



MINUTES

UNION PUBLIC UTILITY DISTRICT SPECIAL BOARD MEETING

October 25, 2023

Directors Present: Eric Bottomley, President
Greg Rasmussen, Vice-President
Tom Quincy, Secretary
Bruce Tallakson, Treasurer
Ralph Chick, Director

Directors Absent: None

Staff Present: Jessica Self, General Manager
Andrew Ramos, General Legal Counsel
Elaine Urruty, Clerk to the Board/Administrative Assistant
Lisa Biedinger, Customer Service Representative
Jenna Mayo, Administrative Analyst

Others Present: Public at Large

ORDER OF BUSINESS

CALL TO ORDER & THE PLEDGE OF ALLEGIANCE

1. ROLL CALL

President Bottomley called the Regular Board Meeting to order at 5:30 p.m. and led the Pledge of Allegiance.

2. APPROVAL OF AGENDA

Motion: Director Tallakson
Second: Director Quincy
Ayes: Directors Bottomley, Rasmussen, Quincy, Tallakson, and Chick
Nays: None
Absent: None
Abstained: None

MINUTE ENTRY. MOTION TO APPROVE THE AGENDA AS PRESENTED.

3. PUBLIC COMMENT

No Public Comment

4. CONSENT AGENDA

- a. Approval of Minutes: September 20, 2023 – Regular Meeting
- b. Expenditures - September 2023
- c. Fund Balance Report – September 2023
- d. Balance Sheet & Income Statement – September 2023
- e. YTD Budget to Actuals – September 2023
- f. Legal Fees 2023 Calendar Year-to-Date Review

Motion: Director Rasmussen
Second: Director Chick
Ayes: Directors Bottomley, Rasmussen, Quincy, Tallakson, and Chick
Nays: None
Absent: None
Abstained: None

MINUTE ENTRY. MOTION TO APPROVE THE CONSENT AGENDA AS PRESENTED.

5. OLD BUSINESS:

None.

6. NEW BUSINESS:

- a. Approval of Board Meeting Schedule Beginning January 2024

General Manager, Jessica Self, proposed changing the Board Meeting Schedule, shifting it to the fourth Wednesday of each month, starting in January 2024. This adjustment aims to accommodate the availability of our General Counsel, Andrew Ramos, ensuring his participation in our meetings.

Motion: Director Rasmussen
Second: Director Tallakson
Ayes: Directors Bottomley, Rasmussen, Quincy, Tallakson, and Chick
Nays: None
Absent: None
Abstained: None

MINUTE ENTRY. MOTION TO CHANGE THE REGULAR BOARD MEETING SCHEDULE TO THE FOURTH WEDNESDAY OF THE MONTH BEGINNING IN JANUARY 2024.

b. Approval to initiate proceedings for Minor Sphere of Influence Amendment and Annexation of Territory – RESOLUTION NO 2023-013

General Manager, Jessica Self, highlighted our ongoing efforts to update UPUD’s Sphere of Influence boundary. We are currently providing water to a few parcels located outside of our designated sphere. The two biggest rationales of why we should move through the annexation process are:

1. **Compliance with Conservation Mandates:** In times of severe conservation mandates imposed by the State or outlined in our newly adopted Water Shortage Contingency Plan, adhering to LAFCO standards is essential. We are obligated to shut off water to areas outside our sphere before those within it.

2. **Property Taxation:** Parcels within our sphere contribute property taxes to UPUD. However, customers receiving water from us outside our sphere are taxed by CCWD, the county water purveyor.

To address these issues, the Board must adopt a resolution .

