

CALAVERAS PUBLIC UTILITY DISTRICT

February 9, 2021

Regular Meeting

7:00 pm

MEMBERS PRESENT: Richard Blood  
J.W. Dell'Orto  
John Lavaroni  
Scott Speer

STAFF PRESENT: Donna Leatherman, General Manager  
Adam Brown, Legal Counsel  
Matt Ospital, District Engineer  
Tyla Daries, EIT

1. ROLL CALL AND PLEDGE OF ALLEGIANCE: The regular meeting was called to order by President Dell'Orto at 7:04 P.M. Directors Dell'Orto, Lavaroni, Speer and Blood were present.

2. PUBLIC COMMENT (Limit 3 minutes per person/15 minutes per subject): None

3. APPROVAL OF CONSENT CALENDAR:

a. Minutes of Regular Meeting of January 9, 2021: A motion was made by Director Lavaroni, seconded by Director Speer, to approve the minutes of the regular meeting as presented. A roll call vote was taken. Directors Lavaroni, Speer, Blood, and Dell'Orto voted yes, none opposed. Motion carried 4-0.

b. Minutes of the Special Meeting of January 19, 2021: A motion was made by Director Lavaroni, seconded by Director Speer to approve the minutes of the Special Meeting of January 19, 2021 as presented. A roll call vote was taken. Directors Lavaroni, Speer, Blood, and Dell'Orto voted yes, none opposed. Motion carried 4-0.

c. System Totals Report for January 2021: A motion was made by Director Lavaroni, seconded by Director Speer to accept the Directors' Report for January 2021 as presented. A roll call vote was taken. Directors Blood, Speer, Lavaroni and Dell'Orto vote. yes, none opposed. Motion carried 4-0.

d. Maintenance Report for January 2021: A motion was made by Director Lavaroni, seconded by Director Speer, to accept the Maintenance Report for January 2021 as presented. A roll call vote was taken. Directors Blood, Speer, Lavaroni and Dell'Orto voted yes, none opposed. Motion carried 4-0.

e. Water Report for January 2021: The report was presented to the Board. A motion was made by Director Speer, seconded by Director Lavaroni, to accept the water report for January 2021 as presented. A roll call vote was taken. Directors Blood, Speer, Lavaroni and Dell'Orto voted yes, none opposed. Motion carried 4-0.

4. ELECTION OF OFFICERS AND APPOINTMENT OF THE TEMPORARY ADVISORY COMMITTEES:

Pursuant to Policy No. 4110, the Board of Directors is to elect a President and Vice President in December of each year. In light of the November election and uncertainty of the recently



vacated seat on the Board, the election of officer's was delayed discussion followed regarding Policy No. 4110, and Legal Counsel explained the requirements and process. President Dell'Orto dissolved all existing temporary advisory committees.

b. The Board of Directors considered nominations for President. A motion was made by Director Speer, seconded by Director Blood, to nominate J.W. Dell'Orto as President of the Board. The nomination was accepted, and a roll call vote was taken. Directors Blood, Speer, Lavaroni and Dell'Orto voted yes, none opposed. Motion carried 4-0.

c. The Board of Directors considered nominations for Vice-President. A motion was made by Director Lavaroni, seconded by Director Speer, to nominate Richard Blood as Vice President of the Board. The nomination was accepted, and a roll call vote was taken. Directors Speer, Blood, Lavaroni, and Dell'Orto voted yes, none opposed. Motion carried 4-0.

The Board President appointed a temporary advisory committee consisting of Directors Blood and Lavaroni to further evaluate projects included in the State Revolving Funds Planning Grant Project List.

At this time President Dell'Orto moved to item #6 on the agenda.

## 5. FINANCIAL BUSINESS

a. Approval of Claim Summary #748: A motion was made by Director Lavaroni, seconded by Director Speer, to approve Claim Summary #748 in the amount of \$159,725.28. Director Lavaroni inquired on the Pace Supply payment. The General Manager clarified that the payment was for quarterly inventory restock. A roll call vote was taken. Directors Blood, Speer, Lavaroni and Dell'Orto voted yes, none opposed. Motion carried 4-0.

b. 2<sup>nd</sup> Quarter Budget Report: The 2<sup>nd</sup> Quarter Budget report was presented to the Board for review. The General Manager reported on the Income and Expenses, noting that District income was higher in the water revenue and connection fees. Expenses were higher than normal in the lab fees, contract services and engineering. Capital improvement projects with billing software updates were being postponed. The District noted improvement with the meter reading software and is continuing with the meter change out program. Small improvement projects will continue as scheduled. The clearwell project has taken priority in terms of capital improvements. President Dell'Orto inquired on the expense percentage from the different categories, which was clarified by the General Manager. A motion was made by Director Lavaroni, seconded by Director Speer, to accept the 2<sup>nd</sup> Quarter Budget Report as presented. A roll call vote was taken. Directors Blood, Speer, Lavaroni and Dell'Orto voted yes, none opposed. Motion carried 4-0.

