

Regular Meeting of the Board of Directors

9751 Merced Falls Road
April 16, 2018 at 1:00 p.m.

Mission Statement: *The Lake Don Pedro CSD is dedicated to providing our customers with ample quantities of high quality water meeting all standards, in a fiscally responsible manner.*

AGENDA

1. CALL TO ORDER: Presiding Officer: Establish Quorum, Pledge of Allegiance:

2. PUBLIC COMMENT:

Any person may address the Board at this time on any matter within the jurisdiction of the Board that is NOT ON THE AGENDA. A maximum of three minutes is allowed each person and a maximum of 20 minutes per topic. Any person wishing to address the Board on an item ON THE AGENDA will be given the opportunity at that time. Speakers are encouraged to consult District Management or Directors prior to agenda preparation regarding any District matters, as no action will be taken on non-agenda issues.

3. PRESENTATION ONLY:

- a. Presiding Officer's Report
- b. General Manager's Report: Peter J. Kampa
 - Informational Report on Fire Hydrant Responsibility
 - Review of 2015 Informational Report on Contracting vs Force Account Construction
- c. Chief Plant Operator's Report: R. Gilgo
 - Status of customer water meter troubleshooting and remedy
 - Status of treatment plant electrical panel repair

4. APPROVAL OF CONSENT AGENDA: The following items may all be approved in one motion or considered separately as determined appropriate by the President

- a. Read and file the March 2018 Treasurer's Report
- b. Approval of the Minutes of the Regular Meeting of March 19, 2018

5. DISCUSSION AND ACTION ITEMS

- a. Report on the damage to the water system caused by the March 22, 2018 flash floods and requests for state and federal funding assistance
- b. Adoption of a Resolution Approving Emergency Expenditures and 2017/18 Budget Amendment Associated with Restoration of the Water System Following the March 22, 2018 Flash Floods
- c. Approval of an Amended Engineering Budget for the Emergency Barge Renovation Project
- d. Adoption of a resolution amending the District Investment Policy

6. ADJOURNMENT:

Meeting agendas and written materials supporting agenda items, if produced, can be received by the public for free in advance of the meeting by any of the following options:

- A paper copy viewed at the District office, 9751 Merced Falls Rd., La Grange, CA 95329 during business hours or mailed pursuant to a written request and payment of associated mailing fees
- An electronic copy received by email. Note - a form requesting email delivery of agendas and/or meeting materials must be completed a minimum of one week in advance of the meeting
- Viewed on the Board page of the District's website
- A limited number of copies of agenda materials will also be available at the meeting

Americans with Disabilities Act Compliance: If you require special assistance to participate in Board Meetings, please contact the LDPCSD Board Secretary at (209) 852-2251 Ext. 2. Advance notification will enable the District to make reasonable arrangements to insure accessibility.



Lake Don Pedro Community Services District
General Manager's Report
April 2018

1 Report Overview

We are pleased to present this report briefly covering the activities of district management over the past month. The majority of time and effort was spent in review and coordination of the emergency barge project design, planning the service line replacement and effluent meter installation projects, responding to the March 22 flash floods and related coordination with Mariposa and Tuolumne Counties, Cal OES and FEMA..

2 Management and Administration

- **Fire hydrant responsibility report** –As discussed at the March Board and requested by the public on several occasions, attached is a brief report covering the responsibilities related to public water systems and fire hydrants. As identified in the report, we are not required to operate a system of fire hydrants and are not liable if the fire hydrants malfunction. However, since we do have over 480 fire hydrants and isolation valves in the system, industry standards recommend that fire hydrants be operated on a regular basis to ensure proper function and to clean out debris. As stated in the report, fire hydrant flushing is required as needed to maintain water quality and to test and/or troubleshoot the water system. We are preparing to advertise for a Grade 2 Water Treatment and Distribution operator, and will be looking for a candidate with substantial water distribution system experience. We intend to dedicate this individual to system maintenance including flushing.
- **Contracted Construction Projects vs Force Account** – Included with this agenda item is a brief report originally prepared in 2015 regarding the cost and legalities of self constructed projects vs contracted. The 2015 report was updated to be relevant to our current discussion.

3 Water Service

- **Automated Meters** – Our operations staff continues to work diligently replacing failed meter transmitters in an attempt to resolve the sporadically malfunctioning customer meters.
- **Water Loss Report** – Attached you will find the system water loss report for March 2018. As shown, we experienced a loss of over 30 acre feet, with approximately 20 acre feet of that associated with the flash flood related system failures.
- **Outside Place of Use and Well Operation**–During the month of March, we operated Medina Well, pumping 5.34-acre feet to the treatment plant. The total consumption by OPU customers was one acre feet. For reporting purposes, we are including all parcels previously included in the OPU report, plus the parcels we have recently unidentified as likely outside the POU, but not previously included in monthly reports. Using this method of reporting, until

the state provides an POU boundary decision, we will be reporting the potential maximum number of properties that the state could determine as located outside the POU.

4 Infrastructure Capital Improvement Projects

As part of the restoration of the water main on Ranchito Drive, a sixty foot section of steel casing pipe was installed spanning 20 feet on either side of the culvert that failed during the floods. The water main was reinstalled inside the steel casing, and the casing was anchored to concrete to provide protection from future failures of the culvert. .

Fire Hydrants

An Informational Document Prepared by
Peter J. Kampa, Kampa Community Solutions, LLC

The topic of fire hydrants is an interesting and occasionally controversial one. The purpose of this document is to clarify the Lake Don Pedro CSD's role and responsibility in the installation, operation and care of fire hydrants.

Overview

There is no specific legal requirement to flush a fire hydrant. There is also no requirement in law or in water system standards for a public water system to even have fire hydrants. Fire hydrants are considered by the State Drinking Water Division as purely a firefighting apparatus, with their installation, operation and maintenance at the discretion of the district. Public agencies are immune from all liability associated with fire protection activities and equipment.

That said, there is a distinction between flushing hydrants and operating or testing hydrants. Flushing is typically done to maintain water quality (in mains and tanks) only. Flushing hydrants has nothing to do with firefighting as it is done as a waterworks practice to clean a system and bring in fresh water. Operating and testing hydrants, on the other hand are important maintenance and system operating/troubleshooting practices. Operating hydrants also makes sure that they function properly, and help keep local fire insurance costs lower.

Liability for Fire Hydrants

California Government Code section 850.4 provides an immunity to the District for any liability related to operating fire hydrants and states:

“Neither a public entity, nor a public employee acting in the scope of his employment, is liable for any injury resulting from the condition of fire protection or firefighting equipment or facilities” So even though the District is not legally responsible or liable if a fire hydrant fails to work, our commitment to our community and customer service requires that we ensure functioning fire hydrants throughout the system. The base rate portion of the monthly fees charged to customers pays the cost of fire hydrant maintenance and repair.

Fire Hydrant Flushing

Water providers maintain water quality in their water systems by “flushing” water mains using the high water velocity produced when a fire hydrant is opened to full flow. Flushing is a practice that also keeps the water “fresh” in systems that have low consumption amounts, such as Don Pedro. Many times in order to remove sediment, rust, sand and organic material from inside water mains, multiple fire hydrants must be opened simultaneously to achieve enough water flow to move the debris out of the large pipes. There is no law describing how often or the method for fire hydrant flushing. Even the California Department of Public Health does not tell the district exactly how to clean water mains or operate their system, including hydrants.

Flushing typically uses between 20,000 and 40,000 for each hydrant flushed, which can be seen as a huge waste of precious water and the water wasted equates to a cost of between \$50 and \$100. You might wonder why that flushed water cannot be captured in a truck rather than wasted, but in reality even a semi sized water truck would be filled up in less than ¼ of the time it takes to flush the normal hydrant. This means you would have to open and close the fire hydrant 5 to 6 times, filling and moving trucks in between which would be extremely inefficient, prohibitively costly and could even damage the water system.

In times of drought and water supply shortages, fire hydrant flushing is strongly discouraged in some areas, and prohibited in others. In the Don Pedro water system, with drought we also have low lake levels, which equates to the use of an emergency floating pump system and the associated added pumping cost. Flushing during drought while on the pump barge system actually increases the risk of system failure; which outweighs the limited benefit of flushing. The current prolonged drought is the primary reason we have not been flushing fire hydrants on a routine basis. We have been flushing on an as-needed basis where required to solve water taste and odor problems. It is our intent to once again begin a routine flushing program once the water supply recovers to the point where we can use our normal pumps.

