

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

MINUTES OF JANUARY 16, 2019 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:	RALPH CHICK	President
	GREG RASMUSSEN	Vice President
	TOM QUINCY	Secretary
	DUANE ONETO	Treasurer

Directors Absent:	ERIC BOTTOMLEY	Director
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Also Present:	ELAINE URRUTY	Office Manager
	BILL ELTRINGHAM	District Manager
	MATT OSPITAL	District Engineer
	MICHAEL MINKLER	UWPA
	LARRY THOMPSON	UWPA
	PUBLIC AT LARGE	

1. PLEDGE OF ALLEGIANCE. The Pledge was given.

2. PUBLIC COMMENT. There was no public comment.

President Chick moved to New Business to items 6.a, b, c & d for Acceptance of Canvass of General Election, Oaths of Office, Election of Officers and Committees and Appointments for 2019.

NEW BUSINESS:

6.a ELECTION RESULTS AND ACCEPTANCE OF CANVASS OF THE NOVEMBER 6, 2018 GENERAL ELECTION; DISCUSSION/POSSIBLERes No. 2019-01
Elaine Urruty reported that our office had received the Certified Statement of Results of the November 6, 2018 General Election from the Calaveras County Elections Coordinator and a copy was included in the agenda packet for review. The following persons were declared elected for the following terms:

Four (4) Year Terms:	Ralph Chick
	Greg M. Rasmussen
	Thomas Quincy

Election results need to be accepted by Board resolution.

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

RESOLUTION NO. 2019-01. MOTION TO ACCEPT CANVASS OF THE PRESIDENTIAL GENERAL ELECTION HELD ON NOVEMBER 6, 2018.

6.b OATHS OF OFFICE FOR RE-ELECTED DIRECTORS. Director Oneto, gave the Oaths of Office to the newly elected Directors listed above.

6.c ELECTION OF OFFICERS; DISCUSSION/POSSIBLE ACTION Director Chick asked for the Board's recommendations. It was the Board's consensus to keep the officers the same as 2018:

President	Director Chick
Vice President	Director Rasmussen
Secretary	Director Quincy
Treasurer	Director Oneto
Director	Director Bottomley

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

MINUTE ENTRY. MOTION TO KEEP THE UPUD OFFICERS THE SAME AS 2018.

6.d UPUD COMMITTEES & APPOINTMENTS; DISCUSSION/POSSIBLE ACTION A copy of the 2018 UPUD Committees and Appointments Listing was provided for the Board's review. It was the Board's consensus to keep the Committees & Appointments the same as 2018 with the exception of the following changes recommended by President Chick:

Personnel Committee:	Ralph Chick	Alternate: Duane Oneto
	Eric Bottomley	

UWPA Board:	Greg Rasmussen	Alternate: Eric Bottomley
	Tom Quincy	

At this time President Chick moved to Old Business for item 5.a for presentation from District

Engineer, Matt Ospital.

OLD BUSINESS:

