

Regular Meeting

7:00 P.M.

MEMBERS PRESENT: J.W. Dell’Orto
Clifford Overmier
Richard Blood
Scott Speer

MEMBERS ABSENT: John Lavaroni*

STAFF PRESENT: Donna Leatherman, General Manager
Kate Jesus, Administrative Account Assistant
Adam Brown, Legal Counsel
Matt Ospital, District Engineer, Weber, Ghio & Associates

OTHERS PRESENT: Stan Dell’Orto

1. ROLL CALL AND PLEDGE OF ALLEGIANCE: The regular meeting was called to order by President Dell’Orto at 7:00pm. Directors Dell’Orto, Overmier, Blood and Speer were present. Director Lavaroni was absent.

2. PUBLIC COMMENT (Limit 3 minutes per person/15 minutes per subject): Stan Dell’Orto spoke on behalf of the owner of the property at Red Hawk Reservoir. He stated that a tree had fallen on the dam due to the winter storms in 2019, which the General Manager reported the work was completed on June 8, 2020. He then expressed concerns with the low level of the reservoir and asked if the District would be interested in selling the dam and water rights. The General Manager gave a brief recap of the tree issue and the requirements from the Division of Safety of Dams (DSOD). She also stated that there had been no prior discussion between the District and the property owner regarding the sale of the dam and water rights, and recommended the owners to contact the District directly to discuss the matter further.

*Director Lavaroni arrived at 7:08pm.

- 3. APPROVAL OF CONSENT CALENDAR:
 - a. Minutes for Regular Meeting of May 12, 2020
 - b. Minutes for Special Meeting of May 27, 2020
 - c. Minutes from Special Meeting of June 1, 2020
 - d. Directors Report for May 2020
 - e. Maintenance Report for May 2020
 - f. Water Report for May 2020

Director Blood inquired about the Maintenance Report including the water leak repair and boil water notice in Mokelumne Hill in May; the General Manager clarified. He also stated that he had a hard time finding information regarding the outage on the District website. The General Manager stated that staff had updated the website and social media during the repair to keep residents informed. President Dell’Orto asked if the Mokelumne Hill Fire District had assisted in the notification process; the General Manager confirmed and stated that the staff and support from Mokelumne Hill Fire did an excellent job throughout the repair. Director Speer inquired about the two leak repairs on Toyanza Drive in San Andreas; the General Manager stated the service line would need replacement in the future due to its condition. A motion was made by Director Overmier, seconded by Director Lavaroni, to approve the consent calendar as presented. Motion carried 5-0.

President Dell’Orto moved to agenda item 5, 6 and 11c.

5. STATE REVOLVING FUND (SRF) PLANNING GRANT APPLICATION PACKAGE FOR WATER TREATMENT PLANT IMPROVEMENT PROJECTS

a. Consideration of Resolution 2020-10: Authorizing Resolution: The General Manager summarized the resolution stating it was a requirement of the SRF Planning Grant application process. Director Blood inquired about Resolutions 2019-2: Pledged Revenues and Funds and Resolution 2019-3: Reimbursement Resolution which were associated with the previous SRF application for the SCADA project in January 2019. He recommended Legal Counsel review the resolutions and rescind them as they are no longer relevant and allow the General Manager the ability to pursue funding for projects. Legal Counsel clarified the current process and application requirements from the State. The General Manager stated that the previous resolutions could be rescinded by resolution at the July Board meeting however, and recommended that Resolution 2020-10 be approved to continue with the Planning Grant application. Director Blood also recommended the Board President be added as an “Authorized Representative” in the resolution along with the General Manager to prevent the General Manager from expending or pursuing use of District funds. Legal Counsel again explained that any type of financial agreement regarding funding would be presented to the Board for approval prior to submission, which is also stated in the Public Utility Code. A motion was made by Director Lavaroni, seconded by Director Speer, to approve Resolution 2020-10 Authorizing Resolution as presented. A roll call vote was taken. Directors Dell’Orto, Overmier, Speer, Lavaroni and Blood voted yes. Motion carried 5-0.