Fire Hydrant Operation and Testing

Fire hydrants are devices filled with water under pressure that, like all mechanical equipment, must be operated periodically to keep the parts moving freely. Hydrants are operated very infrequently and therefore the water inside them can become somewhat stagnant and cause corrosion of the hydrant's metal parts; actually causing it to freeze shut or not close properly once opened. California waterworks and American Waterworks Association (AWWA) both have standards for hydrant installation, materials and operation.

Just as with a vehicle, all fire hydrant manufacturers will recommend a maintenance schedule. Maintenance typically involves operation of the hydrant "closed to open and back closed" approximately once annually. The more aggressive your water (lower Ph) the more frequent hydrant operation is needed to remove rust and debris and the more likely the operating components of the hydrants are to freeze up. Our Lake McClure surface water is soft and aggressive although we add chemical to neutralize it. Our standard is to operate all fire hydrants once per year and we are currently evaluating and prioritizing all work to be done in the water system and will ensure that hydrant maintenance standards are met going forward.

Fire Hydrants and Insurance Ratings

When hydrants are operated for maintenance purposes, it is also a standard practice to test and document the maximum amount of flow from the hydrant and its operating pressure. Comparing this information over time can help identify problems with the water system. This documentation is also critical for maintaining the highest rating possible with the Insurance Services Office (ISO).

ISO classifies communities from 1 (the best) to 10 (the worst) based on how well they score on the ISO Fire Suppression Rating Schedule, which grades such features as water distribution, fire department equipment and manpower and fire alarm facilities. ISO field representatives use the schedule when surveying a community's fire protection capability. The score that is determined from applying the Fire

Suppression Rating Schedule is translated into a public protection classification. The documented condition of the water system, including fire hydrants, make up 40% of the total ISO score! It can be very difficult to obtain or renew homeowners fire insurance in communities with ISO ratings of greater than 7 in California.

Bottom line

To ensure that fire hydrants will work when needed to fight a fire, they must be operated and tested every year. The District should flush hydrants when good water supply is available and only when and where necessary for water quality purposes. All maintenance must be meticulously documented in a permanent file.

Contracted VS In-House Construction

Peter J. Kampa, General Manager

September 16, 2015

(Updated April 13, 2018)

Background

The Board of Directors has supported the use of independent contractors to complete major water system repairs and water service line replacements. This report evaluates the cost, impact and benefits and other factors associated with contracted construction versus doing the work with existing crews (in-house).

Public Contracting

Community Services Districts are authorized by Public Contract Code 20682 to purchase construction materials or contract for work of less than \$25,000 in cost on the open market without calling for bids. However, if the amount is over \$25,000, the District must advertise the project for public bids, and award the contract to the lowest bidder. Public Contract Code 20682.5 allows the District to use its own employees to construct work costing up to \$25,000. In January 2015, the Board elected to be subject to the Uniform Construction Cost Accounting Act (UCCAA) contained in Public Contract Code (PCC) 22000 et seq, which raised the cost of work the District can legally construct in-house to \$45,000 and raised the cost of a project over which the District must seek competitive bids to \$175,000.

If we considered the replacement of water service lines as “maintenance” and performed them occasionally, we would likely be in compliance with the PCC. However, replacing service lines with our own crews may be in conflict with public contract law and our UCCAA procedures. Our crews responding to leaks as they occur would be completely appropriate, but establishing a crew of our forces to “pick away” at the service lines could be a violation of the Public Contract Code and subject us to fees and fines from the state.

We will in May be conducting formal bidding for a much larger service line replacement project. The law does not allow us to hire the forces to compete this project ourselves, and to do so would require a full construction crew and construction equipment. Once this project is complete, the number of service line failures should reduce significantly to a manageable number.

Contracted System Repairs

We spent approximately \$127,000 on contracted service line replacements and \$10,000 on contracted system repairs between May 2015 and August 2015. During that time, we replaced a total of 53 service lines at an average cost of \$2356 each. The cost for the service line replacements has been decreasing on a per unit basis as the contractor gets faster and more efficient with experience as shown in Table 1 below:

Table 1

Item	May-June 2015	Jul-15	Aug-15	Totals/Average
Total cost	\$60,000	\$45,000	\$22,000	\$127,000
Service Lines Replaced	24	19	10	53
Cost Each Service Line	\$2,500	\$ 2,368	\$ 2,200	\$ 2,356

System Impact

The Public Contract Code does not allow the use of our crews for construction projects such as service line replacements. Our existing staff and staffing level does not support the ability to do service line replacement work at the level currently needed. The day to day operation of the plant and system does not stop and must continue even when we are doing pipeline construction or leak repairs. The maintenance needs of the system are MANY and our two full time operators are needed to work full time just to accomplish basic operation and maintenance duties. In addition, our staff needs technical training in system maintenance, and must have adequate work time in which to do so. Add in required safety training, communication, customer service at an acceptable level, reporting and system evaluation, plus state mandated reporting.

Our existing staff would have worked approximately 26 weeks continuously to complete the same amount of service line replacements. During these 26 weeks, their productivity in operation and maintenance would be reduced to minimal, with just basic operations being completed, and no preventative maintenance. System breakdowns would further extend the 26 week construction timeframe. Operating in this manner will likely resulting in an additional 15 to 20 weeks of an increased level of maintenance and repair work following the construction period; just working in catch-up mode. The reliability of our system is negatively affected and repair costs increase when maintenance is not performed. To assume that the existing crew can just “step it up” and complete construction projects and maintain the system according to schedule is being unrealistic.

Over the next several months, we will be developing a written system maintenance plan which will have specific system data, maintenance schedules, staff training/skills needed and time requirements to accomplish. At this point, I can assure you that system maintenance is far behind due to no fully documented maintenance program, our crews working for years on leak repairs and lacking specific training on maintenance practices. This is not the fault of our operations staff or operations manager but must be remedied immediately. Once this exercise is completed, the Board will know how many full time trained employees it takes to maintain the system appropriately.

Cost Comparison

The budgeted cost of our current Operations employees is \$5,470 per week. We stated previously that this crew can replace these 53 water service lines in approximately 26 weeks while continuing to operate the system minimally. However in reality, they are performing other work of value during the non-construction portions of the week. So to compare costs, and apples to apples, we can assume our crew can replace 4 service lines per week, at a cost of \$5740. The total cost of this work would be approximately \$73,000. On the surface comparing the \$127,000 contracted cost to the \$73,000 cost of our staff, we seem like the most inexpensive way to get this work done. However, it is simply not possible for our crew to perform construction work only, and it is not legal for us to hire a crew to perform construction work only. In addition, if we are to secure grants to construct service line replacements, we cannot complete the work with our crews.

In addition, we have found that contracting for replacement of the service lines is convenient and cost effective, while there are no local contractors providing operations staffing. Therefore, it is recommended that we continue to contract as needed for specialty construction related services and develop and efficient, well trained operations/maintenance staff.

**LAKE DON PEDRO COMMUNITY SERVICES DISTRICT
Water Audit**

Water Distribution System:

	Date (mo/dy/yr)	Plant Eff Meter Reading (ccf)	(A) Plant Eff Meter Corrected (ccf)	Central Tank Level (feet)	(B) Central Tank Volume (cu. ft.)	Enebro Tank Level (feet)	(C) Enebro Tank Volume (cu. ft.)	Alamo Tank Level (feet)	(D) Alamo Tank Volume (cu. ft.)	Coronado Tank Level (feet)	(E) Coronado Tank Volume (cu. ft.)	Lazo Tank Level (feet)	(F) Lazo Tank Volume (cu. ft.)	Aroblada Tank Level (feet)	(G) Arbolada Tank Volume (cu. ft.)	Sturtevant Tank Level (feet)	(H) Sturtevant Tank Volume (cu. ft.)	Customer Meters Total Readings (ccf)	(I) Customer Meters Corrected (ccf)
Current	04/02/18	260,296	260,296	17.30	146,961	38.50	32,929.00	11.80	45,411.72	15.50	34,195.84	16.00	9,160.88	24.40	53,830.88	19.00	41,917.49	8,657	8,657
Last:	02/27/18	247,043	237,992	13	113,831	38	32,159.23	11	40,793.58	25	54,713.35	15	8,588.33	14	30,004.09	21	46,771.09	7,278	7,278
Difference:			22,304	3.90	33,129.98	0.90	769.77	1.20	4,618.14	-9.30	-20,517.51	1.00	572.56	10.80	23,826.78	-2.20	-4,853.60		1,379

Other metered and unmetered uses (J):

Item	**Method Measured	Quantity (ccf)
Fire fighting		
Other hydrant usage		
Main flushing		
Bulk water sales		
Repaired leaks		
Water quality testing		
Tank drainage or overflow		
Other: Main Breaks		
Other:		
Other:		
Other:		
Total (ccf): (G)		0

Totals for Zone:

Flows into System (A):	22,304.00	(ccf)
Change in Storage (B+C+D+E+F+G+H)	375.46	(ccf)
Flows Out of Zone (I+J):	8,657	(ccf)

Real and Apparent Water Loss:	13,272 CCF =	30.47 AC-FT	for period:	02/27/18 through	04/02/18	System Loss, %	60%
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LAKE DON PEDRO COMMUNITY SERVICES DISTRICT

OPERATIONS MANAGER REPORT

Board of Directors Meeting
Monday, April 16th 2018

Treatment Operations – The treatment plant continues to operate in proper condition with the exception of the electrical issue that we are still experiencing with pump #1 control problem due to fire damage to electrical panel. I have contacted Industrial Electrical in Modesto and am currently waiting for a call back for scheduling.