- 5.a **PROGRESS REPORT ON SRLF GRANT** (Matt Ospital – Weber, Ghio & Assoc.);
DISCUSSION/POSSIBLE ACTION A memorandum from District Engineer, Matt Ospital, regarding the DWSRF – Planning and Design Grant for Treatment Plant Backwash Recycle and TTHM Reduction was provided in the agenda packet for the Board’s review. Matt Ospital was introduced by President Chick. Matt also provided the Board with Site Plans & Diagram of the two proposed alternatives to the project and two alternatives to TTHM reduction. Matt gave a presentation reviewing the memorandum and the proposed alternatives and the estimated costs associated with each alternative. For the Backwash/Recycle System, the first alternative is to decommission the existing backwash ponds at the treatment plant (currently undersized) and construct two (2) new ponds, approximately 1.2 AF each, above Cademartori Reservoir. The second alternative, which is the preferred alternative, is to decommission the existing backwash ponds at the treatment plant and connect the existing backwash tank to an 18” PVC irrigation pipe to be installed in Davis Road and connect to the South Ditch at the creek flume crossing. For the TTHM Reduction, the first alternative considers the pretreatment option by providing a raw water clarifier at the headworks to the treatment plant and the second, preferred and less costly alternative, considers the aeration option by installing aeration equipment at each of the District’s treated water storage tanks. Matt also reviewed the current status of the grant project, the status of the current budget, along with possibilities of further grant funding needed and the need to now start the required process of a new rate study. After Matt’s presentation, there was lengthy discussion regarding issues with the proposed alternatives and other possible alternatives. Michael Minkler mentioned that the City of Angels is currently working on a pretreatment method to solve the some of the same issues. It was the Board’s consensus to have Matt check with the City of Angels on what they are proposing along with meeting further with Gary Ghio and Bill Eltringham to look further at these alternatives and any other possible alternatives. Matt noted that any alternative will be dependent on funding the District is able to acquire. The Board thanked Matt for his presentation and time.

At this time President Chick returned to Item 3. Minutes.

3. **APPROVAL OF MINUTES.** The minutes of the November 14, 2018, regular meeting were included in the agenda packets for review.

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

MINUTE ENTRY. THE MINUTES OF THE MEETING OF NOVEMBER 14, 2018 WERE APPROVED AS CORRECTED.

RECURRING BUSINESS:

4.a APPROVAL OF EXPENDITURES. The November & December 2018 Expenditures were included in the agenda packets for review. Elaine Urruty reviewed the November expenditures with the Board noting the payments to UWPA for our 2nd Qtr contract payment in the amount of \$10,000; the 2nd Qtr contribution payment in the amount of \$21,250 and payment to Angels Sheet Metal for the Office/Mtg Room heating/air unit in the amount of \$3,933.70. The Angels Sheet Metal check is being held until work is completed satisfactorily. Elaine Urruty reviewed the December expenditures with the Board noting the payments to US Bank for the semi-annual SRLF loan payment in the amount of \$73,990.23 and two payments to Weber-Ghio in the amounts of \$51,179.36 & \$15,826.82, which the majority is for grant expenses. Discussion ensued regarding the Weber, Ghio & Associates expenditures and when we will be reimbursed through the grant. Elaine reported that the second disbursement request is in process which will reimburse FY 2017-2018 expenses and the 1st Qtr of FY 2018-2019. Elaine said that this disbursement will be short because of an error on documents sent to the State and that this error should be corrected on future disbursements. Elaine said that she has discussed the error and delay in disbursements with Matt and he will be following up to make sure disbursement requests are more timely.

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

MINUTE ENTRY. THE NOVEMBER & DECEMBER 2018 EXPENDITURES WERE APPROVED AS PRESENTED.

4.b CASH RECEIPTS REPORT. The Cash Receipts reports for the month of November & December 2018 were included in the agenda packets for review. Elaine reviewed the cash receipts report noting one irrigation connection fee in November for Bottomley, which is paid but not yet installed.

4.c BALANCE OF FUNDS REPORT. The Balance of Funds reports for the month of November & December 2018 were included in the agenda packet for review along with a revised copy of October 2018. Elaine Urruty reported the revision to the October Balance of Funds report was for \$750 withdrawal in District Surplus to balance the LAIF quarterly transfer for UWPA contribution to even \$1,000s. Elaine noted that there was no change in November and the only change to December funds were for the payment to the SRLF loan, which lowered the debt to \$1,238,567.72. The current LAIF balance is \$1,649,140.32. Elaine reported that the

over 90 day accounts are still in good shape and only debts we are currently unable to collect are those older debts that have been leined and pulled.