c. 2<sup>nd</sup> Quarter Investment Report: The report was delivered to the Board for review. The Manager reported on LAIF, which returned interest of \$4,386.11 at an interest rate of .63% for the quarter. Other investments with El Dorado Savings bank earned a total of \$1361.48 interest and the value of the UBS investments for the quarter was \$795,356.84, with one certificate of deposit (CD) maturing in March 2021. The total investment balance as of December 31, 2020 was \$4,146,731.00. A motion was made by Director Lavaroni, seconded by Director Speer, to accept the Quarterly Investment Report as presented. A roll call vote was taken. Directors Blood, Speer, Lavaroni and Dell'Orto voted yes, none opposed. Motion carried 4-0.

d. Investment Authorization: The General Manager reported one CD investment with UBS Financial will mature in March 2021. Several reinvestment options were included for consideration to reinvest the \$200,000.00. It was further recommended to reinvest for a shorter



term and not lock into a lower interest rate for a longer term, such as the UBS Bank 5 year CD callable at .60%. President Dell'Orto stated he was familiar with these types of investments and concurred with the recommendation. Also presented were CD rates from El Dorado Savings Bank and Umpqua Bank for their current CD investments. A motion was made by Director Lavaroni, seconded by Director Speer, authorizing the General Manager to reinvest in the UBS 5-year CD, callable in 6 months. Director Blood requested clarification on the difference in the options for the longer investments compared to the callable CD. Discussion continued regarding the callable CD. The General Manager will clarify and report on the impacts of a callable CD. A roll call vote was taken. Directors Blood, Speer, Lavaroni and Dell'Orto voted yes, none opposed. Motion carried 4-0.

## 6. DISCUSSION/ACTION – CLEARWELL TANK PROJECT

a. A. Clearwell Tank Replacement – Ms. Tyla Daries, EIT from Weber, Ghio & Associates, provided a status update and progress report regarding the SRF application, and progress in the environmental and geotechnical review of the project. She explained that there is a schedule to complete some soils work at the tank site. Ms. Daries also reported the possible impacts of COVID-19 may have on delays in procuring materials or increased cost of items. Director Blood inquired on the nature of the field work and method of soils tests used by the geotechnical firm. He also inquired if test pits would be the only assessment or whether ultrasonic devices would be used. Additionally, Director Blood was curious if the site could require blasting. Further discussion ensued, and Ms. Daries reported that the schedule is likely to stay on track as shown in the report.

b. Discussion/Authorization for Financing Option Update: The General Manager reported the issuance documentation is pending from the CSDA Financing Corporation for the loan or the clearwell project, and will be forwarded to Legal Counsel for review. The Board of Directors will consider the financing package at the March regular Board meeting. The General Manager also reported that there is a possibility that the District could obtain a “clearance” from the Deputy Director for the DWSRF Project to include the clearwell. However, pursuing the SRF Construction application (given the uncertainty whether a clearance would be obtained and other SRF requirements) that would delay the project schedule. Ms. Tyla Daries also reported that this project is at the lowest funding category for SRF, which is not favorable to the District. It was noted that the application could not be submitted until the plans were 90% completed, which would further delay the project. Director Speer agreed that the timing to pursuing the SRF funding would be an issue and that private funding would not delay such a critical project. However, the General Manger reported that if the opportunity becomes available, SRF funding may be pursued at a later date, as most of the application packet has been completed. Whether that is desirable would also depend upon any prepayment penalty contained in the CSDA loan facility.

7. Discussion/Review: Proposed Amendments to Agreement for Sale of Water- Calaveras County Water District (CCWD): The General Manager reported to the Board on the existing agreement with CCWD which expire in July 2021. The General Manager reported that CCWD's requested modifications to the agreement included a longer agreement term, increased water deliveries to 300 acre feet per contract year, and to allow downstream contracting agencies (such as EBMUD) to receive water sold to CCWD. The current and proposed contracts were included in the Board packet. Legal Counsel also reported on the meeting regarding the



District's water rights and other modifications to the proposed draft to address some of these concerns from the District's standpoint. Director Blood inquired on the amount of water used under the current agreement.. Director Blood also requested that the District research the amount of water CCWD used from that source for the past ten years. President Dell'Orto asked about the payments for the amount used versus the amount that is available under the existing contract. Director Lavaroni commented on a possible wheeling agreement with contracting agencies and is not in favor of a further wheeling agreement. President Dell'Orto concurred. Director Blood also agreed and again requested that the District request a report on usage from CCWD of their treated water in the West Point system. He also proposed installing a gauging station to record flows or possible bacteriological studies, and sharing in those additional costs. The General Manager reported on existing costs at Schaads compared to revenues. Director Lavaroni suggested that the General Manager and Legal Counsel continue discussions with CCWD and report back to the Board prior to the agreement being amended. Director Speer inquired about possible drought issues that may impact the agreement, which Legal Counsel suggested would be covered in any amendments.