Plant Maintenance – Maintenance included daily cleaning and calibrating of all our process analysis equipment and chemical injection pump maintenance. ERS Industrial Services has completed the filter surveillance study and we should get the results and report in three to four weeks.

Water Distribution System - In the distribution system, staff performed site inspections for all facilities and conducted manual reading of all remote tank/pump site meters and gauges. As we all know, the recent series of storms had caused widespread flood in the community and through a series of events had broken about 60 feet of two water mains which lead to service interruption for an estimated 200 – 300 customers for almost a weeks' time. The two water mains have been repaired and disinfected. The Coronado and Alamo tanks were refilled and all necessary bacteriological sampling was completed and water deemed safe for consumption. I have met with both Cal OES and FEMA in regards to the damage to the system from the flooding as our first step in trying to get funding for reimbursement for repairs to the system and we are awaiting their decision on if we will qualify for a declaration.

In available time, Jose continued to replace/reprogram meters and transmitters that have been reading incorrectly and as of now all of the replaced or reprogrammed meters and transmitters are working correctly. This issue will continue to be addressed as staff identifies other malfunctioning or failing equipment.

Customer Service - In customer service, staffs remaining available time was spent responding to customer service requests and work orders that included meter lock offs and unlocks, meter read requests, meter install or removals and leak identification.

Barge/Float pump – As of now, construction plans and details have been approved by the engineer (Kennedy Jenks) and Twin Lakes Management with the exception of a few small changes that should be completed in the next few weeks but will not impede fabrication that is scheduled to begin on Friday the 20th.

Randy Gilgo
Water Operations Manager/Chief Operator
Lake Don Pedro C.S.D.

**LAKE DON PEDRO
COMMUNITY SERVICES DISTRICT**

Treasurer's Report

Reporting Period: March 2018

The district ended the month of March 2018 with the following balances in our accounts:

* All bank accounts verified against bank statements

Restricted:	
Investment - LAIF	\$ 165,055
Total Restricted:	<u>\$ 165,055</u>
Unrestricted:	
Checking	\$ 38,192
Money Market - Working Capital	\$ 737,091
Petty Cash	<u>\$ 125</u>
Total Unrestricted:	<u>\$ 775,408</u>
 Total Restricted & Unrestricted:	 <u>\$ 940,463</u>

The district ended March 2018 with the following amounts affecting our financial status:

	Mar-2018	Year to Date
<u>Sales & Business Revenue:</u>	<u>\$ 112,586</u>	<u>\$ 1,090,122</u>
<u>Total Operating Expenses:</u>	<u>\$ (115,522)</u>	<u>\$ (783,475)</u>
<u>Non-Operating Income/Expense:</u>	<u>\$ (29,736)</u>	<u>\$ (140,142)</u>
<u>Water Drought Income/Expense:</u>	<u>\$ (69,589)</u>	<u>\$ 158,312</u>
<u>Change in Net Assets (P&L):</u>	<u>\$ (102,261)</u>	<u>\$ 324,817</u>
 <u>Net Cash Flow:</u>	 <u>\$ (154,557)</u>	 <u>\$ 167,309</u>

Accounts Receivable:

Billing Time Frame	Utility Billing	Availability Billing	A/R Other	A/R Accrue	A/R Water IRWMP	A/R Water USDA
Current	\$ 892	\$ -	\$ 98	\$ 96,556	\$ -	\$ -
> 30 Days	\$ 37,614	\$ -	\$ -	\$ -	\$ -	\$ -
> 60 Days	\$ 2,848	\$ -	\$ -	\$ -	\$ -	\$ -
> 90 Days	\$ 1,219	\$ -	\$ -	\$ -	\$ -	\$ -
> 120 Days	\$ 8,839	\$ 187,128	\$ 5,241	\$ -	\$ -	\$ -
Credits	\$ (14,858)					
Total	\$ 36,554	\$ 187,128	\$ 5,339	\$ 96,556	\$ -	\$ -
Total Combined	\$ 320,238		\$ 5,339			\$ -
G/L Balance	\$ 320,238		\$ 5,339			\$ -
Difference	\$ -		\$ -			\$ -

* Amount of availability payments received: \$100,006

* Amount of availability payments outstanding: \$87,122

Accounts Payables:

Payable Time Frame	A/P Trade	A/P Accruals	A/P Water Accrual
Current	\$ 19,653	\$ -	\$ 7,536
> 30 Days	\$ -	\$ -	\$ 3,517
> 60 Days	\$ -	\$ -	\$ 6,280
> 90 Days	\$ -	\$ -	\$ -
Credits	\$ -	\$ -	\$ -
Total	\$ 19,653	\$ -	\$ 17,333
G/L Balance	\$ 19,653	\$ -	\$ 17,333
Difference	\$0	\$0	\$0

“ I certify that the District investments have been made in accordance with the Investment Policy. I further certify that the District has adequate revenue to cover its operating expenses for the next six months, in accordance with California Government Code Sections 53646 (b) (2) and (3) respectively”.

Name	Title	Date
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Statement of Revenues and Expenses (P&L)
March 2018 & Year-To-Date Versus 6/30/18 Approved Final Budget

