

**UNION PUBLIC UTILITY DISTRICT
339 MAIN STREET
MURPHYS, CA 95247**

MINUTES OF MAY 19, 2021 REGULAR MEETING

The Board of Directors of the Union Public Utility District met in Regular Session at the UPUD Office in Murphys, California, at approximately 7:00 PM.

Directors Present:	ERIC BOTTOMLEY	President
	GREG RASMUSSEN	Vice President
	BRUCE TALLAKSON	Treasurer
	RALPH CHICK	Director
Directors Absent:	TOM QUINCY	Secretary
Also Present:	ELAINE URRUTY	Office Manager
	LISA BIEDINGER	Customer Svs Clerk
	JOEL METZGER	UWPA GM
	PUBLIC AT LARGE	

1. PLEDGE OF ALLEGIANCE. The Pledge was given.
2. APPROVAL OF AGENDA.

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

MINUTE ENTRY. MOTION TO APPROVE THE AGENDA WITH REMOVAL OF THE APRIL MINUTES.

3. PUBLIC COMMENT. There was no Public Comment.

CONSENT AGENDA

4. APPROVAL OF MINUTES:
 - a. April 21, 2021 - Regular Meeting - Delayed to future meeting.
5. APPROVAL OF EXPENDITURES:
 - a. April 2021 Expenditures

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

MINUTE ENTRY. MOTION TO APPROVE THE CONSENT AGENDA; ITEMS #5.a – EXPENDITURES – APRIL 2021, AS PRESENTED.

REGULAR AGENDA

RECURRING BUSINESS:

- 6.a CASH RECEIPTS REPORT. The Cash Receipts report for the month of April 2021 was included in the agenda packets for review. Elaine reviewed the cash receipts reports with the Board, noting a decrease in over 90-day delinquencies due to staff phone calls to customers and offer of payment plans and payments on accounts. Elaine also noted two new domestic service connection fees, both under construction.
- 6.b BALANCE OF FUNDS REPORT. The Balance of Funds report for the month of April 2021 was included in the agenda packet for review. Elaine Urruty reviewed the Fund Balance report with the Board, reviewing the 3rd Qtr LAIF transfers and interest deposits. The current LAIF balance as of April 30, 2021 is \$2,651,625.10. Elaine noted that the current SRLF loan balance is \$941,499.46 less current US Bank reserve accounts of \$153,276.5 and SRLF LAIF reserve account balance of \$658,331.30, leaves a balance due of \$129,991.59 to payoff the SRLF loan early. The loan is scheduled to mature in 2028 and early payoff could save significant interest costs, if the District were to payoff early. Elaine just wanted to bring this issue to the Board's attention for review. The Board asked Elaine to bring this item back at a later meeting.
- 6.c BALANCE SHEET & INCOME STATEMENT. The April 2021 Balance Sheet & Income Statement were included in the agenda packet for review. Elaine Urruty reviewed the reports and reported the year to-date net income as of April 30, 2021 is \$101,123.70. This amount is low due to 3rd Qtr contribution payment to UWPA prior to receiving the quarterly revenue from UWPA fees. Elaine noted that our revenues are still down slightly due to a loss in no late fees collected this year and increase in delinquent accounts due to COVID. Elaine noted that we continue to have more domestic connection fees scheduled. Elaine reported that the net difference of our cash and reserve accounts to our long-term debts as of April 30, 2021 is a positive \$2,027,695.70. Discussion ensued regarding possible COVID reimbursement of lost revenue and Elaine noted that revenue loss is being kept track of, in case we are able to obtain reimbursement.

OLD BUSINESS:

- 7.a REQUEST FROM WILLOW CREEK HOMEOWNER'S ASSOCIATION FOR INSTALLATION OF TWO WATER METERS FOR COMMON AREA AT THE COST OF ONE (CONT'D FROM MAY 2021 MTG.); DISCUSSION/POSSIBLE ACTION Elaine Urruty reported that the District had received an email from John Muller withdrawing the request after meeting with District Manager, Bill Eltringham. John said the association will meet and decide if they wish to go forward with one meter with one service connection fee and monthly charge or continue reimbursing homeowner's as they are currently doing.
- 7.b REVIEW POSSIBLE UWPA RATE CHANGE FOR FY 2021-2022; DISCUSSION/POSSIBLE ACTION
1. PRESENTATION ON UWPA WATER YEAR IV, BUDGET IMPACTS & PROPOSED BUDGET & JPA AGENCIES FUTURE CONTRIBUTIONS (Joel Metzger, UWPA Gen. Mgr.)
 2. REVIEW OF UWPA RATE CHANGE FOR FY 2021-2022; DISCUSSION/POSSIBLE ACTION

Director Chick reported that due to the absence of Director Quincy, the Board would like to postpone any action and schedule a Special Board Meeting on Wednesday, May 25th at 4:00 PM so a full quorum can be present.