- 4.d BALANCE SHEET & INCOME STATEMENT. The November & December 2018 Balance Sheets & Income Statements were included in the agenda packet for review. Elaine Urruty reviewed the reports and reported the year to-date net income as of December 31, 2018 is \$237,277.98. Elaine also noted that the net difference of our cash and reserve accounts to our long term debts as of December 31, 2018 is a positive \$1,117,983.58.

NEW BUSINESS:

- 6.e PREAPPROVAL OF TRANSFER OF IRRIGATION SERVICE #5259-000 – RUSSEL & JOAN IRISH, 2549 HWY 4, VALLECITO TO ROSS, JON AND DAVID OLIVETO, PENDING SALE; DISCUSSION/POSSIBLE ACTION A copy of the irrigation application and letter were included in the agenda packet for review. Elaine noted that the Oliveto's will also be purchasing the property with domestic connection in this purchase and they are planning the same use of irrigation as the prior owners. Bill Eltringham recommended preapproval of this transfer.

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

MINUTE ENTRY. TO APPROVE PREAPPROVAL OF TRANSFER OF IRRIGATION SERVICE FROM #5259-000 – RUSSEL & JOAN IRISH, 2549 HWY 4, VALLECITO, TO ROSS, JON AND DAVID OLIVETO, PENDING SALE OF PROPERTY.

- 6.f REQUEST OF THREE (3) MONTH POSTPONEMENT FOR DOMESTIC CONNECTION FEE – ERNST & MARIE MIKKELSEN – 378 CRESTVIEW DRIVE, MURPHYS – 2ND DWELLING PLUMBED TO #6041-001 – 376 CRESTVIEW DRIVE, MURPHYS; DISCUSSION/POSSIBLE ACTION A copy of the letter requesting the three (3) month postponement for payment of domestic connection for dwelling was included in the agenda packet for the Board's review. Elaine Urruty reported that the Mikkelsen's built a new residence on the property at 378 Crestview Drive and plumbed it to their rental on the property at 376 Crestview Drive and the office was just made aware of the completion of the home at the end of December and an additional minimum charge was added at that time. Elaine said that the Mikkelsen's are good paying customers and are asking to pay the required domestic connection fee in full in three (3) months. Bill Eltringham said this was brought to the Board since it is not per our ordinance and needed Board approval. Bill recommended approval of the postponement. Discussion ensued regarding allowing postponement and possible administrative costs involved. Elaine reported that as long as it is not a payment plan, there would be no additional time caused to office staff with a one-time payment. It was the Board's consensus to allow the three (3) month postponement and instructed Elaine to write up a payment agreement due April 15, 2019 for the Mikkelsen's to sign, with fees to be charged if not paid on time.

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

MINUTE ENTRY. TO APPROVE A THREE (3) MONTH POSTPONEMENT OF PAYMENT OF DOMESTIC CONNECTION FEE FOR THE 2nd DWELLING BUILT ON PROPERTY AT 378 CRESTVIEW DRIVE & PLUMBED TO 376 CRESTVIEW DRIVE, DUE BY APRIL 15, 2019.

6.g REVISION TO WATER ORDINANCE #94-01; Section #7.____; REGARDING ACCESSORY DWELLING UNITS;DISCUSSION/POSSIBLE ACTION.....Ord. #94-01
 Director Chick noted that Director Bottomley wanted to be here to review this item, but is absent due to illness and District Attorney, Ken Airola, recommended postponement until the next meeting so that he can meet with Director Quincy & Director Bottomley to review the ordinance revisions and the resolution and finalize a draft to bring back to the Board. It was the Board’s consensus to postpone items 6.g & 6.h to the February meeting along with the closed session which relates to accessory dwelling connection fees.

6.h ACCESSORY DWELLING CONNECTION FEES; DISCUSSION/POSSIBLE ACTIONRes. #2019-02
 Postponed to February meeting.

ANNOUNCEMENT OF CLOSED SESSION ITEM AND ADJOURNMENT TO CLOSED SESSION

7. CLOSED SESSION – Conference with Legal Counsel – Anticipated Litigation § 54956.9 (d) (2); 1 Potential Case - Postponed to February meeting.