		Mar-18	March vs Budget %	2017-2018 YTD	YTD vs Budget %	2017-2018 Approved Final Budget	Remaining Budget
Revenue							
01-0-3010-301	Meter Reconnection Fee	-	#DIV/0!	200	#DIV/0!	-	(200)
01-0-3010-302	Donated Capital - Meters Curre	-	#DIV/0!	10,000	#DIV/0!	-	(10,000)
01-0-4010-400	Water Sales Residential	16,890	6.36%	227,656	85.76%	265,457	37,801
01-0-4010-402	Water Availability Revenue	15,594	8.32%	140,278	74.84%	187,443	47,166
01-0-4010-403	Water Service Charges	79,304	8.37%	713,484	75.31%	947,359	233,875
01-0-4020-410	Interest Income - LAIF	-	0.00%	1,321	103.92%	1,271	(50)
01-0-4020-413	Int Inc Penalties - Customer	2,277	9.58%	21,089	88.68%	23,781	2,693
01-0-4020-414	Transfer Fee Income	700	10.79%	5,750	88.61%	6,489	739
01-0-4020-415	Other Income	375	11.30%	4,163	125.44%	3,319	(844)
01-0-4020-416	Meter Set Fee	-	0.00%	1,000	12.21%	8,190	7,190
01-0-4020-417	Interest Income Guaranty Fed	-	0.00%	-	0.00%	11	11
01-0-4020-901	Hydrant Rental	70	69.31%	111	109.90%	101	(10)
01-0-4020-902	Hydrant Consumption	28	44.52%	37	59.68%	62	25
01-0-4020-999	Avail Fee Income	-	0.00%	1,607	87.79%	1,830	224
01-0-4040-100	Lease Fee	2,700	12.50%	18,300	84.72%	21,600	3,300
01-0-4050-575	Office Fire Reimbursement	-	0.00%	-	0.00%	32,000	32,000
TBD	Connection/Capacity Fees					30,000	
TBD	Transfer From Reserve					-	
TOTAL REVENUE		117,938	7.71%	1,144,995	74.89%	1,528,914	383,919
Expenses							
01-1-5010-100	Regular Pay - Plant	7,465	5.02%	53,568	36.03%	148,660	95,092
01-1-5010-101	Overtime Pay	2,884	19.17%	13,101	87.11%	15,040	1,939
01-1-5010-102	Sick Pay	318	5.75%	2,204	39.77%	5,543	3,339
01-1-5010-104	Vacation Pay	499	6.66%	3,898	51.99%	7,498	3,600
01-1-5010-105	Holiday Pay	408	6.21%	3,411	51.93%	6,568	3,157
01-1-5010-200	PERS	667	6.91%	4,970	51.42%	9,665	4,695
01-1-5010-201	FICA/Medicare	855	6.40%	6,253	46.78%	13,367	7,114
01-1-5010-202	SUI	-	0.00%	868	47.96%	1,810	942
01-1-5010-203	Health Insurance	3,699	7.80%	39,670	83.66%	47,419	7,749
01-1-5010-204	Workers Compensation	484	9.03%	4,320	80.54%	5,364	1,044
01-1-5010-206	Dental Insurance	240	#DIV/0!	2,480	#DIV/0!	-	(2,480)
01-1-5010-207	Vision Care	-	#DIV/0!	-	#DIV/0!	-	-
01-1-5010-546	Travel, Meetings & Mileage	-	0.00%	-	0.00%	1,000	1,000
01-1-5020-501	Lease Of Equipment	-	#DIV/0!	510	#DIV/0!	-	(510)
01-1-5020-510	Repair & Maintenance - Plant	-	0.00%	3,436	19.09%	18,000	14,564
01-1-5020-511	Repair & Maintenance - Vehicle	55	0.44%	9,236	74.46%	12,404	3,168
01-1-5020-512	Repair & Maintenance - Distribution	21,588	56.22%	45,456	118.38%	38,397	(7,059)
01-1-5020-515	R&M Transmission - Intake	4,999	21.70%	4,999	21.70%	23,030	18,031
01-1-5020-520	Small Tools & Equipment	467	23.33%	2,127	106.36%	2,000	(127)
01-1-5020-522	Gas, Oil & Lubricant - Plant	890	8.25%	8,438	78.25%	10,784	2,346
01-1-5020-524	Health & Safety	-	0.00%	4,323	73.88%	5,852	1,529
01-1-5020-529	Telephone - T & D	638	9.66%	5,181	78.43%	6,606	1,425
01-1-5020-544	Water Testing Fees	1,375	7.24%	9,765	51.40%	18,999	9,234
01-1-5020-545	Water System Fees	251	5.11%	8,284	168.95%	4,903	(3,381)
01-1-5020-548	Water Testing Materials	434	21.69%	3,025	151.23%	2,000	(1,025)
01-1-5021-521	Water Treatment Chemicals	787	1.48%	28,238	53.17%	53,106	24,868
01-1-5021-524	P G & E Power - Office	163	5.12%	1,902	59.90%	3,175	1,273
01-1-5021-525	P G & E Power - Intake	3,386	4.57%	47,761	64.48%	74,073	26,312
01-1-5021-526	P G & E Power - Well	22	0.72%	202	6.72%	3,000	2,798
01-1-5021-527	P G & E Power - Water Treatment	1,571	5.75%	24,697	90.41%	27,317	2,620
01-1-5021-528	P G & E Power - Distribution	1,889	7.45%	23,328	91.99%	25,360	2,032
01-1-5021-529	P G & E Power - Well 2	28	0.95%	8,966	298.85%	3,000	(5,966)
01-1-5021-530	P G & E Power - Medina	416	13.86%	947	31.58%	3,000	2,053
01-1-5021-532	P G & E Power - Well 5/6	416	13.86%	947	31.57%	3,000	2,053
01-1-5021-561	Purchased Water Actual-mid-p	7,536	12.09%	56,505	90.65%	62,332	5,827
01-1-5023-533	Outside Services	127	1.79%	21,907	310.08%	7,065	(14,842)
01-1-5023-535	Fire Protection/Weed Control	-	0.00%	-	0.00%	2,500	2,500
01-1-5023-537	Pest Control	4,280	1062.03%	4,536	1125.56%	403	(4,133)
01-1-5023-538	Engineering Services	175	0.71%	4,008	16.32%	24,561	20,554

		Mar-18	March vs Budget %	2017-2018 YTD	YTD vs Budget %	2017-2018 Approved Final Budget	Remaining Budget
01-1-5023-539	Employee Education	-	0.00%	120	5.98%	2,000	1,880
01-1-5024-540	Memberships	420	101.69%	684	165.64%	413	(271)
01-1-5024-542	Publications	130	228.07%	620	1088.11%	57	(563)
01-1-5024-543	Licenses, Permits & Cert.	-	0.00%	463	75.16%	616	153
01-1-5032-583	Depreciation Expense	29,337	17.17%	142,872	83.62%	170,855	27,983
01-2-6010-100	Regular Pay - Administration	6,708	7.51%	62,125	69.60%	89,262	27,137
01-2-6010-101	Overtime Pay	69	1.88%	1,915	51.88%	3,692	1,777
01-2-6010-102	Sick Pay	287	4.90%	4,458	75.98%	5,867	1,409
01-2-6010-104	Vacation Pay	451	7.06%	5,176	80.95%	6,394	1,218
01-2-6010-105	Holiday Pay	296	6.95%	3,539	83.02%	4,263	724
01-2-6010-200	PERS	470	8.10%	4,651	80.23%	5,797	1,146
01-2-6010-201	FICA/Medicare	581	7.39%	6,075	77.38%	7,851	1,776
01-2-6010-202	SUI	87	7.15%	1,161	95.32%	1,218	57
01-2-6010-203	Health Insurance	1,936	8.76%	17,010	76.95%	22,106	5,096
01-2-6010-204	Workers Compensation	48	9.02%	431	81.21%	531	100
01-2-6010-206	Dental Insurance	159	7.94%	1,272	63.39%	2,007	735
01-2-6010-207	Vision Care	100	#DIV/0!	200	#DIV/0!	-	(200)
01-2-6010-546	Travel, Meetings & Mileage	-	0.00%	39	3.24%	1,200	1,161
01-2-6020-512	Propane	-	0.00%	543	77.27%	703	160
01-2-6020-515	Customer Billing Supplies	-	0.00%	1,323	71.43%	1,852	529
01-2-6020-529	Telephone - Admin	297	7.68%	2,720	70.32%	3,868	1,148
01-2-6020-530	Office Supplies	12	0.46%	1,651	63.62%	2,595	944
01-2-6020-531	Postage	468	6.55%	6,666	93.26%	7,147	481
01-2-6023-531	Computer IT	7,414	23.62%	33,647	107.19%	31,390	(2,257)
01-2-6023-533	Outside Services	13,650	12.33%	96,746	87.37%	110,734	13,987
01-2-6023-534	Temporary Outside Labor	-	0.00%	-	0.00%	3,000	3,000
01-2-6023-535	Office Cleaning Serv	140	7.72%	1,160	63.96%	1,814	654
01-2-6023-536	Legal Services	40	0.59%	8,161	121.78%	6,702	(1,459)
01-2-6023-537	Audit Services	-	0.00%	7,000	79.37%	8,820	1,820
01-2-6023-539	Employee Education	-	0.00%	-	0.00%	1,237	1,237
01-2-6024-540	Memberships	35	0.55%	5,120	81.14%	6,310	1,190
01-2-6024-542	Publications	718	51.79%	3,208	231.50%	1,386	(1,822)
01-2-6024-547	County Fees	-	0.00%	80	12.55%	638	558
01-2-6024-999	County Avail Fee	-	0.00%	1,615	87.80%	1,840	225
01-3-6025-100	Regular Pay	300	4.76%	4,000	63.49%	6,300	2,300
01-3-6025-201	FICA/Medicare	23	4.77%	306	63.55%	482	176
01-3-6025-546	Travel, Meetings & Mileage	-	0.00%	-	0.00%	2,000	2,000
01-9-6030-546	Travel, Meetings & Mileage	-	0.00%	600	37.50%	1,600	1,000
01-9-6030-569	Credit Card Service Charges	450	8.40%	4,444	82.96%	5,357	913
01-9-6030-572	Business Insurance Expense	11,222	27.69%	31,081	76.69%	40,529	9,448
01-9-6030-576	Misc Other Expense	23	0.43%	190	3.58%	5,300	5,110
01-9-6030-577	Retired Employee Health	2,252	8.98%	19,697	78.59%	25,063	5,365
01-9-6030-580	Retired EE Benefit Expense	-	0.00%	-	0.00%	148,142	148,142
01-9-6031-580	Interest Long Term Debt	3,459	7.13%	32,098	66.18%	48,505	16,406
01-9-6032-583	Depreciation Expense	18	0.71%	157	6.28%	2,500	2,343
01-9-6035-575	Office Fire Recovery	-	#DIV/0!	-	#DIV/0!	-	-
TOTAL EXPENSES		150,610	10.06%	978,489	65.37%	1,496,738	518,249

