: Brady McCartney
J.W. Dell'Orto

STAFF PRESENT: Travis Small, General Manager
Adam Brown, District Legal Counsel (Remote)
Carissa Bear, Clerk of the Board
Mathew Roberts, Water System Superintendent

OTHERS PRESENT:

1. CALL THE MEETING TO ORDER: The regular meeting was called to order by President Blood at 9:02 A.M.
2. ROLL CALL OF DIRECTORS: Directors Blood, Tressler, and McDermed, were present. Director McCartney and Dell'Orto were absent.
3. PLEDGE OF ALLEGIANCE
4. PUBLIC COMMENT (Limit 3 minutes per person/15 minutes per subject): None.
5. CONSENT ITEMS
 - a. August 1, 2023 Special Board Minutes
 - b. August 15, 2023 Regular Board Minutes
 - c. Claim Summary

Director Tressler asked for clarification on the work done for the Ditch Witch as he thought it was under warranty. Travis Small, General Manager, clarified that it was annual maintenance. President Blood inquired about the payment to EDD. Mr. Small informed him that it is for Employment Development Department which is the state payroll taxes. A motion was made by Director Tressler, seconded by Director McDermed, to approve consent items a-c. A roll call vote was taken. Directors Tressler, McDermed, and Blood voted yes; none opposed. Motion carried 3-0.

6. ANNUAL AUDIT ENGAGEMENT LETTER

Director Tressler questioned if the District should be looking for another auditor. Mr. Small explained that auditors are hard to find right now and was advised to stay with current auditors as long as they have enough employees at the firm to switch from last year. Which our current firm has enough employees to do that. Director Tressler asked it was required to switch. Mr. Small

explained that the Governmental Accounting Standards Board requires the switch. President Blood asked if the District like the current auditors. Mr. Small replied that he does. The audit is tentatively scheduled for early November. A motion was made by Director Tressler, seconded by Director McDermed, to approve the professional services agreement with Larry Bain, CPA, An Accounting Firm. A roll call vote was taken. Directors Tressler, McDermed, and Blood voted yes; none opposed. Motion carried 3-0.

7. NOTICE OF COMPLETION – CLEARWELL TANK PROJECT

Mr. Small informed the Board that the new Clearwell Tank is in operation. Construction is complete and the District has paid the final bill minus the retention. Director Tressler asked the amount of retention. Mr. Small believed it was 5%. Mr. Small explained to the Board what the retention is and the purpose of having a retention in place. A motion was made by Director Tressler, seconded by Director McDermed, to approve Resolution 2023-14 Accepting the Work on the Clearwell Tank Phase II Site Improvement Project. A roll call vote was taken. Directors Tressler, McDermed, and Blood voted yes; none opposed. Motion carried 3-0.

8. RESOLUTION 2023-15 UPDATE POLICY 4130 – DIRECTOR COMPENSATION, BENEFITS AND REIMBURSEMENT OF EXPENSES

Mr. Small gave a background of this policy. This policy was brought to the Board back in the fall of 2021. Part of the policy was adopted which raised the payment of \$25 per Board Meeting to \$100 per Board Meeting. The health benefits did not get adopted. This update to the policy was brought to a committee meeting with Directors Blood and McCartney. Through the committee, they have recommended to provide dental and vision for the Board Members. Director Tressler asked if this included Board's dependents and when will the policy be reviewed again. Mr. Small clarified that it does include dependents and that per the policy, it should be reviewed biannually. Director Tressler has expressed his view on this policy but believes this solution is a good compromise and will be a big move for the District. Mr. Small believes that until the District can secure alternative funding that this is the best option. President Blood expressed his reservations with passing the policy. He spoke with members of the public and received upset responses. President Blood asked to move this item to the next meeting that way all Board Members will be present and can vote on it. The other directors agreed.

9. FISCAL YEAR 2022/2023 FINAL BUDGET UPDATE AND AMENDMENT

Mr. Small informed the Board that these budget amendments will finalize the Budget for Fiscal Year 2022/23. The District stayed under budget for the majority of the categories. This amendment is to just move funds around to make each category within budget. Director Tressler asked what items caused going over budget. Mr. Small replied that most of it was PG&E and rental fees when the District's backhoe was down. Mr. Small explained that this amendment is to move \$33,056 from salaries to equipment rental. Director Tressler asked if Mr. Small eliminated a vacant position. Mr. Small explained that the position is not eliminated, it's just not filled at this time. Once a position is eliminated it is often difficult to get that position back. President Blood inquired if hiring of that position would be brought back for Board approval. Mr. Small explained that hiring staff is within his authority as long as a position is available. If a position needs to be created, that would be brought back to the Board. A motion was made by Director Tressler, seconded by Director McDermed, to approve Budget Amendments for Fiscal Year

2022/23. A roll call vote was taken. Directors Tressler, McDermed, and Blood voted yes; none opposed. Motion carried 3-0.

