

Herlong Public Utility District



Regular Board Meeting December 12, 2023

THIS MEETING IS HELD PURSUANT TO EXECUTIVE ORDER N-29-20
ISSUED BY GOVERNOR GAVIN NEWSOM ON
MARCH 17, 2020
PUBLIC PARTICIPATION

If you wish to make a general public comment or to comment on a specific agenda item, the following methods are available:

READ INTO THE RECORD AT THE MEETING: Submit your comment via email or drop box prior to the start of the meeting, provided that the reading shall not exceed three (3) minutes. Please state in your email that you would like this "read into the record". In those cases where the meeting author requests that the email be read aloud as though it were being delivered orally at the meeting, the email will be read aloud by the Board Clerk up to a maximum of three minutes. Comments received after the meeting has begun will be placed into the record and distributed appropriately. sandy@herlongpud.com

CALL TO ORDER: Director Everett called the meeting to order at 5:30 PM.

FLAG SALUTE: Director Everett led the pledge of allegiance.

ROLL CALL: Director Flores, Director Swistowicz, Director Harris, Director Johnson, and Director Everett were present.

APPROVAL OF AGENDA: Director Swistowicz made a motion to approve the agenda. Director Harris seconded. Aye votes: Everett, Harris, Swistowicz, Flores and Johnson. Nay votes: None. Absent: None.

PUBLIC COMMENT:

Theresa Terk: Thanked Director Everett for his hard work on cleaning up the walk-way path. It was a group effort with for the Volunteer Fire Department, Kaarbo's and Director Everett worked 2 afternoons.

Randi Kaarbo gave her opinion on Mt. View road, she is very upset that she only has patches on her road, she feels the road patches are already getting worst. She doesn't feel HPUD should pay for it, but the monies that HPUD got for construction should pay for it. She has time on her hands and will continue to push this issue forward.

FINANCIALS

Community members walked in at 5:40pm

Director Flores questioned fuel cost on the check book from October. Director Flores continued to question fuel cost for the fire department at \$469.00. Wanting to know how many vehicles is used to spend this money. Fire Department has 4 vehicles and even the trucks that are not on the road, get exercised weekly. Director Swistowicz would like to see trip tickets in each vehicle. Discussion on possible policy to include trip tickets for all District Vehicles. Director Flores asked about the bills to Tholl fencing for the wastewater plant. GM Raffelson described the replacement cost of the motor for the plant gate. The District paid half up front for Tholl fencing to order the motor and the remainder when Tholl fencing came out and fixed the gate.

Director Flores read a statement from his notes: Suggesting the Board set a special meeting with the current financial manager before her last day on 12/29/23 to review expense, income, and discuss any financial concerns the board may have. Director Flores stated that Monique had

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already told him she would be available. Director Flores made a motion to have a meeting to discuss these items with Monique, Director Swistowicz seconded it. Aye votes: Everett, Johnson, Harris, Swistowicz and Flores. Nay votes: None. Absent: None.

Director Flores made a motion to approve October 2023 Finances as presented, Director Swistowicz seconded the motion. Aye votes: Everett, Johnson, Harris, Swistowicz and Flores. Nay votes: None. Absent: None.

Director Everett made a motion to approve Rapid Construction check of \$286,452.04 and Shaw Engineering check of \$100,000 for West Patton Village Pipe Replacement project. Director Johnson seconded the motion. Aye votes: Everett, Johnson, Harris, Swistowicz and Flores. Nay votes: None. Absent: None.

Board allowed late arriving community members to speak on public comment.

Laurie Stokes: She appeared because of the increase in the water bill. She doesn't understand the billing. Director Everett talked to her on the phone for over an hour and she didn't feel that she should have to pay. **Director Everett responded to her and told her that WPV had sewer leaking into the ground the District did not have a choice but to do this project. It took almost 6 years to get this project moving forward. Everyone got new water and sewer lines up to their homes. This project was necessary, and the District did not have the dollars to fund this project. The State offered SRF funds that are grant monies. By the District accepting these grant funding, the District is obligated by the State contract to increase rates to 1.5% of the medium household income, Which were done with the 2010 census not 2020. That calculation was done in 2019 with a proper 218 and hearing and accepting by the community and the Board with a Resolutions. If this Board was to decrease the rate, in would be a breach of contract with the State and the total funding would be due immediately. This Board actually saved the residents approximately \$5,000 by waiting until now to impose the new rate increase.**

Edwin Kelsey: question increase for SIRCO? Would like a line item on his bill showing how much money he is paying back and how much he is investing. Would like a quarterly statement sent to him. Also would like to see a yearly statement.