	Mar-18	March vs Budget %	2017-2018 YTD	YTD vs Budget %	2017-2018 Approved Final Budget	Remaining Budget
CAPITAL IMPROVEMENT PROJECTS (IN PROGRESS)						
01-1-5020-535	Water Supply Emergency 2014	-	#DIV/0!	-	#DIV/0!	-
01-9-6030-584	Well 2	10,700	#DIV/0!	10,763	#DIV/0!	(10,763)
01-9-6030-585	Medina Well	-	0.00%	64	0.13%	49,936
01-9-6030-586	Well 3/4	22,868	#DIV/0!	22,868	#DIV/0!	(22,868)
01-9-6030-587	Well 5	35,965	71.93%	80,804	161.61%	(30,804)
01-9-6030-588	Well 6	-	#DIV/0!	235	#DIV/0!	(235)
01-0-1090-315	Intake Booster #2 Installation	-	0.00%	126,840	169.12%	(51,840)
01-0-1090-314	CIP-Barge Renovation	528	1.76%	26,965	89.88%	3,035
TBD	Springbrook Update	-	0.00%	-	0.00%	30,000
01-0-1090-305	Ranchito Well #1 Renovation	-	0.00%	-	0.00%	10,000
01-9-6030-591	IRWMP Service Lines	56	0.01%	110,945	18.33%	494,304
01-9-6030-592	IRWMP Administrative Expenses	-	0.00%	6,473	32.36%	13,528
01-9-6030-593	IRWMP Water Use Efficiency	-	0.00%	51,300	31.16%	113,335
TOTAL CIP IN PROGRESS		70,116	6.78%	437,257	42.25%	597,627
CARRYOVER PROJECT (GRANT) REVENUE						
01-0-4020-428	USDA Grant	-	0.00%	324,641	104.72%	(14,641)
TBD	DWR Grant	-				86,520
01-0-4020-425	IRWMP Service Line Replacement	-	0.00%	107,908	18.77%	467,079
01-0-4020-427	IRWMP Regional Water Use Efficiency	-	0.00%	28,989	18.54%	127,414
01-0-4020-426	IRWMP Grant Administration	-	0.00%	4,392	21.96%	15,608
TOTAL CARRYOVER PROJECT REVENUE		-	0.00%	465,930	40.59%	681,980
NEW CAPITAL PURCHASES / IMPROVEMENTS						
TBD	Replacement Truck (2003 Chevy)		0.00%		0.00%	32,000
TBD	Replacement Truck (2005 Chevy)		0.00%		0.00%	40,000
TBD	Tablets for System Maintenance		0.00%		0.00%	5,000
TBD	Effluent Meter Replacement (Plant)		0.00%		0.00%	40,000
TBD	Replacement Flocculator Gear Drives		0.00%		0.00%	12,000
01-0-1090-316	Hormiga Water Line Replacement	13,537	22.56%	13,537	22.56%	46,463
TBD	Portable Generator		0.00%		0.00%	6,000
TOTAL NEW CAPITAL PURCHASES/IMPROVEMENTS		13,537	6.94%	13,537	6.94%	181,463
PROJECT PLANNING, DESIGN AND STUDIES						
TBD	CIP Development					40,000
TBD	Connection Fee Study					15,000
01-9-6030-594	Grant Application Services	-	0.00%	15,723	52.41%	14,278
01-9-6030-594	District Map Digitizing and Updates		0.00%	8,445	56.30%	6,555
TBD	Planning Study re Lake McClure					50,000
TOTAL PLANNING, DESIGN AND STUDIES		-	0.00%	24,168	16.11%	125,833

LDPCSD Financials**Statement of Net Assets (Balance Sheet)
for the month ending March 2018****Asset :**

Cash and investments	\$	940,463
Restricted cash	\$	-
Accts Receivable net of res	\$	180,196
Water Drought Receivable	\$	-
Inventory	\$	69,931
Prpd expense & deposits	\$	16,500
Deferred Outflow of Resources	\$	54,459
Total current assets	\$	1,261,549
Property, plant & equipment	\$	11,292,520
less depreciation	\$	(6,971,462)
C I P	\$	447,827
Net P P & E	\$	4,768,885
Other L T Assets		
Total Assets	\$	6,030,434
Liabilites:		
Accounts payable	\$	19,653
Interest payable	\$	1,685
Water Accrual	\$	17,333
Accrued Payroll	\$	53,066
A/P Accrued Payables	\$	3,440
L T debt, current	\$	79,508
Total current liab	\$	174,685
L T debt		
Post Retirement Benefit	\$	1,049,179
Net Pension Liability	\$	187,253
Deferred Inflow of Resources	\$	69,728
Muni Loan	\$	817,594
less current above	\$	(79,508)
Total Liabilites	\$	2,218,931
Net assets	\$	3,811,503
Total liab & net ass't	\$	6,030,434

<u>Vendor</u>	<u>Check Amount</u>
000010 AMERICAN WATER WORKS ASSOC.	420.00
000012 AQUA LAB	1,375.00
0000231 Bonander Buick-GMC	2,913.87
0000303 Kennedy/Jenks Consultants	59,308.16
000047 LAWSON & SON BACKHOE & GRADIN	2,583.00
000065 KKI CORPORATION	3,005.35
000067 GENERAL PLUMBING SUPPLY CO., I	237.59
000076 USPS	459.97
000083 SIERRA MOTORS	7.38
000091 VALERO MARKETING & SUPPLY	890.07
000094 USA BlueBook	761.65
000099 CYNTHIA MARCHESIELLO	100.00
000105 PACIFIC GAS & ELECTRIC	7,563.86
000106 BINKLEY ASSOCIATES, INC	2,082.50
000128 GRAINGER, INC.	898.73
000136 AT&T	840.23
000157 CITY NATIONAL BANK	59,503.04
000165 ACWA/JPIA	7,887.14
000203 GRISWOLD, LaSALLE, COBB, DOWD	3,411.90
0002321 STREAMLINE	400.00
000304 HRM Consulting Inc	4,917.50
0003221 KAMPA COMMUNITY SOLUTIONS LLC	6,250.00
000383 BUSINESS CARD	1,344.09
0004375 Accela Inc #774375	7,471.69
000442 KAMPS PROPANE INC.	477.18
000446 ACWA	8,740.00
000550 LUIS'S HOUSEKEEPING / YARDS	180.00
000635 Contractor Compliance And Monitoring Inc	56.25
00071 Mother Lode Answering Service	285.00
0007349 Recology Mariposa	126.72
001888 SWRCB Accounting Office	250.50
004779 California CAD Solutions	1,350.00
019970 NJIRICH & SON'S INC	42,386.05
101005 California Special Dist Assoc	600.00
660108 VERIZON WIRELESS	136.76
702 Warmerdam CPA Group	2,482.00
987 NATIONAL METER & AUTOMATION	2,447.60
UB*10584 MR/MRS RALPH RIVERA	114.66
UB*10585 ELIDIO ARREOLA HUERTA	0.67
UB*10586 SCOTT WOLFE	98.24

Report Total: 234,364.35

Regular Meeting Minutes of the Board of Directors

9751 Merced Falls Road
March 19, 2018 at 1:00 p.m.

1. **CALL TO ORDER:** Presiding Officer: Establish Quorum, Pledge of Allegiance:
The Board of Directors of the Lake Don Pedro Community Services District held a regular meeting at 9751 Merced Falls Rd., La Grange, CA 95329.
President Johnson called the meeting to order at 1:00 p.m.
Directors present: Johnson, Hankemeier, Warren
Director absent: Sperry, and Ross
Also present: GM P. Kampa
Also present: Staff S. Marchesiello
Also present: Staff R. Gilgo
2. **PUBLIC COMMENT:**
The Board received three public comments by two public members
3. **PRESENTATION ONLY:**
 - a. Presiding Officer's Report
None given at this time
 - b. General Manager's Report: Peter J. Kampa
Presented by GM P. Kampa
 - c. Chief Plant Operator's Report: R. Gilgo
Presented by GM R. Gilgo
4. **APPROVAL OF CONSENT AGENDA:** The following items may all be approved in one motion or considered separately as determined appropriate by the President
 - a. Read and file the February 2018 Treasurer's Report
 - b. Approval of the Minutes of the Special Meeting of February 21, 2018
Motion: To approve the consent calendar
Votes: Carried 3-0
First: Hankemeier Second: Warren
Ayes: Hankemeier, Warren, and Johnson
Absent: Sperry and Ross
5. **DISCUSSION AND ACTION ITEMS**
 - a. Review and acceptance of the 2016/17 annual audit
Motion: To accept and file the 2016/17 annual audit
Votes: Carried 3-0