b. Workshop Preparation: The General Manager’s recommendation at the May Board meeting was to conduct workshops to educate the Board, prioritize, and evaluate the Water Treatment Plant Improvement Projects for the SRF Planning Grant application. Director Blood’s request to form an ad hoc committee for capital improvement projects was also acknowledged. Staff and the District Engineer requested to continue the planning of the workshops for August and September. Director Blood inquired about his request for an agenda item to address the forming of an ad hoc committee; Mr. Brown clarified the timeframe of agenda requests per newly adopted District policy. He also clarified that ad hoc committees are appointed by the President per District policy. Since it is not an action of the Board, an ad hoc committee may be appointed by the President in connection with any agenda item, and does not need to be separately agendaized. The Board discussed the options of forming the committee or continuing with the workshops. The General Manager explained that the goal of the workshop would be to include and educate the Board as a whole for SRF Water Treatment Plant improvement projects. Matt Ospital, District Engineer, reiterated the General Manager’s recommendation and suggested a committee be considered after the workshops. Director Blood continued to advocate for the forming of the committee; the General Manager stated that if the Board President is considering a committee, she recommends to appoint Directors not currently serving on another committee, explaining the reasoning. Director Lavaroni felt that Director Blood was going against the General Manager and District Engineer’s recommendation and that an ad hoc committee was not needed at this time. President Dell’Orto stated the workshops would be used as a starting point and the ad hoc committee for capital improvement projects could be established at a later time. The General Manager stated the project list would be emailed to the Board and requested direction for moving forward on the workshops.

6. COURT STREET LINE REPLACEMENT PROJECT

a. Consideration of Resolution 2020-11: A Resolution Authorizing the General Manager to Execute a Construction Agreement for the Court Street Line Replacement Project: The General Manager reported the bid opening was on June 2nd and the District received three bids as follows:

- Campbell Construction - \$178,387
- Ford Construction - \$208,650
- Cole Tiscornia Construction - \$240,849

The General Manager and District Engineer recommended to award the contact to the low bidder, Campbell Construction. Director Speer inquired if the District had worked with Campbell Construction in the past and if project change orders were common; the General Manager stated that the District had not worked with the contractor in the past. Matt Ospital, District Engineer, confirmed previous work with Campbell Construction and experienced no issues with change orders on previous projects. The General Manager stated if awarded, the project is expected to start at the end of June. A motion was made by Director Overmier, seconded by Director Lavaroni, to approve Resolution 2020-11: A Resolution Authorizing the General Manager to Execute a Construction Agreement for the Court Street Line Replacement Project. A roll call vote was taken. Directors Dell’Orto, Overmier, Speer, Lavaroni and Blood voted yes. Motion carried 5-0.

11. STAFF REPORT

c. Engineer's Report (attached): Mr. Ospital reviewed the Project Status Update which included the status of the Mountain Ranch Road/Pope Street realignment, 2019 FEMA storm damage, and water loss control project. The Board discussed the status of the Paloma fire station and the inquiry for additional work.

4. FINANCIAL BUSINESS:

a. Approval of Claim Summary #740: Director Blood commented on a discrepancy in the general ledger (GL) numbers for the payments to Hill Rivkins Brown & Associates; the Board Secretary clarified it was an error and both payments were applied to Audit & Legal (GL 5682). Director Overmier inquired about the payment to Pace Supply; the General Manager reported on an upcoming project for a pressure station, hydrant and service line improvements on Gold Strike Road (San Andreas) and quarterly inventory restock. A motion was made by Director Overmier, seconded by Director Speer, to approve Claim Summary #740 in the amount of \$167,670.61 as presented. Motion carried 5-0

b. FY 2020/21 Preliminary Budget Report: The General Manager reviewed the report and explained that additional general ledger accounts were included that were not shown in previous budgets as requested. Also as requested, selected expense accounts will be renamed upon the presentation of the final budget. The staff wages and benefits are pending the negotiations with SEIU Local 1021. The water revenue and capital improvement figures are reflective of the amounts shown in the 2019 Rate Study. Director Blood stated that the budget should include general ledger accounts for the District's assets such as reservoirs and tanks to better monitor the costs associated with them. He also expressed concerns with the costs related to treatment and distribution and recommended they be separated. The General Manager clarified several general ledger accounts and explained that the treatment and distribution costs are all included in the Operations & Maintenance budget for the District.

