

CALAVERAS PUBLIC UTILITY DISTRICT

June 18, 2024

Regular Meeting

5:00 pm

DIRECTORS PRESENT: J.W. Dell'Orto
Brady McCartney
Kevin Sparks

MEMBERS ABSENT: Jack Tressler
Richard Blood (Remote)

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

OTHERS PRESENT: None

**Adam Brown, District Legal Counsel, informed the Board of President Tressler and Vice President Blood's absences. If the board agreed he recommended Director Dell'Orto to be the acting Chair as he is the most senior board member. The Board agreed. Mr. Brown reviewed the District policy regarding remote attendance, in order for Director Blood to attend remotely as an active Board member his absence would have to be for just cause. Mr. Brown read the list of just cause scenarios and Director Blood confirmed that his absence did not qualify under those scenarios. With a quorum present in person the Board moved forward with the scheduled meeting.

1. CALL THE MEETING TO ORDER: The regular meeting was called to order by acting President Director Dell'Orto at 5:11 P.M.
2. ROLL CALL OF DIRECTORS: Directors Dell'Orto, McCartney, and Sparks were present. Directors Tressler and Blood were absent.
3. PLEDGE OF ALLEGIANCE
4. PUBLIC COMMENT (Limit 3 minutes per person/15 minutes per subject): None
5. CONSENT ITEMS
 - a. May 21, 2024, Regular Board Minutes
 - b. Claim Summary

Director Dell'Orto inquired about the refund issued to Michael Chavez. Carissa Bear, Executive Assistant/Clerk of the Board, clarified that a customer overpaid on their water account and then sold the property resulting in the District issuing a refund. She informed the Board that there were multiple ?? on this claim summary. A motion was made by Director Sparks, seconded by Director McCartney, to approve Consent Items a-b. A roll call vote was taken. Directors Dell'Orto, McCartney, and Sparks voted yes. Motion carried 3-0.

6. ANNUAL AUDIT ENGAGEMENT LETTER

Larry Bain has performed the District's audit for the last few years. He has a few employees that he rotates in and out of the District audit in order to meet required best practices. Travis Small, General Manager, reported that the proposed price is fairly low. Mr. Small has been looking into other options and is finding it difficult to find availability given the size of the District. A motion was made by Director McCartney, seconded by Director Sparks, to approve the professional services agreement with Larry Bain, CPA, An Accounting Firm, to complete the annual financial audit at a cost not exceeding \$10,800. Directors Dell'Orto, McCartney, and Sparks voted yes. Motion carried 3-0.

7. BUDGET UPDATE 2023/2024

The budget update is through May 31, 2024. The loan covenant ratio was at 3.96. Mr. Small went over the income and expense summary. He reminded the Board that the District is on an accrual basis. He reported on the District's cash assets. Director Dell'Orto asked for clarification on the accounts receivables water sales. Mr. Small explained that the bills go out 26th of each month, which leaves a large number of customers paying their balance in the beginning of the following month. Salaries are lower than projected due to there being a couple of vacancies. The District is pretty comfortable on staff at this time. He does not anticipate filling the vacancies unless brought back to the Board. Budget adjustments will be made in July/August once all of the year end payments have been completed. He would like to make the adjustments all at one time.