First: Hankemeier Second: Warren

Ayes: Hankemeier, Warren, and Johnson

Absent: Sperry and Ross

- b. Consideration of request from internet service provider Cal.net for use of Arbolada Tank property for an additional wireless internet antenna

No action taken

- c. Discussion and action related to system water loss, loss reports, customer and system master meter accuracy and related actions/implications

Consensus of the board to defer the item to a future meeting

- d. Discussion and action related to Notice of Intent to submit an application for federal Hazard Mitigation Grant funding for the purchase and installation of fuel-powered generators to operate critical pumps during power outages

No action taken

- e. Adoption of a resolution amending the District Investment Policy

Consensus of the board to defer the item to April 2018 meeting

6. ADJOURNMENT: 2:28 P.M.

Respectfully submitted by,

S. Marchesiello
Board Secretary

Lake Don Pedro Community Services District
Regular Meeting of April 16, 2018

AGENDA SUPPORTING DATA

5. DISCUSSION AND ACTION ITEMS

- b. Adoption of a Resolution Approving Emergency Expenditures and 2017/18 Budget Amendment Associated with Restoration of the Water System Following the March 22, 2018 Flash Floods

RECOMMENDED ACTION

Staff recommends the following motion:

I move to adopt a Resolution Approving Emergency Expenditures and 2017/18 Budget Amendment Associated with Restoration of the Water System Following the March 22, 2018 Flash Floods

SUMMARY

The March 22 flash floods caused storm culverts in two locations to fail and erode the road surface soil structure beneath. When the road failed, our water mains washed out in both locations; one on Laredo and the second on Ranchito. Due to the severity of the damage to our water system and construction effort needed to restore the system, we called our standby contractor, Njirich Construction to assist.

Under emergency situations, our expense authorization policy allows management to commission the work necessary to restore water service in emergencies. In this particular case, the cost of the emergency work is not included in the 2017/18 budget and it is appropriate for the Board to approve the unbudgeted expenditures and to amend the budget accordingly to ensure that adequate funds remain available to fund the remainder of the year's operation.

FINANCIAL IMPACTS

The cost of the contracted work for both locations is \$48,733.41. There are also additional invoices expected for sampling, and there was a significant amount of District overtime costs.

ATTACHMENTS

Draft budget amendment resolution

RESOLUTION 2018 - ____

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
LAKE DON PEDRO COMMUNITY SERVICES DISTRICT APPROVING
EMERGENCY EXPENDITURES AND 2017/18 BUDGET AMENDMENT
RELATED TO THE MARCH 22, 2018 FLOOD EVENT

WHEREAS, the Lake Don Pedro Community Services District (herein referred to as District) is a local government agency formed and operating in accordance with Section §61000 et seq. of the California Government Code; and

WHEREAS, the District water system was severely damaged by the March 22, 2018 flash floods where sections of roadway were completely eroded due to storm runoff; and

WHEREAS, to restore water supply to customers as quickly as possible and maintain public health and safety, District management commissioned the assistance of qualified local contractors to assist in water system rebuilding and water quality sampling and

WHEREAS, the 2017/18 fiscal year budget did not include funding for this unanticipated flood event.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LAKE DON PEDRO COMMUNITY SERVICES DISTRICT that the following are hereby approved effective immediately:

1. Payment of Njirich Construction invoices totaling \$48,733.41
2. A 2017/18 fiscal year budget increase of \$50,000 and a March 22, 2018 Flood Disaster Account created

WHEREFORE, this Resolution is passed and adopted by the Board of Directors of the Lake Don Pedro Community Services District on April 16, 2018, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Danny Johnson, President, Board of Directors

ATTEST:

Syndie Marchesiello, Secretary
CERTIFICATE OF SECRETARY
(STATE OF CALIFORNIA)
(COUNTY OF MARIPOSA)

I, Syndie Marchesiello, the duly appointed and Secretary of the Board of Directors of the Lake Don Pedro Community Services District, do hereby declare that the foregoing Resolution was duly passed and adopted at a Regular Meeting of the Board of Directors of the Lake Don Pedro Community Services District duly called and held at the District office at 9751 Merced Falls Road, La Grange, CA 95239, on April 16, 2018

Njirich & Son's, Inc.

19970 Kelly Drive
 Sonora, CA 95370
 209-533-2268

Invoice

DATE	INVOICE #
3/31/2018	04109

BILL TO
LAKE DON PEDRO CSD 9751 MERCED FALLS ROAD LA GRANGE, CA 95329

JOB#	TERMS
Flash Flood R...	DUE UPON RE...

DATE	DESCRIPTION	HOURS	RATE	AMOUNT
3/31/2018	FLASH FLOOD REPAIRS 2018 - LOCATION LARADO STREET, LA GRANGE, CA 95329			
3/24/2018	FLASH FLOOD REPAIRS 2018 - LARADO STREET		988.43	988.43
3/23/2018	FLASH FLOOD REPAIRS 2018 - LARADO STREET		7,558.48	7,558.48
THANK YOU FOR YOUR BUSINESS!			Total	\$8,546.91

Njirich & Son's, Inc.

19970 Kelly Drive
 Sonora, CA 95370
 209-533-2268

Invoice

DATE	INVOICE #
3/31/2018	04110

BILL TO
LAKE DON PEDRO CSD 9751 MERCED FALLS ROAD LA GRANGE, CA 95329

JOB#	TERMS
Flash Flood R...	DUE UPON RE...

DATE	DESCRIPTION	HOURS	RATE	AMOUNT
3/31/2018	FLASH FLOOD REPAIRS 2018 - RANCHITO DRIVE, LA GRANGE, CA 95329			
3/24/2018	FLASH FLOOD REPAIRS 2018 - RANCHITO DRIVE		8,791.61	8,791.61
3/26/2018	FLASH FLOOD REPAIRS 2018 - RANCHITO DRIVE		8,762.56	8,762.56
3/27/2018	FLASH FLOOD REPAIRS 2018 - RANCHITO DRIVE		16,361.23	16,361.23
3/28/2018	FLASH FLOOD REPAIRS 2018 - RANCHITO DRIVE		6,268.10	6,268.10
THANK YOU FOR YOUR BUSINESS!			Total	\$40,183.50

RESOLUTION 2018 - ____

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
LAKE DON PEDRO COMMUNITY SERVICES DISTRICT APPROVING AN
AMENDMENT TO THE AGREEMENT WITH KENNEDY JENKS
CONSULTANTS FOR THE DESIGN AND CONSTRUCTION MANAGEMENT
OF THE EMERGENCY BARGE RENOVATION PROJECT

WHEREAS, the Lake Don Pedro Community Services District (herein referred to as District) is a local government agency formed and operating in accordance with Section §61000 et seq. of the California Government Code; and

WHEREAS, the District requires the services of a qualified engineer to design renovations to the existing Lake McClure Emergency Pump Barge system; and

WHEREAS, the District has received a proposal, work scope and acceptable fee structure from Kennedy Jenks Consultants, who are familiar with the District water system having designed emergency water supply solutions in 2014 and 2015; and

WHEREAS, the District entered into agreement with Kennedy Jenks Consultants on October 16, 2017 for the design of the Emergency Barge Renovations; and

WHEREAS, additional structural engineering design work above and beyond that contemplated in the initial Kennedy Jenks proposal was determined necessary to ensure the structural integrity and employee safety of improvement components added as the initial design work progressed, and to ensure that structural engineering review is completed on any modifications of the work as fabrication progresses; and

WHEREAS, this additional engineering work will cause the current Kennedy Jenks project budget to be exceeded and Board approval is required to increase contract amount.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LAKE DON PEDRO COMMUNITY SERVICES DISTRICT that the Kennedy Jenks Consultants fee of \$25,660 for the Emergency Barge Renovation Project be increased by \$6,000 to \$31,660, which shall be effective immediately.