8. REPORT OF ACTION TAKEN
 There was no reported action from Closed Session.

REPORTS:

9.a HWY 4 CORRIDOR ADHOC COMMITTEE REPORT. There was nothing to report.

Next Hwy 4 Corridor meeting was postponed and next scheduled meeting is February 7, 2019 at the Murphys Sanitary District office in Murphys.

9.b UWPA REPORT. It was announced prior to the Board meeting that Michael Minkler, Operations Manager for UWPA, had rendered his resignation to UWPA and taken the position of General Manager for CCWD.

Michael Minkler reported to the Board that the lengthy outage for UWPA is finally over. It was the longest outage UWPA has ever had and was painful, but they got a lot of work accomplished and finally got the Angels Powerhouse interconnection approved by PG&E and back online. Michael reported that he did a presentation on UWPA last night for the City of

Angels, who are now seriously working on doing a rate study. Michael provided the Board with a breakdown of projected annual revenue vs projected annual costs for each type of water year (WY) and with or without ReMAT for both powerhouses, showing that even in WY1 there would be a shortfall with the current PPA and shortfalls in WY3 through WY6, if both powerhouses are in ReMAT. These expenditure projections did not account for inflation for future years. Unless there is other grant funding obtained or hydro revenue increases, this is the shortfall we are looking at for future years that the member agencies would have to share. Michael said that based on these projections there would be deficits in almost every water year and even with both powerhouses in ReMAT, there would be deficits in most water years. Michael wanted the Board to be informed of these numbers prior to his leaving UWPA, after this month, to have a snapshot of where everything stands right now. Michael said this is not where he wanted to leave the ReMAT program and was hoping to have the second ReMAT contract prior to his leaving. Michael said the ReMAT is still stalled and the 9th circuit court has scheduled the oral argument for February, which is sooner than expected, and if we have an answer in February and it is overturned, Murphys could be approved and in the ReMAT program by the end of this summer. Michael said this would be the best case scenario and that the Board should not count on this. It could take an additional 3 months or more to get a decision from the 9th circuit court or the PUC could lose at the 9th circuit court, we just don't know. The other parallel track they have been pursuing all along is the PUC adopting a new rule that would address the underlying problem that the district court found in that case. Michael said they should hear any day regarding the administrative law judge's proposed decision on that rule. This will then take 3 or 4 months to play out, with a round of comments and adoption period, before the PUC reaches a decision. Both of these scenarios are out of our hands, but we are pursuing both. Discussion ensued regarding the processes and if PG&E filing bankruptcy could affect the ReMAT contracts. Michael noted that he did not think it would affect the ReMAT, but there is no way of knowing for sure. Michael recommended to the Board that in reviewing for his replacement they keep high on the list looking for someone with experience in financing infrastructure projects and knowledge in obtaining grants for these projects. Michael said that Kyle, the crew and the contractor's they work with have the flume replacement down to a science and are very efficient; but even with that, the rate of deterioration is far exceeding the rate they can replace the flume. Michael said the other recommendation would be to keep the great staff they have down there together. Bill Eltringham asked if the SWRCB water release requirement is going to affect us. Michael said it could. The current Phase I round affects the rim dams, or first dams on the rivers; but the Phase II could affect us, if they are looking at upstream reservoirs for sources of water to meet the unimpaired flow requirement. Discussion ensued regarding this requirement and Michael said we do need to watch this and be a part of the discussion. Michael said he will get back to Bill and the Board regarding the timing of Phase II and how it will be rolling out going forward. Michael also noted that another issue he wanted to bring to mind is that we need to continue to be mindful of the FERC relicensing issue. UWPA has a fund which they started putting funds into, but it will not be nearly enough. The cost could be anywhere from 1M to 3M dollars and funds are not in the coffers right now. Discussion ensued regarding getting an exemption and the cost involved and whether it would be worth it. Michael said that on the operational side, things are going smoothly down at UWPA and Michael said he is not going far and plans to work closely with UPUD the other water agencies as we are all serving the same customer base. The Board congratulated Michael and thanked him for his great work.