- 7.c UPDATE ON CAL OES FLUME GRANT WITH UWPA (Joel Metzger, Gen Mgr.); DISCUSSION/POSSIBLE ACTION Joel Metzger reported that the CalOES flume grant had been submitted for \$150,000 grant with \$50,000 local match per UWPA Board direction and CalOES came back with a Request for Information (RFI) asking for the grant to be increased to include more scope and more budget and to include the cost of a consultant to write in the next grant application to go into construction. Therefore, Joel revised the grant to increase to approximately \$360,000 grant with \$90,000 local match and include these requirements. Joel said this revision has been approved by the UWPA Board and has been submitted to CalOES and is under review with indications that it is looking good. If CalOES approves, the grant is then submitted to FEMA for final approval and funding. Once funded, UWPA will use these funds to study the seven flumes that got burnt by the Darby fire, get a design and environmental impact report done, get the historical preservation removed from the project, get another grant written and move right into the construction of the first phase of the project. Discussion ensued regarding the process to remove the historical designation on the flume and the project in general. Joel noted that removing the historical designation could be a two year process but felt confident that it could be done in time for construction to begin. Joel said that UWPA should hear within the next couple weeks from CalOES on the status of the grant.

Joel informed the Board that he had also submitted a grant application to the Cal FIRE climate and greenhouse gas emission grant program. This grant is funded by the fire fee residents pay in this area. Joel said he talked with Adam Freeze of TCU and he recommended that Joel up his initial amount and include the cost of crews to come in a clear around the flumes, which the Sierra Conservation prison crews used to do for UWPA at a very good rate. Joel said the crews we used to get at approximately \$15,000 from the prison could cost UWPA up to \$150,000 to replace since they are no longer available. Joel noted that another option is the Calaveras Conservation Corps that gave him a quote of approximately \$3,500 per day for a crew of 15 to 30 people to do the exact same work. Joel said based on this daily rate for 30

days per year, he calculated a 2 year cost of approximately \$210,000. Joel said if UWPA gets this grant, this would be a direct budget cost reduction, since UWPA is mandated to keep these areas clear by FERC. Joel said the other part of the grant is \$250,000 in equipment purchases, including; a medium duty excavator with a mastication arm to clear roadsides and ditches, a heavy duty chipper that can be towed and possibly a new utility truck to tow the chipper along with general use. Joel noted that UWPA has a utility truck in the budget, so this would be another direct budget cost reduction. Joel said with the addition of insurance and fuel costs and administration of the grant added the grant will total approximately \$450,000 to \$500,000. Joel said he included in-kind match of staff time using the equipment clearing on an annual basis for 30 or more days per year, which has to be done anyway. This grant does not require matching funds, but it helps funding if they see that we are committed to using the equipment for its intended use. Joel noted that this funding will be available every year to be applied for and could be a huge boost to the UWPA budget, if awarded. Discussion ensued regarding the grant.

President Bottomley asked Joel to give a brief update on the Murphys ReMAT application with PG&E. Joel reviewed the Murphys ReMAT application and that UWPA is still going after the \$73.50 per MWh rate and they have received two RFI's from PG&E. One of the requirements for baseload is that UWPA has storage, which we do have at Hunter's Reservoir and Murphys Forebay. If we do not get the baseload price of \$73.50 we will get the lower price of \$57.45 per MWh. Joel said they will keep pushing and if PG&E does not go for baseload he will be bringing back to the Board for further direction. Discussion ensued on possibilities of options, if PG&E does not approve baseload and if UWPA goes with \$57.45 rate. Joel said that on the 21st PG&E is supposed to give their decision and he will keep the Board's informed. Lengthy discussion also ensued regarding the UWPA budget costs and removing rollover from future budgets. Joel asked if the Board had questions on long term contributions. Director Bottomley briefly reviewed Tom's question & calculation on the amount that each entity would contribute in 10 years, not including contract amounts, and said he believed that Tom was thinking contributions going towards FERC and not towards the budget. Further discussion ensued regarding the FERC annual costs in addition to the licensing costs and possibility of exemption.

Director Rasmussen asked if any of the studies we have to do for the grants could be used for the FERC licensing reports, since they are so expensive. Joel said that he did not believe so since they will be aged.

Joel also reported that NCPA is a planning tours of their system and needs any Board or staff to pick dates for dates offered. Joel asked the Board to select a date & have Elaine email the selected date to him and he will try to coordinate with NCPA.