10. FISCAL YEAR 2023/2024 BUDGET UPDATE

Mr. Small provided an update to the Board where the District currently stands as of August 31, 2023 for the Fiscal Year 2023/24 Budget. Having the Board meetings moved to the third Tuesday of each month has really helped staff to be able to provide the data for monthly updates. The District is within 1/6th of all expenditures. The staff is doing their part on keeping everything tight. Mr. Small went into giving an overview of the current budget status. Director Tressler inquired if John Deer was on a long-term lease. Mr. Small clarified that it is with an option to purchase at the end of the lease. Director Tressler inquired about the length of the cell tower contracts. Mr. Small informed him that it is an Evergreen lease with the original contract date being around 1994. Mr. Small informed the Board that this actually the topic of the next agenda item and moved onto agenda item #11.

11. CROWN CASTLE CELL TOWER LEASE AGREEMENT

Mr. Small gave an overview of reason for the agreement. Adam Brown, District Legal Counsel, informed the Board that they can vote it down but they wouldn't receive the income. He doesn't see a reason to vote it down as it is adding additional income to the current contract. President Blood asked if the District could renegotiate the contract. Mr. Brown informed him that the Board would need to terminate the contract to renegotiate. Director Tressler believes the District should have a say in how much the contract is. Mr. Small informed the Board that this amendment to the contract will add an additional \$6,000 a year income to the District. Directors Tressler and McDermed thinks the contract needs to be renegotiated. Director Tressler believes the District needs to start pushing back on some of these contracts. President Blood believes this needs to be discussed further. A motion was made by Director Tressler, seconded by Director McDermed, to approve Crown Castle Cell Tower Lease Agreement. A roll call vote was taken. Directors Tressler, McDermed, and Blood voted no; none approved. Motion failed 0-3.

12. CONSIDERATION OF PROPOSALS FOR IT SERVICES

Mr. Small informed the Board that one of the biggest weaknesses that the District currently has is Information Technology (IT) services. The District is currently extremely vulnerable. The District holds a cyber security policy with ACWA/JPIA and Mr. Small does not believe we are currently in compliance with that policy. If the District experienced a cyber-attack, ACWA/JPIA would not cover the damages. President Blood expressed his concern with the cost. Director Tressler was not impressed with either quotes provided. President Blood inquired as to the difference between this and the contract that was approved prior for Control Point. Mr. Small explained that the prior contract was to rebuild our outdated server to house the new billing software. That contract was never meant to be ongoing IT services. The Board and staff discussed the two contracts and the need for IT services. A motion was made by Director Tressler, seconded by Director McDermed, to approve Agreement with Mission IT Solutions for the District IT Services. A roll call vote was taken. Directors Tressler, McDermed, and Blood voted yes; none opposed. Motion carried 3-0.

13. LETTER OF SUPPORT FOR UPPER MOKELUMNE RIVER WATERSHED

AUTHORITY'S (UMRWA) SIERRA NEVADA CONSERVANCY (SNC) GRANT

Upper Mokelumne River Watershed Authority (UMRWA) has a number of forestry projects going on. They are trying to be proactive in securing grants. They are asking for support from other agencies to help obtain grants. A motion was made by Director Tressler, seconded by Director McDermed, to authorize the General Manager to draft a letter of support for application for SNC project 1636 – Forest Projects Plan (FPP, Phase 1b) and SNC project 1646 – forest projects plan. A roll call vote was taken. Directors Tressler, McDermed, and Blood voted yes; none opposed. Motion carried 3-0.

14. REPORTS

a. Legal Counsel's Report

Mr. Brown stated that his report was covered.

b. Water System Superintendent's Report

Mathew Roberts, Water System Superintendent provided an overview of his monthly maintenance report. Jeff Davis reservoir is 3.5' below spill. The cooler weather is starting to cause water consumption to drop. The South Fork Pump Station pumped 153-acre feet. There is a mechanical issue at Schaads right now so the pumps are off. There is also a penstock pressure issue at Schaads as well. The annual Federal Energy Regulatory Commission (FERC) inspection has been completed. There were four leaks on the 4" main on Pope St. There were four leaks on the 6' main in Paloma. Fall application is underway for the spray program. The crew completed 50 USAs and 21 customer service orders. President Blood asked how the water consumption was doing for this time of year. Mr. Roberts replied that the water consumption is consistent for this time of year.

c. District Engineer Report

The Engineer report was covered by the Clearwell Tank Project memorandum.

d. General Manager's Report

Mr. Small informed the Board that the District is in the holding stage for the State Revolving Funds (SRF) grant process. The District's projects are currently being graded. Grades A, B, and C are driven by regulatory compliance. Grades D, E, and F are non-regulatory. The District is currently working on a FEMA application as a sub-applicant with Calaveras County. The Master Plan Water Plan has been completed. A draft Master Plan should be available soon. A draft of the Master Plan should be available soon. Mr. Small will forward the draft once available. The cabinets in the Board room have been installed. Once the cabinets are secured to the wall the staff will transfer the documents from storage to the cabinets.

e. Director's Comments:

Director Tressler apologized for his absence at the last meeting. Director McDermed was up at Redhawk and was speaking with the owner who was saying that the District owns the water and he owns the land. Mr. Small corrected him and stated that the District owns the water rights and the dam. Director McDermed inquired as to why the District keeps Redhawk. He thinks the District should be thinking about selling it since the District does not have a way to get to that water source. Mr. Small replied that it's definitely an option that the Board could look into.

8. ADJOURNMENT

There being no further business to come before the Board, President Blood adjourned the meeting at 11:24 am.

Respectfully Submitted,



Carissa Bear, Secretary/Clerk of the Board