7. UPDATE: COVID-19 PANDEMIC: The General Manager provided an update on the District's response to the pandemic including the financial impact from waiving late charges and possible impact to the District regarding the County property tax disbursement for the fiscal year ending 2019/20. The District will also continue to monitor legislation for Special Districts related to the pandemic.

8. CONSIDERATION FOR APPROVAL: AUDITOR SERVICES CONTRACT WITH LARRY BAIN, CPA FOR FY 2019/20: The General Manager explained that a new services contract was requested for FY 2019/20 due to the District's Auditor using their partner, Susan Tang, CPA, to comply with audit rotation per Government Code 26909. A contract for \$8,100 was submitted for consideration. A motion was made by Director Lavaroni, seconded by Director Overmier, to approve the Auditor Services Contract with Larry Bain, CPA for FY 2019/20. Motion carried 5-0.

9. CALIFORNIA RURAL WATER ASSOCIATION (CRWA) PROP 1 LEAK DETECTION PROGRAM REPORT: The General Manager reviewed the timeline and process of the Leak Detection Program provided by California Rural Water Association (CRWA). The CRWA representative and a District staff member evaluated twenty-one areas in San Andreas that are presented in the report. The District will use the report as an educational tool and assess the recommendations for possible line replacement projects. The General Manager reviewed the recommendations with the Board which include a full leak detection program and possible AMI meter upgrades. The Board discussed the recommendations from the report.

10. UPDATE: 2019 FEMA STORM DAMAGE REPAIR PROJECTS: The General Manager reported on the status of the projects. Currently, permitting from Cal Trans and Department of Fish and Wildlife are pending prior to bidding the projects. Further information will be presented at the July Board meeting.

11. STAFF REPORTS

a. General Manager's Report: The General Manager gave a recap of the report which included the status of the Operations Plan update, Policies and Procedures Ad Hoc Committee with the next meeting

scheduled for June 24, 2020, South Fork Pump Station pump and motor repair, continuing negotiations with SEIU Local 1021, hazard tree removal at Garamendi's hydro, completed repair to Red Hawk reservoir and pending inspection from DSOD on June 10, 2020, Jeff Davis and Middle Fork EAP's, status of the repair of Schaads hydro, District mapping and modeling, billing and accounting software updates, continued progress with Diamond Maps and Cal Fire Fuels Reduction Grant updates.

b. Legal Counsel Report: Adam Brown, District Legal Counsel, reported he was assisting the General Manager with the SEIU Local 1021 negotiations and new employment matters. He is also working with staff on the policy reviews to prepare for the next Ad Hoc Committee meeting.

12. BOARD MEMBERS REPORT

a. Director Lavaroni – LAFCO Meeting Reminder (7/20/20) – Director Lavaroni reported that LAFCO had appointed a new President at the previous meeting.

b. Director Blood – UMRWA Meeting Reminder (7/24/20) – Director Blood had nothing to report. The General Manager reported on the retirement of EBMUD's General Manager and appointment being made on June 9, 2020.

The Board briefly discussed the costs associated with Red Hawk and the history of the reservoir and water rights.

13. ADJOURNMENT (Next Regular Meeting on July 14, 2020): As there was no further business to come before the Board, a motion was made by Director Speer, seconded by Director Overmier, to adjourn the meeting at 9:28 p.m. Motion carried 5-0.

Respectfully submitted,

Kate Jesus, Administrative Account Assistant