- 7.d UPUD ORGANIZATIONAL CHART REVIEW AND HIRING OF NEW DISTRICT MANAGER; DISCUSSION/ POSSIBLE ACTION Director Bottomley said there was nothing to report on this item.

NEW BUSINESS:

8.b APPROVAL OF UWPA IRRIGATION CONTRACTS FY 2021-2022 – CORNISH & PAUL AND REVIEW OF UPUD ADMIN FEE; DISCUSSION/POSSIBLE ACTION. Copies of the UWPA irrigation contracts were included in the agenda packet for review. Elaine noted that last year the Board approved \$50 increase last year and recommended an additional \$50 this year to \$200 this year. Elaine noted that UPUD estimated costs last year were approximately \$600. Elaine asked Joel to review the charges and how they plan to bill so that she invoices them correctly. Joel reviewed the fees and seasonal billing and informed the Board that UWPA added a \$216 System Maintenance fee, which is the equivalent of the annual cost of the UWPA \$18 mthly fee that UPUD charges their customers. Joel said that this fee will be linked to the UWPA fee in the future. Joel will have Lori contact Elaine regarding how they plan to bill the irrigation customers in regards to seasonal vs non-seasonal. It was the Board’s consensus to approve the increase to the UPUD Admin fee and the UWPA Irrigation Contracts for FY 2021-2022.

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

MINUTE ENTRY. TO APPROVE THE UWPA IRRIGATION CONTRACTS FOR CORNISH AND PAUL FOR FY 2021-2022 AS PRESENTED AND INCREASE THE UPUD ADMINISTRATIVE FEE TO \$200.

At this time Director Bottomley requested to returned to item 7.b.2

7.b REVIEW POSSIBLE UWPA RATE CHANGE FOR FY 2021-2022; DISCUSSION/POSSIBLE ACTION (Cont.) Director Bottomley wanted to further explain to the Board that another reason he and Director Quincy were asking for a Special Meeting to review the issue further with a full Board, was in regards to our current 218 UWPA Rate Study. The current study shows two scenarios, one without ReMAT and one with Murphys in ReMAT. Because this 218 was done prior to Angels being in or suggested for the ReMAT program, this scenario is not included and therefore, none of the scenarios in our 218 truly apply. Director Bottomley said, therefore, they did not feel comfortable using these figures without further review. Discussion ensued regarding the current 218 schedule and the need for UPUD to complete a 218, especially, if rates are not raised this year. The 218 Study and rate increase process was explained to Director Tallakson Elaine explained that UPUD has two 218 currently, one for the UPUD rate and one for the UWPA rate, which we are planning to combine with the next study.

REPORTS:

11.a HWY 4 CORRIDOR ADHOC COMMITTEE REPORT. There was nothing to report at this time.

Hwy 4 Corridor, (AKA; Stanislaus River Association (SRA), plan to meet quarterly on the first Friday, of the 3rd month, in each quarter. The Stanislaus River Association (SRA) meetings have been cancelled due to COVID-19 until further notice.

11.b UWPA REPORT. There was nothing further to report.

Next UWPA meeting is scheduled for Tuesday, May 25, 2021 at 5:30 PM at the UWPA office in Angels Camp.

11.c LAFCO REPORT. Elaine reported that UPUD was listed on the LAFCO agenda for the next meeting and she had spoken to John Benoit and he said this was for information and planning purposes only to announce we will be next to start working on our SOI. John would like to meet with UPUD to review our SOI updates and we have tentatively scheduled to meet in the end of June 2021 per John's schedule. Elaine reviewed Local Agency Formation Commission (LAFCO), Municipal Service Review (MSR) and Sphere of Influence (SOI) for the benefit of Director Tallakson.

The next LAFCO meeting is scheduled for Monday, June 17, 2021 at 6:00 PM at the Calaveras County Board of Supervisors Chambers in San Andreas.

11.d DISTRICT MANAGER'S REPORT. Bill Eltringham was not present.