8. CONSIDERATION OF ADOPTION OF FISCAL YEAR 2024/2025 BUDGET

Mr. Small presented the proposed Operating And Capital Outlay Budget for FY 2024/25. The District will be entering into the second year of the 5-year rate study. This budget reflects those monthly water rates. Capital projects have been included in this budget but may need to change once the Engineering Committee has reviewed the final draft of the Water Master Plan. Mr. Small reported that the loan covenant is projected to be really strong at 4.88. The loan covenant ratio strength is important for future lending. Mr. Small noted that he budgeted \$52,000 for retiree health to be paid out of OPEB (Other Post-Employment Benefits). At the July meeting, the Board will need to approve to collect the amount that was paid in the FY 2023/24 as this program is always in the arrears. Mr. Small would like to meet with the Finance Committee to review the current Reserves Funds Policy. Mr. Small presented a regional water rate comparison. There was a typo in his comparison. Calaveras County Water District will not be doing a rate increase in October. That was done last October. Reviewing the rate comparisons, the District is pretty comparable. Director Dell'Orto would like to see the District not having to implement the full rate increases in the future. He is aware that it would need to be done further down the line if it were to happen. Director Dell'Orto went over the Finance Committee meetings, explaining to the Board that he and President Tressler both agreed that it was beneficial to pay out of the OPEB account for retiree health. Director McCartney agreed as well. During public comment, Director Blood expressed his concerns that the resolution does not reference a rate increase. He would like the resolution to be more transparent. Mr. Brown explained that it would not be included in this resolution as the rate increase had already been approved in a previous resolution during the Prop 218 hearing. The only time it would be in the budget resolution is if the Board decides not to implement the full amount. Director Dell'Orto explained that the resolution is part of the whole packet which mentions the rate increase. A

motion was made by Director McCartney, seconded by Director Sparks, to approve Resolution 2024-09 Adopting Budget for Fiscal Year 2024/25. Directors Dell'Orto, McCartney, and Sparks voted yes. Motion carried 3-0.

9. REPORTS

a. Legal Counsel's Report

No report this month.

b. Water System Superintendent's Report

Mathew Roberts, Water System Superintendent, went over the May Maintenance Report. Jeff Davis Water Treatment Plant produced 26,118,948 gallons. The District sold 16,146,2026 gallons. Mr. Roberts pointed out that he added the amount of water used for backwashing to the report. This month the District used 955,819 gallons of water for backwashing. This water is all treated that the District just has to discard every month. Mr. Small reported that one of the pumps at the South Fork Pump Station (S.F.P.S.) is not working right now. The District is getting quotes for repairing it. S.F.P.S. pumped 232-acre feet in the month of May. Both hydros are running at Schaads right now. There were multiple leaks throughout San Andreas and Mokelumne Hill, which is very typical for this time of year. The transducer was replaced at the Golden Hills Tank. Both fire extinguisher training and excavation training have been completed. The USA tickets are coming in at a higher rate than normal. Typically the District receives around 15-20 a month so 156 is overwhelming for our small District. California Department of Forestry's (CDF) inmate crew has been working on the main line in Glencoe clearing vegetation. This is the last time we will have them out until the fire season ends.

c. District Engineer Report

Mr. Small sent out the final draft of the Water Master Plan to the Board. He asked for Director Blood and Director Sparks for the availability to schedule an Engineering Committee meeting.

d. General Manager's Report

Mr. Small reported that the District is having issues with the fence at Jeff Davis Reservoir. People are cutting the fence and accessing the reservoir for recreational use. The District has filed a report with the Calaveras County Sheriff's office. The sheriff issued a no trespassing order to one of the neighbors whose house is in direct line where the damaged fence is. The District is also having fence issues that are unrelated. Another neighbor believes the District fence is in the wrong place and is encroaching on his property. The District has hired a surveyor who came out and determined the District's fence is in the correct spot and there is no conflict with the neighbor's property. Mr. Small informed the Board that he will be attending the California Special Districts Association's General Manager Leadership Summit in Anaheim at the end of June. He will then be on vacation the week of July 1st. Mr. Small informed the Board that the District's janitor suddenly passed away. The District is currently looking for a new one at this time, but for now the employees are pitching in to help. Calaveras County has a new Office of Emergency Services Officer. Mr. Roberts and Mr. Small met with him last week. The new hotel that is planned in San Andreas is asking to be on the next agenda. Mr. Small informed the Board that District payroll has now been switched over to QuickBooks Online. The switchover has worked well so far with the staff. Ms. Bear informed the Board that their paystub will be on a new profile on Intuit. To access their old paystubs they will need to toggle between the two profiles. Mr. Small let the Board know that there has been talk among the other General Managers that they may be interested in dissolving Calaveras-Amador Mokelumne River Authority.

e. Directors' Comments:

No comments.

10. ADJOURMENT

There being no further business to come before the Board, the acting President, Director Dell'Orto adjourned the meeting at 6:31 pm.

Respectfully Submitted,



Carissa Bear, Secretary/Clerk of the Board

