

CALAVERAS PUBLIC UTILITY DISTRICT

March 23, 2021

Minutes of Special Meeting

7:00 pm

DIRECTORS PRESENT: J.W. Dell'Orto
Scott Speer
Richard Blood

STAFF PRESENT: Donna Leatherman, General Manager
Adam Brown, District Legal Counsel
Carissa Bear, Board Secretary

OTHERS PRESENT: John Kingsbury

1. ROLL CALL AND PLEDGE OF ALLEGIANCE: The special meeting of the Board of Directors (conducted via Zoom) was called to order by President Dell'Orto at 7:03 P.M. Directors Dell'Orto, Speer, and Blood were present.

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

3. DISCUSSION REGARDING STATUS OF DISTRICT OPERATIONS AND PROVIDE DIRECTION TO GENERAL MANAGER

President Dell'Orto inquired on how things were going regarding the General Manager's upcoming retirement. The General Manager informed the Board that she and Adam Brown, District Legal Counsel, attended a meeting via Zoom with Calaveras County Water District regarding the possibility of extending their water agreement with Calaveras Public Utility District. The General Manager reported that Calaveras County Water District is interested. The Board will need to decide the length of the extension. The General Manager reminded the Board that the current agreement ends in June. The General Manager questioned why Calaveras County Water District would need the same amount of water as the current agreement since they are not using it. Calaveras County Water District was not able to provide answers at that time. Attorney Brown informed the Board that once Calaveras County Water District has the answers that they will provide them. He believes that they were not prepared to answer specifically at that time..

The General Manager reported that two new staff members will be starting on March 29, 2021. She has high expectations for the new staff as they are both eager to start.

The General Manager informed the Board that she has started the 2021/2022 Budget but has not made much progress.

The General Manager has her final meeting with WGA, Inc. on March 24, 2021. She will discuss the status of any pending projects and she will ask WGA, Inc. to prepare a report for April's Board Meeting.

The General Manager reported on the status of the Clearwell Tank Project funding. Everything is on track for funding to close on April 1, 2021. She inquired about the possibility of delaying the funding but was informed that an increase to the interest rate would occur after April 1, 2021. She requested WGA, Inc. to provide a rough estimate of a budget needed over the next three to four months. WGA, Inc. believes \$30,000 - \$40,000 per month will be sufficient. Attorney Brown reminded the Board that this is not an action item. He wanted to verify that the Board is still

comfortable moving forward due to the imminent retirement of the General Manager. The General Manager verified that the District has up to 2 years to use the funds. She recommended transferring the balance to LAIF after it is initially wired to the District's account at Wells Fargo Bank, and notating that the funds are intended for The Clearwell Tank Project. She is unsure if there are any ramifications by putting in that account due to the interest. Director Speer expressed that interest rates are going to continue to rise in the upcoming months. He thinks it is in the District's best interest to lock in a lower rate while we can. President Dell'Orto checked with the General Manager that the District is locked in at a 2.75% interest as long as it is funded by April 1, 2021. The General Manager confirmed. Attorney Brown reported that if funded after April 1, 2021 that the rate will jump to 3.05%. The General Manager will forward all email correspondence regarding funding. President Dell'Orto was pleased to know that the District has up to two years to use the funds. He thanked the General Manager for looking into that. Attorney Brown informed the Board that the documents are ready for President Dell'Orto's signature as long as there are no objections. Director Blood inquired as to if the documents would still be sent over for review before being signed as previously indicated. The General Manager said she could send them out. Attorney Brown informed Director Blood that there were no changes made since his last review. Director Blood requested to still be able to review it. President Dell'Orto reported that if Director Blood has no objections that he will be in by the end of the month to sign the documents.

The General Manager asked the auditor to send a quote for the annual audit. She thinks it will benefit the District to stay with our current company until we have a new General Manager on board. President Dell'Orto asked if it was time to get a new one. The General Manager informed him that it is, but we can make it one more year as long the company uses different staff this year. President Dell'Orto agreed to stay with current audit company.