11.e OFFICE MANAGER'S REPORT. Elaine Urruty reported that the LAIF quarterly transfers and the annual report were submitted in May and we are waiting for our SWRCB Rep, Tahir, to approve the annual report. This year's annual report had a lot added by the Governor's office and other agencies and was much more involved & time consuming. The quarterly payroll taxes and State Compensation reports were completed this month. Elaine said she has started work on the Consumer Confidence Report (CCR) or Annual Water Quality report that is due to be sent out with our June statements, which is now on the Gemini software program. Elaine noted that she added the cost of the ADA version for our website this year, as it is required, but she did not add the Spanish version, as it would have almost double the cost. If the Spanish version is asked for, Elaine will use a Spanish conversion program for the customers requesting this version. Elaine said she is working on the ADU flyers and will have them printed and folded by Gateway and has printed labels for mailing. Elaine informed the Board that she attended the Springbrook virtual conference for 3 days to update her on the new software we will be migrating to and it was very informative. Elaine said she met with our Springbrook Rep and her supervisor regarding our contract and the estimated \$3,400 cost Springbrook was charging against our \$18,110 payment to-date and they agreed to waive these charges if we sign our contract and move forward by or before June 30th. Elaine briefly reviewed the new contract costs with the Cloud migration planned and the Civic Pay software and the increase in annual software maintenance for the new programs. There are two contracts, one for V.7 Cloud migration and one for the Civic Pay online billing program. Elaine let the Board know that based on Springbrook's current schedule they expect our migration to be complete by the end of October or start of November. Lengthy discussion ensued regarding the migration process and security positives of having our information, backups and credit processing on the cloud. Elaine said she will continue pushing to move these dates up, if at all possible. Another positive is the new Tableau reports now available to agencies, automatic backups & upgrades and secure storage. Also, Civic Pay will bring us into

compliance for credit card processing in the office. Elaine said she is working on getting final quote and planning conversion to Comcast Business internet and she will also schedule meeting with our Computer Fireman to have them in the loop for IT assistance and get updated recommendation for computer equipment and schedule ordering the equipment to coincide with implementation. It was the Board's consensus to direct Elaine to move forward with the contracts and scheduling the Springbrook v.7 cloud migration & Civic Pay program.

Elaine reported that she had been having issues with no longer being notified from Calaveras County when new permits are being issued and they are no longer asking for 'Will Serve' letters from the water and sewer districts. Elaine said she was discussing with Cindy at MSD and they plan to schedule a meeting with the County to review this issue and that we need these notifications so we can catch new construction of dwellings and ADUs. Cindy said she will also bring CCWD into the loop. With not being notified, and with Sierra Scoop no longer serving our County, sales, remodels and construction and not being caught. We want to go together as a group to ask the County to continue with the notification process. LAFCO even mentioned that this is something the County should be doing for all utilities.

- 11.f IRRIGATION COMMITTEE. There was nothing to report.
 - 11.g PERSONNEL COMMITTEE. There was nothing to report.
 - 11.h BUDGET/FINANCE COMMITTEE. Elaine noted she needs to start working as soon as possible on the Draft Budget after the CCR report is done.
 - 11.i LONG RANGE PLANNING COMMITTEE. Director Bottomley reported that he and Director Quincy met the District Manager, Bill Eltringham to discuss long range planning items, including on-line bill pay. The committee has a meeting scheduled with Bill and Matt Ospital and Gary Ghio from Weber Ghio Engineering next week on Tuesday to review items needed for long range planning, such as our 218 Study, Master Plan and CIP. Director Bottomley said they also discussed ADUs process and educating Bill's crew on the ADU's process so they can answer questions out in the field to help the office staff. Also, discussed were irrigation accounts and our current application listing and asked Bill to review the list and see who we might be able to serve. Director Bottomley said Bill also had a great idea of going through customers who live along the irrigation line to see who might be interested in irrigation service where we have the ability to serve. Another issue Bill recommended while Weber Ghio is working on long range planning items to have them look at areas of our pipeline that might be undersized. Director Bottomley noted that he is noticing that in history UPUD may have been being cost conscious and installed the more affordable pipe instead of larger pipe for future usage and the District has more customers and needs larger pipe in order to grow. These are the type of things we want to clean up so we have a better long range plan.
12. DIRECTORS COMMENTS. It was the Board's consensus to direct Elaine to inform Joel that they picked June 28th as the date for the NCPA tour for both the Board and Staff wishing to go. Director Chick asked to add review of District easements to the long range planning, as this is important that we have correct. Elaine noted the easement logging and tracking had been in process by Ken Airola with Diane Severude's assistance, but I don't believe the project was ever completed, so you may want to touch bases with Ken. Director Tallakson thanked

everyone for clarification during the meeting and said he was able to follow along better this meeting with all the acronyms, etc.

13. NEXT MEETING: Special meeting is scheduled for Tuesday, May 25, 2021 at 4:00 PM. The next regular meeting is scheduled for Wednesday, June 16, 2021, at 7:00 PM.

14. ADJOURNMENT. The meeting was adjourned with no further business at 8:40 PM.

Submitted by: TE Quincy
Thomas E. Quincy, Secretary

Date: 7-26-21

ATTEST:

Elaine M. Urruty
Elaine M. Urruty
Clerk to the UPUD Board of Directors