WHEREFORE, this Resolution is passed and adopted by the Board of Directors of the Lake Don Pedro Community Services District on April 16, 2018, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Danny Johnson, President, Board of Directors

ATTEST:

Syndie Marchesiello, Secretary
CERTIFICATE OF SECRETARY
(STATE OF CALIFORNIA)
(COUNTY OF MARIPOSA)

I, Syndie Marchesiello, the duly appointed and Secretary of the Board of Directors of the Lake Don Pedro Community Services District, do hereby declare that the foregoing Resolution was duly passed and adopted at a Regular Meeting of the Board of Directors of the Lake Don Pedro Community Services District duly called and held at the District office at 9751 Merced Falls Road, La Grange, CA 95239, on April 16, 2018

Proposal Fee Estimate

Kennedy/Jenks Consultants

CLIENT Name: Lake Don Pedro CSD
 PROJECT Description: Barrett Cove Pump Barge Rehabilitation
 Proposal/Job Number: _____ Date: 10/5/2017

January 1, 2017 Rates

Classification:	Eng-Sci-7, T Mueller, PM	Eng-Sci-6, A Taylor, PE	Eng-Sci-6, P Symonds, QC	Designer	CAD, B Behnke	Project Administrator, C Cotton	Admin. Assist.	Aide	Total	KJ Labor	KJ ODCs	KJ ODCs Markup	Total Labor	Total Subs	Total Expenses	Total Labor + Subs + Expenses
Hourly Rate:	\$250	\$225	\$225	\$150	\$120	\$120	\$100	\$75	Hours	Fees	Fees	10%				Fees
Task 1: Project Management and Admin																
1.1 - Project Setup						2			2	\$240		\$0	\$240	\$0	\$0	\$240
1.2 - Client Communication	2	5							7	\$1,625		\$0	\$1,625	\$0	\$0	\$1,625
1.3 - Client Meeting	1.5	1.5							3	\$713		\$0	\$713	\$0	\$0	\$713
1.4 - Invoicing	1.5	1.5							3	\$713		\$0	\$713	\$0	\$0	\$713
1.5 - Quality Control	4		4						8	\$1,900		\$0	\$1,900	\$0	\$0	\$1,900
Task 1 - Subtotal	9	8	4	0	0	2	0	0	23	\$5,190	\$0	\$0	\$5,190	\$0	\$0	\$5,190
Task 2: Design and Bidding Assistance																
2.1 - Site Visit	8	10							18	\$4,250	\$200	\$20	\$4,250	\$0	\$220	\$4,470
2.2 - As-Built Dwgs for Existing Barge		4			16				20	\$2,820		\$0	\$2,820	\$0	\$0	\$2,820
2.3 - Calculations for Barge Flootation and Hull Strength			20						20	\$4,500		\$0	\$4,500	\$0	\$0	\$4,500
2.4 - Summary TM		4				2			6	\$1,140		\$0	\$1,140	\$0	\$0	\$1,140
2.5 - Construction Dwgs		4			10				14	\$2,100		\$0	\$2,100	\$0	\$0	\$2,100
2.6 - Construction Work Negotiations, Letter of Rec to Award		4							4	\$900		\$0	\$900	\$0	\$0	\$900
Task 2 - Subtotal	8	46	0	0	26	2	0	0	82	\$15,710	\$200	\$20	\$15,710	\$0	\$220	\$15,930
Task 3 - Construction Services																
3.1 - ESDF		2							2	\$450		\$0	\$450	\$0	\$0	\$450
3.2 - Site Visit at Commissioning		12							12	\$2,700	\$200	\$20	\$2,700	\$0	\$220	\$2,920
3.3 - Field As-Built Dwgs		2			6				8	\$1,170		\$0	\$1,170	\$0	\$0	\$1,170
Task 3 - Subtotal	0	16	0	0	6	0	0	0	22	\$4,320	\$200	\$20	\$4,320	\$0	\$220	\$4,540
All Tasks Total	17	70	4	0	32	4	0	0	127	\$25,220	\$400	\$40	\$25,220	\$0	\$440	\$25,660

Lake Don Pedro Community Services District

Regular Meeting of April 16, 2018

AGENDA SUPPORTING DATA

5. DISCUSSION AND ACTION ITEMS

- d. Adoption of a resolution amending the District Investment Policy

RECOMMENDED ACTION

Staff recommends the following motion:

I move to adopt a resolution amending the District Investment Policy

SUMMARY

The District is required by California law to adopt an investment policy and annually consider any necessary amendments. The law also requires that the person or entity responsible for District investments, as detailed in the policy, provide an annual performance report regarding the investments, and which also shall include declarations that the investments were made in accordance with the policy, and that the District has adequate funds to operate for the next six months.

The District's most recent investment policy was adopted in 2005 and has not been updated since. Staff has reviewed the current policies of other districts and proposes that the Board adopt the amended policy attached hereto. The draft policy contains our existing policy language, and details additions in underlined text, and deletions in strikeout text.

FINANCIAL IMPACTS

There are no impacts with adoption of the revised policy.

ATTACHMENTS

Draft policy language

LAKE DON PEDRO COMMUNITY SERVICES DISTRICT

Policy and Procedures Manual

POLICY TITLE: Investment of District Funds
POLICY NUMBER: 3020
ADOPTED: March 21, 2005
AMENDED: April 16, 2018

3020.1 PREMISE The Legislature of the State of California has declared that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern (California Government Code (CGC) §53600.6 and §53630.1); and, Government Code Sections 5921 and 53601, et seq., allow the legislative body of a local agency to invest surplus monies not required for the immediate necessities of the local agency; and, The treasurer or fiscal officer of a local agency is required to annually prepare and submit a statement of investment policy and such policy, and any changes thereto, is to be considered by the local agency's legislative body at a public meeting (CGC §53646(a)).

For these reasons, and to ensure prudent and responsible management of the public's funds, it is the policy of the Lake Don Pedro Community Services District to invest funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the District and conforming to all statutes governing the investment of District funds.

3020.2 SCOPE This investment policy applies to all financial assets of the District. These funds are accounted for in the Independent Annual Financial Report and include: all funds of Lake Don Pedro Community Services District except retirement funds and debt service funds held by Trustees for payment of bond redemption and interest.

General Fund	Investments
Restricted Fund	Local Agency Investment Fund
Operation and Maintenance Fund	Enterprise Funds

3020.3 PRUDENCE Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs; not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. The standard of prudence to be used by investment officials shall be the "prudent investor" standard (CGC §53600.3) and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations for expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

3020.4 OBJECTIVES As specified in CGC §53600.5, when investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the primary objectives of the investment activities, in priority order, shall be:

3020.4.1 Legality and Safety: Legality and Safety of principal is the foremost objective of the investment program. Investments of the District shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

3020.4.2 Liquidity: The investment portfolio will remain sufficiently liquid to enable the District to meet all operating requirements which might be reasonably anticipated.

3020.4.3 Return on Investments: The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio.

3020.5 DELEGATION OF AUTHORITY

~~Authority to manage the investment program is derived from California Government Code §53600, et seq. Management responsibility for the investment program is hereby delegated by the Board to the Treasurer. The Treasurer shall render a semi-annual report to the Board specifying the type of investment, institution, date of maturity, amount of deposit, current market value for all securities with a maturity of more than twelve (12) months, and a rate of interest. Under the provisions of California Government Code §53600.3, the Treasurer is a trustee and a fiduciary subject to the prudent investor standard. Authority to manage the investment program is derived from California Government Code Sections 53600, et seq. Management responsibility for the investment program is hereby delegated to the General Manager, who shall establish written procedures for the operation of the investment program consistent with this investment policy. Procedures should include references to: safekeeping, PSA repurchase agreements, wire transfer agreements, collateral/depository agreements and banking services contracts, as appropriate. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Board of Directors. The General Manager shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials. Under the provisions of California Government Code §53600.3, the General Manager is a trustee and a fiduciary subject to the prudent investor standard.~~

3020.6 ETHICS AND CONFLICTS OF INTEREST Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

3020.7 AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS The General Manager will maintain a list of financial institutions, selected on the basis of credit worthiness, financial strength, experience and minimal capitalization authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers selected by credit worthiness that are authorized to provide investment and financial advisory services in the State of California. No public deposit shall be made except in a qualified bonded and insured public depository as established by state laws.

For brokers/dealers of government securities and other investments, the General Manager shall select only broker/dealers who are licensed and in good standing with the California Department of Securities, the Securities and Exchange Commission, the National Association of Securities Dealers or other applicable self-regulatory organizations.

Before engaging in investment transactions with a broker/dealer, the General Manager shall have received from said firm a signed Certification Form. This form shall attest that the individual responsible for the District's account with the firm has reviewed the District's Investment Policy and that the firm

understands the policy and intends to present investment recommendations and transactions to the District that are appropriate under the terms and conditions of the Investment Policy.

3020.8 AUTHORIZED AND SUITABLE INVESTMENTS The District is empowered by California Government Code §53601, et seq., to invest in the following:

A. Government obligations for which the full faith and credit of the United States are pledged for the payment of principal and interest.