8. Consideration of Revised Salary Pay Range: Customer Service Representative – Range 10:

The General Manager reported that Ms. Carissa Bear had been promoted to the Administrative Account Assistant position, leaving the Customer Service Representative position vacant. The Customer Service Representative position pay range is under classified and recommended to increase from the current range 3 (\$2,795.87-\$3,399.04/mo.) to a range 10 (\$3,934.67-4785.73/mo.). Director Lavaroni, seconded by Director Speer, made a motion to revise the Customer Service Representative to Range 10. Discussion continued regarding an increase in the top step. President Dell'Orto inquired about salary being higher than that of the salary in the recent MHI study. Further discussion ensued regarding entry level at the District and compared salaries with local agencies. Director Lavaroni withdrew his motion. A motion was made by Director Lavaroni, seconded by Director Speer, to reclassify the Customer Service Representative salary range 9 (\$3,749.20-\$4,558.67/mo.). A roll call vote was taken. Directors Blood, Speer, Lavaroni and Dell'Orto voted yes, none opposed. Motion carried 4-0.

9. Discussion/Information: Calaveras Public Power Agency (CPPA) Rate Increase: The General Manager reported that CPPA has notified their member agencies of a potential rate increase. The CPPA Board approved the use of rate stabilization funds with a rate increase of 2.5 cents to members effective in July 2021. The increase may impact the District by approximately \$47,000, as shown on the spreadsheet provided. The General Manager reported the increase will be reflected in the 2021/22 budget preparation. President Dell'Orto inquired about renewable energy. The General Manager reported that the District's purchase power agreements are up for renewal and can be revised at that time.

10. UPDATE: STATE REVOLVING FUND (SRF) PLANNING GRANT APPLICATION FOR WATER TREATMENT PLANT IMPROVEMENT PROJECTS: The General Manager reported that the State requested further information and a response was submitted. The District is waiting on a response and next steps from the State.

11. STAFF REPORTS

a. General Manager's Report: The General Manager provided an overview of pending work



projects. She also reported that the District office will reopen on March 1, 2021 provided there was no change in reported COVID-19 cases locally. Items not included were the annexation request from Mr. Chester Murphy and tree removal at the water treatment plant near the new clearwell site. Director Lavaroni suggested contacting the County to request a waiver. Legal Counsel Report: Adam Brown, District Legal Counsel, stated that his report has been covered under previous agenda items.

b. Engineer's Report: The manager reported on the earlier Clearwell discussion and some other engineering item pending.

## 12. BOARD MEMBERS' REPORT

- a. Director Lavaroni – LAFCO Meeting Report (1/24/21). Director Lavaroni had nothing to report.
- b. Director Blood – UMRWA Meeting Report (1/22/2021). Director Blood had no further comments on the meeting.
- c. Other Board Member Comments: Director Speer inquired if there had been any interest in the vacant Board position. The General Manager reported that there had been one interested candidate, but he was appointed to the Fire District Board. The General Manager will continue to advertise for candidates.
- d. Reminder of Annual FPFC Filing of Form 700 (Due: April 1, 2021): The General Manager reported that an email with the filing requirement and website link to the Board. The deadline for filing is April 1, 2021. Director Speer requested clarification on filing multiple forms for different agencies.

## 13. CLOSED SESSION

- a. Public Employee Performance Evaluation General Manager (Government Code §54957(b)(1))

At the Board convened into closed session at 9:24. The General Manager left the meeting, and the remainder of the meeting was attended by District Legal Counsel, Adam Brown, who also conducted the Zoom hosting privileges and served as secretary.

The Board reconvened into open session at 11:15. During closed session, the Board discussed the General Manager's performance evaluation. No action was taken. (Director Lavaroni did not rejoin the meeting following technical difficulties with the Zoom call).

14. ADJOURNMENT (Next Regular Meeting March 9, 2021 at 7:00pm) As there was no further business to come before the Board, a motion was made by Director Speer, seconded by Director Blood, to adjourn the meeting. A roll call vote was taken. Directors Blood, Speer and Dell'Orto to adjourn the meeting at 11:20. Motion carried 4.0.

Respectfully Submitted,



Donna Leatherman, General Manager