



Johnsville Public Utility District

Regular Meeting Minutes

Date: Saturday May 23, 2020

Time 1:PM

Place: Historic Saint John's Church

* **Due to COVID-19** our meeting was held outside. Some individuals brought chairs. We utilized the picnic benches at the church for additional public seating.

1. Meeting called to order at 1:00 pm by Chair David Piepho and the Pledge of Allegiance was said. All directors were present.
2. The minutes were reviewed. Director Piepho noted a typing error and recommended amending the minutes at the bottom of page 3. Date submitted 4/5/2020 vice 4/5/2019.

2.1 Director Hattich made a **motion** to approve the minutes as amended. Director LaTourrette seconded the motion. Motion was passed unanimously. The vote was as follows:

Ayes: 3
Noes: 0
Absent: 0

Motion Passed Unanimously

3. There were four members of the public present.

3. Public Comment

3.1 Chair Piepho passed on the concerns of a homeowner about dog feces in town and asked owners to please be considerate and clean up after their pets.

3.2 Park Ranger Tim Quandt had several comments:

3.2.1. Plumas Eureka State park is currently closed to vehicular traffic; however, it is open to walking and hiking.

3.2.2 Tim noted with great sadness that was shared by all in attendance the death of Pat O'Reily in October of 2019. Pat was an interpretive specialist with the park. Most may remember Pat for his kind spirit and cheerful mandolin music. It was agreed a card should be sent to the family on behalf of the JPUD.

3.3 Chair Piepho noted that during the 4th of July weekend in 2019 the water tanks reached critically low levels and consideration was given to shutting the system down to

recharge the tanks. There is plenty of water if used judiciously especially during this busy weekend. The community is asked to be mindful that our water supply is not unlimited and is our major resource for fighting fires as well as providing drinking water to the community. Please try to cut back on watering .of yards over the 4Th of July.

4. Reports

4.1 Engineer's Report

Our engineer Dan Bastian was unable to attend today's meeting. Chair Piepho asked Director LaTourette to give an update on the progress of the Preliminary Engineering Report (PER) which is one of the primary documents needed to complete our loan application with the USDA. The USDA will be funding the replacement of our two water tanks which have reached the end of their useful life. Dan Bastian has been working with Director LaTourrette who is Chair of the Tank Replacement Committee. Director LaTourrette noted that progress has been slow due to complications caused by COVID - 19 and the complexity of moving applications thru the federal and state approval process. Director LaTourette noted three milestones have been completed which will accelerate the completion of our PER and loan application. Specifically, the requirements to renew the JPUD's lease with the US Forest Service at Bennett Dam have been completed. This will facilitate the completion of our federal environmental report required under the National Environmental Protection Act (NEPA). Secondly, our biological certification requirements have been completed at the tank site as well as aerial surveys to define the scope of the project. This work has been verbally approved by California State Parks and will facilitate completion of California's Environmental Quality Act (CEQA). Lastly, we have received stipulations from California State Parks to move forward which include but are not limited to the installation of a gate on the access road and the payment of an administration fee.

4.2 Director's reports/comments

Directors Piepho and Hattich thanked director LaTourrette for his efforts in moving this project forward. Director Piepho noted that at our next board meeting he will present a resolution that addresses policy stipulations set by California State Parks in regard "Signature Authority". This will be one of the State's and USDA's requirements to move forward with financing and the construction of two new tanks. Director Piepho noted there is a possibility some construction work could begin in 2020 if things continue to fall into place. There are shared concerns about how the project will impact the community. A lot of two-way communication will be required to make things work in everyone's best interest. It was observed that most heavy equipment work will likely occur Monday thru Friday. At a local level, Park Ranger Tim Quandt has committed to finding mutually agreeable places to stage heavy equipment and materials to have a minimum impact on both full time and seasonal residents. One of the major concerns are seasonal limits that are going to control the project start and end dates, as well as the economic impacts the current recession may have on the project and our community. The board is committed to move forward with the project as quickly as

possible for both for safety reasons and the legal requirements imposed on us by the State of California to replace the tanks that have reached the end of their useful life..

4.3 Managers report/comments

Our District Manager Melissa Sheets was unable to attend today's meeting.

4.4 Tank Replacement Project

4.4.1 Committee reports/comments

In addition to Director LaTourrette's comments under Engineer's Report 4.1 it was noted our current US Forest Service permit expires December 2021. On renewal the Forest Service won't write a 40-year term, but can write a 20-year term that will renew for another 20 years if the district is in compliance with permit conditions. Andrew Maher, Assistant Public Service Staff Officer, Beckwourth Ranger Station forwarded our renewal letter to his supervisor's office on 3/18/2020 for signature. Letter and corrections were reviewed by our attorney Steven Gross/Porter Simon and Dave Harwell