Motion: Director Quincy
Second: Director Rasmussen
Ayes: Directors Bottomley, Rasmussen, Quincy, Tallakson, and Chick
Nays: None
Absent: None
Abstained: None

MINUTE ENTRY. MOTION TO APPROVE RESOLUTION NO 2023-013 APPLICATION FOR BOARD OF DIRECTORS FOR UNION PUBLIC UTILITY DISTRICT TO INITIATE PROCEEDINGS FOR A MINOR SPHERE OF INFLUENCE AMENDMENT AND ANNEXATION OF TERRITORY TO THE DISTRICT UNDER THE CORTESE-KNOX-HERTZBERG LOCAL GOVERNMENT REORGANIZATION ACT OF 2000.

c. UPUD Low-Income Domestic Customer Financial Assistance Program

Administrative Analyst, Jenna Mayo, presented UPUD’s proposed Domestic Relief Opportunity Program (DROP). This program is designed to support UPUD customers that are facing financial hardships. If approved, UPUD will contribute \$6,000 per year of non-operating funds to provide relief for up to 50 customers per year (a \$10 credit per monthly bill). Additionally, all UPUD customers will have the option of donating a flat amount into this program, which could allow for additional customers to be added into DROP. A policy will be presented at a future Regular Board meeting with hopes of a 2024 implementation date. In addition, an adjustment to the FY24 budget will need to be approved in order to accommodate program funding.

7. PUBLIC WORKSHOP

a. Discussion and Review of the Irrigation Rate Structure

General Manager, Jessica Self presented a graph with a breakdown detailing the domestic and irrigation water main failures. The graph revealed that three-fourths of repairs were concentrated on the irrigation main system. Additionally, she discussed the 2022 Irrigation Capital Improvement Program (CIP) projects and their associated costs, along with the annual revenue generated from irrigation. She stressed the importance of generating sufficient revenue, highlighting that without it, the committee would be unable to secure loans for vital projects. However, it is important to strike a balance with District infrastructure needs and affordability for our irrigation customers. Committee Directors Rasmussen and Quincy shared their extensive analysis of various rate scenarios during the meeting. They recommended the option with our current base rate plus 0.09 HCF. The topic spurred large public discussion. Staff will incorporate board and public input into a resolution for the November 2023 Regular Board Meeting.

8. REPORTS

a. General Manager*

A copy of the General Manager's report was given to the Board, and General Manger, Jessica Self reviewed the report with the Board.

b. UWPA*

Directors Chick and Rasmussen reported that UWPA is in the second phase of the Hunter's Reservoir Fuel Reduction project.

9. CLOSED SESSION: The meeting was adjourned into Closed Session at 6:40 PM

a. Conference with Legal Counsel – Existing Litigation (Gov. Code §54956.9(d)(1)
Name of Case: Hatfield v. Union Public Utility District, Calaveras County
Superior Court Case No. 23CV46786

b. Conference with Legal Counsel – Anticipated Litigation (Gov. Code §54956.9(d)(4): Two (2) matters

10. RETURN TO OPEN SESSION: The meeting returned to open session at 7:28 PM.

11. REPORTABLE ACTION FROM CLOSED SESSION

Direction was given to General Manager, Jessica Self.

12. DIRECTORS REPORTS, INFORMATION, FUTURE ADGENDA ITEMS

Director Chick extended congratulations to General Manager, Jessica Self for her ACWA nomination for Region 3 Board. Director Quincy had no comments. Director Rasmussen voiced frustration regarding ongoing litigation and litigation threats related to the ballot initiative and other matters. He emphasized the significant financial and staffing costs associated with these issues, urging the public to recognize these challenges. Director Rasmussen also acknowledged General Manager, Jessica Self, for her dedication in handling

customer concerns and litigation problems. Directors Tallakson and Bottomley praised the General Manager for her commitment to these efforts. Director Bottomley thanked Directors Quincy and Rasmussen for their contributions to the Irrigation Committee; however, he voiced his frustration with the time spent navigating the current challenges facing the district. He hopes that UPUD staff can refocus their efforts on essential district priorities, particularly providing exceptional water services to our community.

13. NEXT BOARD MEETINGS & EVENTS

- Tuesday, November 14, 2023 at 6:00 PM – Town Hall Meeting @ Native Sons Hall
- Wednesday, November 15, 2023 at 5:30 PM - Regular Meeting
- Wednesday, December 20, 2023 at 5:30 PM - Regular Meeting

14. ADJOURNMENT

The meeting adjourned at 7:38 PM.

Respectfully Submitted:

ATTEST:



Tom E. Quincy, Board Secretary



Elaine Urruty, Clerk to the Board