

Herlong Public Utility District



Regular Board Meeting July 23, 2024

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

FLAG SALUTE: Director Swistowicz led the flag salute.

ROLL CALL: Director Swistowicz called roll call. Director Johnson, Director Reed, Director Swistowicz, Director Harris and Director Flores were all present.

APPROVAL OF AGENDA: Director Swistowicz made a motion to accept the agenda with a change of 2024 minutes not 2023 as suggested by Director Johnson, Director Harris seconded the motion. Aye votes: Johnson, Swistowicz, Harris, Flores and Reed. Nay votes: None; Absent: none.

PUBLIC COMMENT: Teresa Turk asked about the street signs for Mazanita. There are currently no signs at either end. GM Raffelson will let the County know.

FINANCIALS: Director Reed made a motion to accept Financials as presented, Director Harris seconded the motion. Aye votes: Johnson, Reed, Flores, Harris and Swistowicz. Nay votes None; Absent none.

MINUTES: Director Johnson made a motion to accept the June 25, 2024 meeting minutes as presented; Director Harris seconded the motion. Aye votes: Flores, Johnson, Harris, Swistowicz and Reed. Nay votes: None; Absent: none..

FIRE DEPARTMENT UPDATES: 14 Calls in June all medical. Structure Truck has a trickle charge on it and is full of water in case we need it, but it does take 3 volunteers to run it. Currently HVFD has 5 volunteers but only 2 show up. Director Swistowicz would like to see a community meeting to try to encourage more volunteers. Director Swistowicz would like see Board members and himself even go door to door. Director Swistowicz also talked about trying to get some people that work at the prison on the VFD. Director Johnson visited with Chief White and he said NO he does not want anything from this Board. Director Reed mentioned the school wants to name the football field after Grover for his many years of service, she was thinking we could honor Chief White with the fire truck there when the school honors him. GM Raffelson mentioned that if the school is having trouble getting funded for the sign, maybe HPUD could pay for it, or the Directors could donate their stipends to the sign fund. Medical Tuesday is next Tuesday. The board is tabling the Fitness Policy until fall when staff is back in their offices.

NEW BUSINESS:

INTRODUCTION TO NEW COUNSEL VIA ZOOM Mr. LINDEN: The Board introduced themselves to the attorney individually and Mr. Linden introduced himself to the Board and apologized to the board for having car problems and not making it in person. Mr. Linden has been an attorney for 22 years. Rates were not correct in Exhibit A, please initial new rates and send it back to him. Director Swistowicz questioned the contract being with the firm's Los Angeles address

Herlong Public Utility District



Regular Board Meeting July 23, 2024

and was concern with the travel per diem. Mr. Linden suggested we prearrange the travel fees prior to any travel. The Board agreed to initial the new rate schedule and move on.

2023 AUDIT: This is the Board second copy of the audit in the board packets. Zach Pehling went page by page through the audit and explained the audit and each page. The reason it looks the same every year is GASB (Government Accounting Standards) tells the audits how the audit must look year to year. Director Swistowicz had a question on the fire department that Zach explained to the board in detail. Director Flores was confused about a junior loan with the USDA, not understanding that the Junior Loan meant that USDA was stepping back and being the secondary loan holder to the State Revolving Loan Fund. Since 2009 USDA has always been the first lien holder on HPUD Revenues and by accepting the junior loan position, it puts USDA 2nd and SRF 1st as lien holders against HPUD revenues. Discussion on increased revenues and where they should be. Director Flores asked Attorney Linden if the Board could put the increased revenues in other accounts and investments to decrease the customers rates. Mr. Linden declined to answer in open session, but his staff could investigate the question if the Board wishes. Mr. Pehling explained to the Board that if you were to change where your money went you may need to change your investment policies. Mr. Pehling continues to explain the audit page by page. Director Flores had questions regarding page 34 of the audit and asked who made the mistakes. Mr. Pehling stated that the old finance manager is who missed coded monies in the project and distorted the financial statements. Barbara Lee, District Clerk, spoke up and commended the office for how easy and understanding staff is with questions and teaching how to do her job. Brianna confirmed her education and experience to be in the Finance Manager position. Going on to page 38 and continuing through the audit. Director Flores made a motion to receive and file the 2023 audit report; Director Harris seconded the motion. Aye votes: Flores, Johnson, Harris, Swistowicz and Reed. Nay votes: None; Absent: none.

POLICY 3042 EMPLOYMENT OF OUTSIDE CONTRACTORS AND CONSULTANTS: Director Swistowicz asked to review this policy. Attorney Linden reviewed the policy and has made changes to the policy as presented. Unfortunately, PUDs are treated differently than CSDs and have a limit of \$15,000 not \$25,000 Article 6, starting with Section 2022 of the Government Code, Public Contracts code applies to PUD. The Board would like to see added into the policy "with statement of works approved by the Board". Discussion about adding local preferences. Atty Linden suggested we table policy 3042 until the next meeting to give him a chance to review and add board verbiage to the policy. Director Flores made a motion to table the policy until the next meeting, Director Reed seconded it; Aye votes: Flores, Johnson, Harris, Swistowicz and Reed. Nay votes: None; Absent: none..

GM REPORT:

Sierra Alliance: Meeting tomorrow night at HPUD office

Employee: Dustin Bowland will be moving to Texas and leaving HPUD. We have already started to advertise his position. I would like to have the attorney look into the possibility of a 5-year

Herlong Public Utility District



Regular Board Meeting July 23, 2024

contract for new utilities workers. HPUD spends a lot of time educating and training employees and it would be nice to have a guarantee they will stay for at least 5 years.

Wastewater Plant: As this Board is aware the plant is 20 years old. The Belt Press is 15 years old when we purchased it and now it is 30 years old. No replacement has ever been proposed. The Master Plan will help the District greatly, but nothing has been addressed to replace the belt press. The Belt Press is absolute and is nickel and dime the district. If the belt press went down for an extended amount of time, it would cost the District an additional \$20,000 a month to rent something until we could replace the belt press. GM Raffelson would like the Board approval to move forward with replacing the belt press with a screw press. It will cost the District approximately \$300,000 to \$500,000. It will reduce man hours from 32 hours a week to 5 plus will be safer and more efficient. The District has been running at 80% capacity for several years, which the STATE suggests that at 80% we should be looking at enlarging the plant. At 90% the State mandates that the District has engineering done for larger capacity. Director Swistowicz mentioned the USA grants website and would send the information he found over to GM. All five board members agreed to bless GM Raffelson moving forward with a new screw press and working with Engineer Owen to get this completed. GM Raffelson asked the Board to look at the Investment Reserve Report for future conversations.

DIRECTORS UPDATES:

Flores: Backing up the minutes, he would like both written and recordings minutes saved forever. Director Flores would like to revise the Policy in the future.

Johnson: None

Reed: None

Harris: None

Swistowicz: None

The Board took a 10-minute recess.

CLOSED SESSION FOR ANNUAL GM REVIEW: The Board went into closed session at 8:06pm. The Board came out of close session at 8:45pm and there was no reportable action.

ADJOURNMENT: Adjourn at 8:48PM.



Erinn Reed, Secretary

ATTEST TO:



Sandy Seifert-Raffelson, GM