B. Obligations issued by Banks for Cooperatives, Federal Land Banks, Federal Intermediate Credit Banks, Federal Farm Credit Banks, Federal Home Loan Banks, the Federal Home Loan Bank Board, the Federal Home Loan Mortgage Corporation, the Resolution Funding Corporation, or in obligations, participations, or other instruments of, or issued by, or fully guaranteed as to principal and interest by, the Federal National Mortgage Association; or in guaranteed portions of Small Business Administration notes; or in obligations, participations or other instruments of, or issued by, a federal agency or a United States government sponsored enterprise, or such agencies or enterprises which may be created.

C. FDIC insured or fully collateralized time certificates of deposit in financial institutions located in California. Preference may be given to local banks.

D. Negotiable certificates of deposit or deposit notes issued by a nationally or state-chartered bank or a state or federal savings and loan association or by a state-licensed branch of a foreign bank; provided that the senior debt obligations of the issuing institution are rated "AA" or better by Moody's or Standard & Poor's.

Purchase of negotiable certificates of deposit may not exceed 30 percent of the District's investment portfolio.

E. State of California's Local Agency Investment Fund. The LAIF portfolio should be reviewed periodically.

F. Investment Trust of California (CalTRUST). CalTRUST is a joint powers authority of California public agencies that serves as an investment alternative to LAIF.

G. Insured savings account or money market account.

~~3020.8.1~~ Bonds issued by the Lake Don Pedro Community Service District

~~3020.8.2~~ United State Treasury Bills, Notes & Bonds.

~~3020.8.3~~ Registered state warrants or treasury notes or bonds issued by the State of California.

~~3020.8.4~~ Bonds, notes, warrants or other evidence of debt issued by a local agency within the State of California, including pooled investment accounts sponsored by the State of California, County Treasurers, other local agencies or Joint Powers Agencies.

~~3020.8.5~~ Obligations issued by agencies or instrumentalities of the United States Government.

~~3020.8.6~~ Bankers' acceptances with a term not to exceed 270 days. Not more than 40% of surplus funds can be invested in bankers' acceptances and no more than 30% of surplus funds can be invested in the bankers acceptances of any single commercial bank.

- ~~3020.8.7~~ Prime commercial paper of U.S. corporations with assets greater than \$500 million, with a term not to exceed 180 days and the highest ranking issued by Moody's Investors Service (Moody's) or Standard & Poor's Corporation (S&P). Commercial paper cannot exceed 15% of total surplus funds, provided that, if the average maturity of all commercial paper does not exceed 31 days, up to 30% of surplus funds can be invested in commercial paper.
- ~~3020.8.8~~ Negotiable certificates of deposit issued by federally or state chartered banks or associations. Not more than 30% of surplus funds can be invested in certificates of deposit.
- ~~3020.8.9~~ Repurchase/reverse repurchase agreements of any securities authorized by this section. Securities purchased under these agreements shall be no less than 102% of market value. (See special limits in CGC §53601.i.)
- ~~3020.8.10~~ Medium term notes (not to exceed 5 years) of U.S. corporations rated "A" or better by Moody's or S&P. Not more than 30% of surplus funds can be invested in medium term notes.
- ~~3020.8.11~~ Shares of beneficial interest issued by diversified management companies (money market mutual funds) investing in the securities and obligations authorized by this Section. Such funds must carry the highest rating of at least two of the three largest national rating agencies. Not more than 15% of surplus funds can be invested in money market mutual funds.
- ~~3020.8.12~~ Funds held under the terms of a trust indenture or other contract or agreement may be invested according to the provisions of those indentures or agreements.
- ~~3020.8.13~~ Collateralized bank deposits with a perfected security interest in accordance with the Uniform Commercial Code (UCC) or applicable federal security regulations.
- ~~3020.8.14~~ Any mortgage pass-through security, collateralized mortgage obligation, mortgaged backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate or consumer receivable backed bond of a maximum maturity of five years. Securities in this category must be rated AA or better by a nationally recognized rating service. Not more than 30% of surplus funds may be invested in this category of securities.
- ~~3035.8.15~~ Any other investment security authorized under the provisions of CGC §5922 and §53601. (Also, see CGC §53601 for a detailed summary of the limitations and special conditions that apply to each of the above listed investment securities. CGC §53601 is included by reference in this investment policy.)

3035.8.15.1 Prohibited Investments. Under the provisions of CGC §53601.6 and §53631.5, the District shall not invest any funds covered by this Investment Policy in inverse floaters, range notes, interest-only strips derived from mortgage pools or any investment that may result in a zero interest accrual if held to maturity. Additional investments which are not permitted include repurchase agreements, banker's acceptances, commercial paper, and medium-term corporate notes.

~~3020.9~~ COLLATERALIZATION All certificates of deposits must be collateralized by U.S. Treasury Obligations. Collateral must be held by a third party trustee and valued on a monthly basis. The percentage of collateralization on repurchase and reverse repurchase agreements will adhere to the amount required under CGC §53601(i)(2).

~~3020.10~~ SAFEKEEPING AND CUSTODY All security transactions entered into by the District shall be conducted on delivery versus payment (DVP) basis. All securities purchased or acquired shall be delivered to the District by book entry, physical delivery or by third party custodial agreement as required by CGC §53601.

~~3020.11~~ DIVERSIFICATION The District will diversify its investments by security type and institution. It is the policy of the District to diversify its investment portfolio. Assets shall be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities. Diversification strategies shall be determined and revised periodically. In establishing specific diversification strategies, the following general policies and constraints shall apply:

~~3020.11.1~~ Portfolio maturities shall be matched versus liabilities to avoid undue concentration in a specific maturity sector.

~~3020.11.2~~ Maturities selected shall provide for stability of income and liquidity.

~~3020.11.3~~ Disbursement and payroll dates shall be covered through maturities investments, marketable U.S. Treasury bills or other cash equivalent instruments such as money market mutual funds.

~~3020.12~~ REPORTING In accordance with CGC §53646(b)(1), the General Manager shall submit to ~~each member of~~ the Board of Directors a quarterly investment report. The report shall include a complete description of the portfolio, the type of investments, the issuers, maturity dates, par values and the current market values of each component of the portfolio, including funds managed for the District by third party contracted managers. The report will also include the source of the portfolio valuation. As specified in CGC §53646 (e), if all funds are placed in LAIF, FDIC-insured accounts and/or in a county investment pool, the foregoing report elements may be replaced by copies of the latest statements from such institutions. The report must also include a certification that: (1) all investment actions executed since the last report have been made in full compliance with the Investment Policy; and, (2) the District will meet its expenditure obligations for the next six months as required by CGC §53646(b)(2) and (3), respectively. The General Manager shall maintain a complete and timely record of all investment transactions.

~~3020.13~~ INVESTMENT POLICY REVIEW This Investment Policy shall be reviewed on an annual basis, and the Board of Directors must approve modifications.

RESOLUTION NO. 2018-__

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE LAKE DON PEDRO COMMUNITY SERVICES DISTRICT APPROVING AN
AMENDMENT POLICY REGARDING INVESTMENT OF DISTRICT FUNDS**

The Board of Directors of the Lake Don Pedro Community Services District does hereby find and declare as follows:

WHEREAS, the Lake Don Pedro Community Services District (“District”) is a California community services district formed and existing under the provisions of the California Community Services District Law, codified at Government Code §§ 61000-61144, and all acts and laws amendatory thereof or supplementary thereto, and possessing all the powers thereof; and

WHEREAS, the District Board of Directors adopts policies to guide the actions of management and the District in the conduct of the day to day operations of District management and administration; and

WHEREAS, the Board has determined that certain policies are in need of update and amendment to ensure the efficient provision of services and effective management of District affairs; and

WHEREAS, draft policy amendments have been prepared and are attached hereto as Exhibit A for consideration and adoption.

NOW THEREFORE BE IT RESOLVED by the Board of Directors of the Lake Don Pedro Community Services District that the General Manager is hereby authorized and directed to update the District Operating Policies and Procedures with a certified copy of the approved policy contained in Exhibit A as attached hereto, which shall take effect immediately.

WHEREFORE, this Resolution is passed and adopted by the Board of Directors of the Lake Don Pedro Community Services District on April 16 2018, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Danny Johnson, President, Board of Directors

ATTEST:

Syndie Marchesiello, Secretary

CERTIFICATE OF SECRETARY

STATE OF CALIFORNIA)

COUNTY OF MARIPOSA)

I, Syndie Marchesiello, the duly appointed and Secretary of the Board of Directors of the Lake Don Pedro Community Services District, do hereby declare that the foregoing Resolution was duly passed and adopted at a Special Meeting of the Board of Directors of the Lake Don Pedro Community Services District, duly called and held at _____, La Grange, CA 95239, on April 16, 2018.

Syndie Marchesiello, Secretary