

Chester Public Utility District
PO Box 503
251 Chester Airport Rd.
Chester, Ca. 96020
530-258-2171

Minutes of Regular Meeting: June 19, 2018 at 3:00pm. Located in the Chester Public Utility District conference room: 251 Chester Airport Road.

Directors Present: Stephen Voboril and Greg McIntire. Ben Thompson arrived at 3:40pm.

Directors Absent: Steve Trotter and Wes Scott

Guests Present: 3, plus Carla Parsons an Edward Jones Representative

Staff Present: 13 CPUD/CFD employees and volunteers.

1. **Call to Order:** Director McIntire called the meeting to order at 3:00pm.
 - Director McIntire led the Pledge of Allegiance.
 - Agenda approval: Due to the lack of quorum at the start of the meeting, the agenda was not approved. The board covered the non-action items until Director Thompson's arrival.

2. **Edward Jones Rep., Carla Parsons:** Carla explained that Edward Jones holds an inventory of CDs from many banks. They will be FDIC insured for any amount. The CD terms range from 1 month to 5 years. They do not automatically roll over. She will call at maturity to ask what the District would like to do at that point with the funds (roll it over, cash it out etc.). Current Money Market Rate is 1.15%. She will need to get our investment policy to her attorney for approval before she can accept CPUD business. GM Motzkus stated that per board request from the last board meeting for investment options, he asked Mrs. Parsons to come speak. When she asked for a copy of the Investment Policy, he recognized that is very out of date. It should be reviewed annually and has not been in several years. The new one reads similar to the previous one, except the changes to the Government Codes. The one that will be presented later in the agenda has been reviewed and approved by the CPUD attorney.
 - The board thanked Mrs. Parsons for the information. She left at 3:05pm.

3. **Closed:** None
4. **Reconvene:** N/A
5. **Report on Closed:** N/A

6. **Public Comment Non-Agenda Items:** A multiple of public members had the following concerns regarding the SCI Survey for raising the Special Assessment rates:
 - That CPUD board members didn't even know it was getting mailed out.
 - How many calls are medical? Chief Waterman stated 90% approx.
 - Multiple property owners will have to pay more, and that the commercial square footage was excessive.
 - How much did the survey cost the District? GM Motzkus state zero until the results are in and measure passes. Then there will be \$25,000.00 due to produce the report and put the item on the ballot. They are confident it will pass.
 - Chief Waterman stated that the survey is to get all the concern and wishes of the community. It will not go to the voters until May 2019. There will be town meetings before that point. Currently the \$95.00 per parcel goes for everyone, weather they have and acre or 10 acres. He advised that they list their concern and mail in the survey.
 - The ambulance seems inefficient, is information the public member received from a CPUD board member.
 - The survey only offered a very small area to write comments. Chief Waterman told them to add as many pages as they wish.

- The survey seemed odd.
- Chief Waterman stated that he thinks the survey got confused as a ballot item because of the items of other county and state ballot measures that came out the same time.

9. **General Manager's Report: by Frank Motzkus:** (Exhibit A): GM Motzkus stated that he should have the SCI Survey results hopefully by the next board meeting. The SWRCB wanted more details for the Sewer Grant. Details were given, now we wait. There were 6 Water Meter Vendor Presentations. The Contractors for that project used the 2 products vendors we agreed on within their bids, Mueller and Neptune. The bid opening went well and will be discussed later in the meeting. The negotiations for the Clerical MOU with Local 39 Stationary Engineers will be ready for board review and will be on the July 17th agenda for board approval. We have gone to bid for a new auditor for FY17-18. We have gone to bid for maintenance and paint for the CPUD/CFD building and some small repairs to the 198 Main St. Building. Our lead Well #5 has been pulled, the motor burned up. The cost is \$20,000.00 plus and extra \$3000.00 for the bowl repairs. The funds for Well 5 repairs have come out of 500-account for now. May move that expense later in the year from the 200-account. IWRM Group will meet June 22nd to discuss Watershed Issues. District Managers around Plumas County will meet in Chester on June 27th to tailgate issues each District may need help solving. Met with Interwest Insurance regarding Workers Compensation rates and getting away from FASIS. FASIS has been sharing information with Interwest. FASIS needs 90 days' notice to cancel, so a decision will need to be made by April or May 2019. If we wait until after July 2019, we will have to pay to get away from FASIS. The CPUD Office will be closed July 4th.

10. **Chief Report: Presented by Captain Dean:** Captain Dean stated that the FEMA prevention and safety Grant should be awarded by the Summer of 2018. SAFER Grant was applied for asking for 2 Full Time Firefighters, as well as the waiver for the CFD percentage. If this is awarded, there will be no cost to the District for 3 years. Chadwick Walker is back from his Workers Comp. Injury. Wild Land Field day training this Saturday, June 23rd. Cal Fire will have a helicopter, USFS will have Crews and Engines, and we will have man Chester Fire folks there. The training will be everything from Radio use to a mock Wild Land incident. All will meet at Chester Fire at 9am and then continue to Stover Mountain for the training. The Volunteer training has been incorporating the Cal Fire, Fire Fighter 1 standards at Drills. Skills testing is similar to an Academy. 395 hours of training is required by the state.

11. **Public Comment, Agenda Items:** None.