4.4.2 Project impact on community and traffic

Noted above in Director's reports/comments 4.2

4.4.3 Costs to Johnsville Public Utility District (JPUD) including permits and other possible costs.

Director LaTourrette gave a summary of the possible costs of the project as they are understood at this time. The final costs will be determined by the actual costs of construction and the economic conditions when the amount of our loan is set by the JPUD's lender of choice The US Department of Agriculture (USDA). At this meeting it was clear we do not have a loan commitment from the USDA until State Parks gives a written statement of their stipulations. The lease discussion has been and is ongoing. Over the last two years multiple construction options have been discussed (1 tank or 2 tanks with multiple options). The June 5, 2019 draft PER done by Dan Bastian indicated price ranges between \$770,000 to \$930,000. As of this meeting, Director LaTourrette stated the USDA estimated cost to JPUD could be at as low as \$500,000 if we were fortunate enough to qualify for a grant. This is not a guarantee. It is an assumption. An estimated cost to the JPUD @5% for 40 years is \$18,280. All of the numbers remain variable until we have a final loan commitment which now and has been contingent on the California State Parks providing our lease and lease requirements. Our tanks are situated on State Park property.

When we have a loan commitment, we will be reimbursed by USDA for pre-construction costs. In order to reach this intersection JPUD must pay all costs. Our current cash balance runs between \$80,000 and \$90,000 which is inadequate to fund pre-construction and construction costs through 2020 and 2022 (estimate). Consequently, we are looking into a bridge loan. The bridge

loan would be for \$500,000 at 5% with a 1% origination fee (nonrefundable) for 2 years. Professional services are estimated to be \$135,000; a lender contingency reserve is estimated to be \$109,000,(2 tanks).Our ongoing Operations ad Management (O&M) cost average is around \$46,000. Our income (service charges from 2019 audited financial) is \$47,281.These gaps establish the need for a bridge loan. If we don't get a final loan commitment, we are still committed to the costs we incur in preconstruction and construction.

JPUD's most recent audited financials and rate structure can be found at www.JohnsvillePUD.org.

5. Action Items

5.1 2020 Resolutions

5.1.1 Resolution 20-1 County Property Tax Collection of JPUD Water Fee

Motion to approve **Resolution 20-1** County Property Tax Collection of JPUD Water Fee was made by Director Hattich and seconded by Director LaTourrette. The vote was as follows:

Ayes: 3
Noes: 0
Absent: 0

Motion Passed Unanimously

5.1.2 Resolution 20-2 Johnsville Public Utility District Official Website (www.JohnsvillePud.org)

Motion to approve **Resolution 20-2** Johnsville Public Utility District Official Website (www.JohnsvillePud.org) was made by Director Hattich and seconded by Director LaTourrette. The vote was as follows:

Ayes: 3
Noes: 0
Absent: 0

Motion Passed Unanimously

5.1.3 Resolution 20-3 Five Year Budget Plan

Motion to approve **Resolution 20-3** Five Year Budget Plan was made by Director Hattich and seconded by Director LaTourrette. The vote was as follows:

Ayes: 3
Noes: 0

Absent: 0

Motion Passed Unanimously

5.1.4 Resolution 20-4 Financial Reserve Policy

Motion to approve **Resolution 20-4** Financial Reserve Policy was made by Director Hattich and seconded by Director LaTourrette. The vote was as follows:

Ayes: 3

Noes: 0

Absent: 0

Motion Passed Unanimously

5.1.5 Resolution 20-5 Five -Year Capital Improvement Plan

Motion to approve **Resolution 20-5** Five -Year Capital Improvement Plan was made by Director Hattich and seconded by Director LaTourrette. The vote was as follows:

Ayes: 3

Noes: 0

Absent: 0

Motion Passed Unanimously

5.2 Approval of Johnsville Public Utility District website as official website

5.2.1 Comments: The website was approved as Resolution 20-2 Johnsville Public Utility District Official Website (www.JohnsvillePud.org) found above in paragraph 5.1.2 above. Director LaTourrette noted that a Google search using “Johnsville PUD” as a search criterion brings up a previous JPUD newsletter. Our site manager Streamline has been notified of this discrepancy. A search using www.JohnsvillePud.org puts guest on the JPUD landing page. The site contains JPUD’s mission statement, transparency requirements, legal requirements as well as minutes, agendas, notices, and community resources related to public safety and community services.

5.3 2021 Operating Budget

5.3.1 Deferred

5.4 Additional notice to homeowners concerning rate increase and website information

5.4.1 A Proposition 218 Notice was mailed to all customers in 2018. The schedule was discussed in our 2018 and 2019 newsletters. Additionally, the rate table and notice are published on our website www.JohnsvillePud.org. Our attorney, Steven Gross, provided information that it indicted another notice isn't required; however, it could be done as a courtesy. Discussion of doing another Proposition 218 notice or courtesy notice was deferred to our next meeting.

6. Adjourn Meeting in Remembrance of Pat O'Reily (California State Parks) and Family

Recorded by John LaTourrette 5/23/2020

Submitted by Melissa Sheets, Manager JPUD **June 2, 2020**