The General Manager will provide a list of pending new connections. The General Manager informed the Board that Chester Murphy's new single-family connection is still pending. She believes that it will be a few more months before he is ready to act. He will be required to fill out an application and pay his fees.

The General Manager will meet with Rich Sanchez with G.E.I to create a list of pending items. She will ask him to give a presentation at the April Board meeting.

The General Manager asked if the Board was still interested in a presentation by Hansford Economic Consulting, LLC. President Dell'Orto expressed his interest.

4. CONSIDERATION OF ENGAGEMENT OF INTERIM GENERAL MANAGER

Attorney Brown has been in touch with John Kingsbury. John is retiring from Mountain Counties effective March 31, 2021. With the upcoming retirement of the General Manager, the District will need an Interim General Manager. Mr. Kingsbury previously acted as the Interim General Manager of Amador Water Agency and comes highly recommended. Mr. Kingsbury provided his previous agreement with Amador Water Agency as a template to be used for Calaveras Public Utility District. Mr. Kingsbury informed the Board that he has restrictions on the number of hours he is able to work as a retired annuitant through CalPERS. Mr. Kingsbury gave a brief overview of his career. He expressed his interest in becoming the Interim General Manager. President Dell'Orto thanked Mr. Kingsbury for making himself available and expressed that he believes Mr. Kingsbury will be a great fit at the District. Director Dell'Orto asked for clarification on how Mr. Kingsbury would be paid. Mr. Kingsbury clarified that it would be on an hourly basis. President Dell'Orto informed Director Blood that the formula is in the contract. The General Manager recommended setting a set schedule for the Interim General

Manager. She asked the Board to come up with a plan and to inform the staff since they are unaware of what will be happening come April 1, 2021. Attorney Brown informed the General Manager that once on board, Mr. Kingsbury will introduce himself to the staff and come up with a plan. Once staff is comfortable, then he will do the majority of his work remotely. The General Manager expressed her concerns of the role being so hands off. Director Speer clarified that a General Manager position needs to be more hands on, but an Interim General does not need to be, as he is serving a caretaker role until the new permanent General Manager is recruited. Mr. Kingsbury informed the Board that his goal is to give the staff the tools to successfully do their jobs without someone being there one hundred percent of the time. His goal is to empower the staff. He will also stay on long enough to help on-board the new General Manager. Attorney Brown recommended the approval of \$55.98 for hourly rate, which is the published hourly rate for the current General Manager as required by PERS regulations for the employment of retired annuitants. Once the Board decides to move forward, he will meet with Mr. Kingsbury to finalize. A motion was made by Director Speer, seconded by Director Blood, to appoint Mr. Kingsbury as Interim General Manager. A roll call vote was taken. Directors Dell'Orto, Speer and Blood voted yes, none opposed. Motion carried 3-0.

5. AUTHORIZATION TO PURCHASE NEW 2020 F350 FORD 4WD SUPER CAB

The General Manager reported that another quote was received today. She pulled it up on the screen for everyone to see. The General Manager expressed the need for another utility truck with another crew member coming aboard. Due to COVID there were not a lot of trucks to choose from. All trucks quoted are different models. The General Manager asked for approval to raise the original budget of \$40,000 to \$50,000. President Dell'Orto and the General Manager discussed the size of the truck needed. It was agreed that a Ford F-250 would be sufficient. A motion was made by Director Speer, seconded by Director Blood, to approve the authorization to purchase a new truck at an amount not to exceed \$50,000. A roll call vote was taken. Directors Dell'Orto, Speer and Blood voted yes, none opposed. Motion carried 3-0.

6. CLOSED SESSION – PUBLIC EMPLOYEE APPOINTMENT (GOV. CODE § 54957)

Title: General Manager

Meeting with Gary Phillips of Bob Murray & Associates, District negotiator/recruiter for General Manager position.

Attorney Brown reported that he has not received any updates from the recruiter, so no closed session was conducted.

7. ADJOURNMENT

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 Dell'Orto, Speer and Blood voted to adjourn the meeting at 8:10 p.m. Motion carried 3-0. (Next Special Meeting March 30, 2021 at 7:00pm)

Respectfully Submitted,



Carissa Bear, Secretary