MINUTES: Director Flores called out the part of the November minutes stating he wants to see the Finance Manager position in the monthly newsletter. Director Flores did not see it in the newsletter. GM Raffelson stated that it was included in the monthly newsletter and Director Flores went on to say all advertisements for this position were different. He added he felt all this was done illegally and the Board should be part of this whole process. Director Everett asked HPUD attorney for his opinion on this item. Attorney Steve Gross commented saying there are two items at question. One, currently the Board is considering the minutes for approval, so the Board should

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be looking at the minutes and asking are they correct? Do they summarize last month's meeting. Does the minutes capture last month meeting and if so the minutes are there for approval. Second item is whether it is illegal to post a job with portion of the job description, there is no law that says this District cannot post this way, District does not have a policy that states that and there is no California or Federal law that states this District cannot publish this way. Without a policy, there is no formal direction from this Board. There is nothing unlawful from what has been done on the job posting. Again, the Board should be considering the minutes at this time. Director Flores felt himself and the Board should be part of the hiring process. Director Johnson made a motion to approve the minutes of November 2023; Director Harris seconded the motion. Aye votes: Everett, Johnson, Harris, Nay votes: Swistowicz and Flores. Absent: None.. Motion passes 3 to 2.

FIRE:

GM Raffelson reported: there were 9 medical calls in November. Enosh Everett has completed 3-day college class in first aid and CPR. Discussion of SOP to help aid staff and board to build their own fitness SOP/Policy. Director Johnson stated that Volunteer Fire Department personnel must be as fit as paid fire departments. She would like to have a doctor's note stating the person is physically able to be a volunteer fire person. The Board discussed the cost of a doctor's note, and the District would be liable for the doctor's bill. This would save the District in liability in the long run. Director Everett suggested that the board have a Fire Department workshop and include the fitness policy. Director Swistowicz talked about continues training, fire academy and doctor's note, that all you need, he did not feel the District needed a fitness test policy. Attorney Gross suggested a policy that would have a volunteer fire person job description. Director Swistowicz felt that once the volunteer passed the fire academy and doctor's note, the person was good to go. GM Raffelson spoke up and said the reason for the fit test was for our volunteers that were with the District for a long period of time and passed the academy 5, 10 years ago. Chief White had suggested an annual pack test, just to keep everyone fit and knowing they could fight a fire and supporting the other volunteers during the fire. Director Swistowicz stated that volunteers would quit when they could no longer perform their duties. Director Johnson suggested annual doctors note to keep the District from liability and realize that could get expensive year-to-year. Director Swistowicz suggested the PAD test monthly for all volunteers. Director Harris brought up the question of could a person breathe with their SCBA's mask on.

Director Johnson brought up the Stipend policy and would like the Board to review. Director Everett suggested we add this to a fire department meeting next year.

NEW BUSINESS:

INTRODUCTION TO OWEN WURGLER: Paul Winkelman will be retiring at the end of the year and Owen wanted to introduce himself to the Board. Owen is currently working on Updating HPUD master plan for both water and wastewater and hope to have them completed by mid-February. Director Flores asked questions regarding the Land use, service area, population, water

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demands and wastewater. He wanted to know the difference between WPV and SIRCO houses. WPV has 36 more homes than SIRCO

OLD BUSINESS:

COMPLETION OF WPV PROJECT:

Paul Winkelman – has been working here in Herlong since 2000 and is selling his shares of Shaw Engineering at the end of the year. Paul will be retiring but assured GM Raffelson that he would be available for any question regarding HPUD. Our project, we are at the final pay request, which is the retainer approximately \$500,000. Paul has not signed the final pay request until Rapid completes 3 items. Staff would like to ask the board for conditional approval of pay request once Paul Winkelman signs off and HPUD GM signs off. Staff is asking the Board for conditional approval on a final check for \$502,206.46. Mrs. Kaarob interrupted and said she would like the board to consider not paying the final until Mr. View Road is completed. She is still very upset about her road. Director Flores asked about the 3 change orders on the project. Mr. Winkelman stated the change orders only amounted to 1.3%. Director Flores again wanted to discuss the change orders from memory, he wanted to know about the change order to extend the water line to the fire barn. Mr. Winkelman stated that was not a change order it was always part of the project, was part of the original scope of work. Director Flores asked about adding the sewer line to the fire barn. Mr. Winkelman informed him the sewer line was already there, they just added a clean-out at the fire barn. Steve Gross spoke up and stated he believes Mr. Winkelman and GM Raffelson are looking for a Motion to conditionally accept to pay the final payment of \$502,206.46 to Rapid after Engineer Paul Winkelman and GM Raffelson sign off. Director Swistowicz made that motion and Director Johnson seconded the motion. Aye votes: Everett, Johnson, Harris, Swistowicz and Flores. Nay votes: None. Absent: None.