18. **Correspondence:** GM Motzkus stated that the Clerical MOU for 2018-2021 was added to the board packet to be reviewed before the next board meeting where it will be available for approval. Also, there is a Tax Fairness, Transparency and Accountability Act Ballot Initiative #17-0050 for the November 2018 General Election that restricts the ability of local communities and the State of California to fund services and infrastructure. Dangerous to us as it takes away the right for going after local taxes. Passing this Initiative will make the passing vote be by majority 2/3 by the community members rather than 51%. Passing votes by the board of at least 4/5 rather than 3/5. There is a boiler plate resolution for the board to sign if they decide to vote not to pass this Initiative. The Resolution will be given to CSDA and they will represent us at the State level to the legislators.

Recess 3:32pm
Reconvene 3:40pm

Director Thompson arrives 3:40pm

16. **Resolution #400: Recognizing Employee's Service (Andrew Capella):**

Director McIntire stood to thank Mr. Capella for his 27 years of dedicated service to the CPUD community and present his with a gift (engraved time piece) in appreciation. Mr. Capella thanked the board for the decisions they make that make it a nice place to have a career. Please continue to make this an excellent place to work. Chief Waterman read Mr. Capella the Resolution that will

be approved by the board in Mr. Capella behalf. Many congratulations and best wishes in his retirement were given. Director Voboril made a motion to accept Resolution #400. Director Thompson seconded the motion. All in favor, motion carried.

7. **Approval of May 15, 2018 Regular Meeting Minutes:** Director Voboril stated that Mueller mentioned the Valve Life was 15 to 20 years, and that was missing from the minutes. With the amendments, Director Voboril made a motion to accept the minutes. Director Thompson seconded the motion. All in favor, motion carried.
8. **Approval of May 2018 Financials:** Director Thompson made a motion to accept the financials with no discussion. Director Voboril seconded the motion. All in favor, motion carried.
12. **2018-2019 Budget:** Director Voboril asked about the difference in May's and June's Proposed Budget. GM Motzkus stated he received updated information regarding Property Taxes, the Special Assessment, and Other Income based on May's Financials. Director Voboril also questioned the wages expenses. GM Motzkus explained that PERS expenses go up as salaries go up. He reminded the board that the budget can be amended during the year as this may fluctuate. Director Voboril had concerns with the 3% at 50 Retirement Contract, Stationary Engineers Local 39 Union MOU and Pay-scale Policies: STEP Raises, Longevity, Education Incentive, and COLAs. GM Motzkus stated that the 200 (Water) account showed in the black for May. Chief Waterman stated that the 2% COLAs were for only 2 employees. Director Voboril stated that the growth was too fast, and he has heard that from his neighbors as well. A public member mentioned that he had to give a 20% raise to his employees recently due to the minimum wage going up. Director Thompson made a motion to accept the 2018-2019 Budget. Director Voboril seconded the motion. All in favor, motion carried.
13. **CPUD Investment Policy #3035, Res. 398:** GM Motzkus explained that this policy should be looked at and updated annually, we have not done this in some time. He stated that it is basically the same, other than the Government Codes being updated. The CPUD Attorney has reviewed and approved the Policy. Director Voboril would like the full board to review the policy and resolution before it is voted on. He also suggested creating an investment committee. The resolution that depicts the investment officers was tabled until the next regular meeting. Director Voboril made a motion to accept the Policy only. Director Thompson seconded the motion. All in favor, motion carried.
14. **Radio Meter Bid Opening Results:** GM Motzkus shared the results in spreadsheet form. White Hawk Construction was the lowest bid at 588K. There is a 45 days' time period of which the bid needs to be awarded. This is tabled until next board meeting. The funds would be coming from the 500-account. The Grant was not an option without raising water rates 2 and half more times. Private Financing firm was from 5-20 years term options. Director Voboril stated that the meters aren't worth the money and they will have to be updated in 15 years again. GM Motzkus stated that the new meters read down from 1 gallon down to 1.16th of a gallon. We would recoup a lot billed usage on gallons of water that we currently aren't billing for. Not manually reading the meter would free up the staff to do many more maintenance and pending projects. The software would eliminate human error. Lead Supervisor Tissot stated that they are not able to remove snow from everyone's meter during the winter to read year around. Radio meters would give year around service to all community members rather than just a select few. He stated that the collection system is equally important to maintain. GM Motzkus stated that the projected budget will be able to handle the expense. Director Thompson asked for GM Motzkus to get some customer references. GM Motzkus will comply.
15. **Resolution 399: Salary Survey for OES Admin. Rate:** Chief Waterman explained that this is our annual OES update. We need to submit this to receive more than the 10% default rate. He thanked CPA Mary Cheek for her assistance in arriving at the 17.937%. Director Thompson made a motion to accept the Salary Survey and Resolution #399. Director Voboril seconded the motion. All in favor, motion carried.

17. Resolution 401: FBI EMT Licensing to our Livescan Program: Chief Waterman stated that we are amending the current Resolution # 369 to add EMT certification licensing through the FBI. NorCal sponsors EMS, FBI and DOJ live scans. Director Voboril made a motion to accept the Resolution 401. Director Thompson seconded the motion. All in favor, motion carried.

19. Comments:

Directors: none

Staff: GM Motzkus stated that there is a page of current LAIF rates for the boards perusal. Its shows that in the 80's that interest rates were as high 12%.

Director McIntire adjourned the meeting at 4:37pm.

Cheryl E. Johnson, Clerk to the Board

Approval of Minutes 