

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

Minutes of Regular Meeting: June 20, 2017 at 3:00pm. Located in the Chester Public Utility District conference room: 251 Chester Airport Road.

Directors Present: Greg McIntire, Wes Scott, Ben Thompson and Steve Trotter.

Directors Absent: Vacancy

Guests Present: 3, includes Stacy Fischer, a Chester Progressive Rep, and Sherrie Thrall, a Plumas County Board of Supervisors Rep.

Staff Present: 5 CPUD/CFD employees and volunteers.

1. **Call to Order:** Director Scott called the meeting to order at 3:00pm.
 - Director Scott led the Pledge of Allegiance.
 - Agenda approval: Clerk to the Board, Cheryl Johnson stated that Clay Singleton was running a bit late. Director Scott stated that he will be plugged in to the agenda when he arrived. Director Trotter made a motion to accept the agenda with the adjustment upon Mr. Singleton's arrival. Director McIntire seconded the motion. All in favor, motion carried.
2. **Closed Session:** none
3. **Reconvene from Closed Session:** n/a
4. **Report on Closed Session:** n/a
5. **Public Comment Non-Agenda Items:** None.
6. **Approval of May 16, 2017 Regular Meeting Minutes:** Director Trotter made a motion to accept the minutes as written. Director McIntire seconded the motion. All in favor, motion carried.
7. **Approval of April and May 2017 Financials:** Director Trotter made a motion to accept both sets of financials. Director McIntire seconded the motion. All in favor, motion carried. Director Scott asked about water and sewer deposits, if they are groupings of checks. Confirmed by Cheryl, yes.
8. **2015-2016 Audit Results presented by Singleton/Auman, Clay Singleton:** (late arrival)
 - Singleton/Auman has been CPUD/CFD auditor since before the merge.
 - They do General Ledger adjustments, over CPUD's CPA.
 - They test the higher risk areas for fraud.
 - Page 7: Management Decision Analysis, Compare current to prior.
 - Page 6: Net Pension Liability: (GASB Statewide Reports), Unfunded Accrued Liability
 - o Rates Based on Stock Market performance
 - o People Living longer/demand
 - o Fire: 4 Billion statewide, CFD portion is 616K. (page 39)
 - o Miscellaneous: CPUD portion is 500K
 - Findings: Page 45: Lack of segregation of duties, which is hard to have checks and balances completely covered for any small company. He knows that management knows of the risks.
 - Financial Reporting: 30 extra audit hours went in to this audit due to the extra accounting and the GASB 68.

- Cash Disbursements: He feels this needs a better authorization policy in place for purchases.
- In whole, he gave a Clean Opinion, nothing out of the ordinary.

- 9. General Manager's Report: - (Exhibit A)** GM Motzkus stated that we have chosen someone for the Seasonal Position. He should begin July 10th, pending background checks. He explained that 8 applicants were sent for testing for the Secretary Position, and only 4 turned in results. Pending background testing and reference checks, a decision will be made. Director Trotter asked about Drug Testing and Physicals. GM Motzkus will make sure those happen as well.

Stacy Fischer stated that Nils Lunder, the rep for the Olsen Barn was waiting for board approval to be able to proceed with getting water service. GM Motzkus stated that this was not for board approval, he has been waiting for Mr. Lunder to get back to him with where the easement was to be able to set a meter, probably 2". Stacy Fischer stated he will be the liaison to Mr. Lunder regarding this information.

- 10. Fire Chief's Report: - (Exhibit B).** (Chief Waterman was absent) (Presented by Captain Dean) (late arrival) Captain Dean stated that lot inspections were almost completed. The delay to completion was due to Cal-Fire delivering the forms late.

Chief Waterman sent in a lot of information to the GEMT Auditors, we haven't heard anything yet.

We haven't received an official word that our Plymo-Vent FEMA Grant was to be audited. He has completed a binder with all the appropriate information, for when the audit does begin. Rescue 7251 is red tagged for lots of repairs. Time to evaluate if it's worth fixing, At Your Service will evaluate on Monday. 7221 is also out of service. The new alternator will be installed Monday. OES Water Tender is not ready for Wild Land Service. Waiting for OES approval to fix the problem. It did go on the vegetation fire last week on Melissa Ave. Captain Dean reiterated that the cotton on the ground catches fire very easily. 2 homes were lost a couple years ago because cotton caught on fire.

Wild Land Field Day is getting a lot of interest. This will be towards the end of June.

4 Tough Books are here, purchased through a grant. Medic/Fire Fighter Matt Turner has been an integral part of getting them set up with the software etc.

Union negotiations are underway.

4th of July district coverage meeting went well. 16 people from CHP, Boat Patrol, Cal-Fire and surrounding basin Fire Departments. 2 Ambulances will be staffed and 1 Engine.

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

- 12. Board Vacancy:** GM Motzkus stated that we have not had any letters if interest. No action taken.

- 13. 2016-2017 Auditor Bids:** GM Motzkus presented an overview of the Auditor's Bids. He noted that they have a standard that they have to follow when submitting a bid. After a brief discussion GM Motzkus recommended that they award Pehling & Pehling the bid. Director Trotter made a motion to accept Pehling and Pehling's bid. Director McIntire seconded the motion. All in favor, motion carried.

- 14. Fiscal Year 17-18 Final Preliminary Budget:**

A. **Discussion:** GM Motzkus presented the budget spreadsheets to the board. After a brief discussion clarifying Lines 25,54, and 58 of the first page, GM Motzkus asked the board to open this item as Public Hearing.

B. **Public Hearing:** Opened at 3:20pm: Plumas County Board of Supervisor, Sherri Thrall stated that this may be the last year CPUD will be getting the 25% Streetlight

reimbursement from the Department of Public Works/Road Dept. The Board and GM Motzkus thanked Ms. Thrall for the heads up.

- C. Close Public Hearing:** With no other input, the hearing was closed at 3:24pm.
- D. Possible Action:** Director Trotter made a motion to accept the 2017-2018 Budget. Director McIntire seconded the motion. All in favor, motion carried.

15. Plumas County Broussard Annexation Proposal: 7% Offer. GM Motzkus and Sherri Thrall explained that the 7% CPUD would receive would be of the improved, newly assessed rate, less the base that Plumas County receives, should the property increase in value. Director Scott asked GM Motzkus to go forth with assembling the Resolution for LAFCO. The next Board of Supervisors meeting with LAFCO is in August, per Sherri Thrall.

16. Correspondence: Cheryl gave Director Trotter his confirmation of registration for the Leadership Academy Conference in Napa in July.

17. Comments:

- A) **Directors:** none
- B) **Staff:** PIO, Karen Lichti gave the Directors applications for the 2 new helicopter care flight memberships we are joining.

Director Scott adjourned the meeting at 3:56.

Cheryl Johnson, Clerk to the Board.

Approval of Minutes_____