Mt. View Road – GM Raffelson explains how the District is not a road department and how as a utility in Lassen County the District is required to patch the road. This is what the District has done in all their projects in the last 15 years. The District does not have a road department, so it would be gift of public funds to the County for the District to replace Mt. View road. Mrs. Kaarob spoke up again and told everyone how she did not ask for this project and how horrible it is for her family to drive on the road. GM Raffelson also stated that she hoped, that since the County has not repaved her road in 20 years, that it was possible it could be on the County future agenda. Mr. Winkelman spoke up, and stated again this was a utility project, not a roads project. This project was sold to the State as a utility replacement pipeline project. It is common practice for utilities to patch, utilities do not replace roads. Mr. Winkelman has seen in Reno where the County came in and repaved a road and the utility the next week tore it up and patched it when they were done. This is common practice; utility districts can not afford to replace roads. Mr. Winkelman can not justify to the State on a new road replacement for pipe replacement project. The Plans, Mr. Winkelman plan, the Board approved several times through the efforts to get this project started. These plans never, at no point, ever included a new road on Mt. View. Steve Gross

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restate what Paul Winkelman stated the HPUD is not a road department, this project was a utility project, pipe replacement project, never in the plans was it to replace Mt. View road, it is common practice for utilities to patch pavement, again because they are not a road department. Steve Gross understands that patch pavement does not feel the same as a complete re-pavement job. Repaving Mt. View again was not in the plans that the District approved, the County approved, and the funder approved. The County has inspected the roads and has accepted the work. For The District to go back and pave the road now, the expense would be illegal, unlawful and gift of public funds.

2024 BUDGET: This item was brought to the Board last meeting to review and ask questions, this item tonight is for Board approval, again this is just a picture in time and can be adjusted semi-annually. Staff has presented to you the last 5 years of approved budgets for compassion. The 2024 budget includes payroll expenses increase of 5.2% and \$25,000 for engineering expense for possible rate study. Staff were available for questions and comments. Director Flores doesn't feel he understands it enough to approve it tonight. He stated he tried to go over the budget, but the meeting was ended by him and Director Swistowicz about 10 minutes into it. GM Raffelson noted that Director Flores meet with both her and Monique on this matter. Unfortunately, Director Flores could understand inflation but does not understand the increases in the budget. Director Swistowicz would like to see asset management and replacement cost for all funds. Doesn't feel that the \$49,000 is enough money to replace anything for the Fire Department. Director Flores wanted to know if it was mandated by the State for a District to have specific amounts in reserves. Director Flores directed his question to HPUD attorney Steve Gross. Attorney Gross said it was not mandatory by the State to have reserves, each District has their own policies and procedures. After much discussion, Director Swistowicz made a motion to approve the 2024 budget, Director Harris seconded the motion. The motion passed. Aye votes: Everett, Johnson, and Harris Nay votes: Swistowicz and Flores. Absent: None. Motion carried 3 to 2. Director Flores reminded everyone that he was having a meeting to discuss financials before the holidays.

Steve Gross brought up that yes, there was a meeting to discuss finances set up for 12/19 with Monique. Director Flores would like to amend that motion to include that it be done before the holidays and at Moniques convenience. GM Raffelson asked what items you would like on the Agenda and Director Flores stated he wanted any concerns or improvement FM Monique might have. Director Flores made a motion to have the meeting within the next 2 weeks and Director Swistowicz seconded the amended motion. Aye votes: Everett, Johnson, Harris, Swistowicz and Flores. Nay votes: None. Absent: None.

GM REPORT:

HERO Land Holdings and Summitt Funding had reached out to the District to do a Capacity Study early March. Shaw Engineering put together a proposal for them with a cost of \$10,000. We have

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finally received their monies and I have forwarded the information to Owen at Shaw Engineering. These are the lots between the trailer park and the wastewater plant.

Director Flores asked that the Board take the 4 Modules of the Leadership Academy together next year via virtual workshops. The first Module is February 21-22. GM Raffelson needs to know back next meeting, which Board members will attend.

Director Flores asked again about the Financial Manager job. Director Everett asked if anyone had applied. GM Raffelson replied she had 3 resumes of potential employees. Director Flores again brought up that he wanted to be part of the processes of hiring. Then Director Flores asked Steve Gross again if the job advertising was incorrect? Attorney Gross responded, this District is not subject to State rules and regulations on job advertisement. The Board has delegated the responsibilities of hiring and firing to the general manager per HPUD policy. Director Everett and Director Johnson reminded the Board that they only had one employee, that is the GM; and it is the GM responsibility to employ assistants and other employees as deems necessary for the administration of the District. Steve Gross in his experience has never seen the Board sit in on interviews that the GM is doing. Director Johnson spoke up and said this is micromanaging and that is not this Board responsibility, and she is on other Boards. Attorney Gross agreed.

DIRECTOR'S UPDATES:

Director Everett: Merry Christmas to everyone!

Director Johnson: None

Director Harris: None

Director Swistowicz: Why is the attorney here. He is here to represent the District on all the legality of tonight's meeting. Director Swistowicz wanted to make sure that Attorney Gross could not represent the GM if she sued the District. Director Flores spoke up and said GM was president of SDRMA and they would represent the GM. GM Raffelson spoke up and said no, SDRMA is the District insurance not the employees.

Director Flores: Informed the Public that the County has approved check to HPUD for \$240,000 for their portion of the roads in WPV and the pond. Now the name of the game is Safe money and invest so we get greater interest. Director Flores introduced Erin from the food bank.

ADJOURNMENT: AT 7:59 PM

Eula Johnson, Vice-President

ATTEST TO:

A handwritten signature in blue ink that reads "Sandy Seifert-Raffelson".

Sandy Seifert-Raffelson, GM