Next UWPA meeting is scheduled for Tuesday, February 26, 2019 at 5:30 PM at the UWPA office in Angels Camp.

9.c LAFCO REPORT. There was nothing to report.

The next LAFCO meeting is scheduled for Monday, March 28, 2019 at 6:00 PM at the Calaveras County Board of Supervisors Chambers in San Andreas.

9.d DISTRICT MANAGER'S REPORT. Bill Eltringham reported that Troy Mumm has finished his 6 month probation and his 6 month evaluation was given to the Personnel Committee and Bill recommended we keep him on. Bill recommended we wait until the next fiscal year for his raise since it is so close. Both Troy and Kyle are continuing their training between the treatment plant and distribution. Kyle passed his T1 certification, so he is now and D1/T1. Bill said he is pushing Troy to take his classes to get his T3 certification, as the district needs to have more than one T3 on staff. Jason is doing well training Troy and staff is getting along well. Bill reported that we still have not received the final design for the Monge Ranch Rd project, but we need to get together with Matt on plans for relocating our lines and may have to put the project out to bid, but cannot finalize until we have the plans. This will be a costly project for the district and Bill said he will bring costs back to the Board once he knows more. Further discussion ensued regarding the grant project options and possibility of dredging Seibel and the property owners where Seibel is located.

9.e OFFICE MANAGER'S REPORT. Elaine Urruty reported that Roarke Weber had asked that she inform the Board that the Calaveras County Historical Society is hosting a presentation on The History of Union Public Utility District and Director Oneto will be the guest speaker. The event will be held on Thursday, February 28, 2019 with social hour at 5:00 pm and dinner at 6:00 pm. This will be a catered event and tickets are \$24 per person. Roarke asked if our district could assist the historical society by including notices on or in our January statements. Elaine reported that she completed the required application paperwork and posted it online to apply for the disadvantage community discount on our water fees and the application was approved and our fees have been lowered to \$3,200, which is saving us approximately \$5,025 each payment twice a year. Elaine said she met with Nhu Bergstrom to review the website and Nhu gave her a list of items she would like to have for the website. Elaine said she told Nhu that we want to start with a basic website so we can have some general information for the public and be able to put our minutes, agendas on and go live. We can then add the links for web payments through Springbrook and then can grow the site from there. Elaine will be working on getting as much of the items to Nhu as she has time for this month and will schedule a review of the website for the February board meeting. Elaine said she had a phone conference with Springbrook on the web payments portal and Mark from Springbrook will be getting her updated costs so that she can compare with our current credit card processing costs. Elaine noted that she just received notice from Elavon that our credit card processing cost are increasing also. Elaine said she will be scheduling another meeting with Porche from Springbrook regarding migration costs and processes and will report back once this is done. Elaine said her plate is full in January completing quarterly and year end payroll taxes, W2s & W3, 1099s and posting online. Elaine said she just got the GASB calculations today from Lan

at Bryant Jolly's office so that she can complete the CalPERS liability postings. Elaine will be finalizing the end of year postings and sending trail balance and required reports to Lan in order to complete the State Controller's Financial Report and our FY 2017-2018 audit. Elaine said she just received notice from the Farmers Insurance auditor and the Worker's Comp audit is scheduled for February, so she will also be working on gathering data for this audit. Elaine said she has been working on reviewing the MSR for LAFCO and should be talking to John soon to review. Elaine also reported that, per State law, the District is now required as a small employer to provide a 1 hour sexual harassment training to our employees in 2019. Elaine will be ordering an online training video through our Cal Chamber membership at a discounted rate. Each employee can then sign on and complete the training this year and print out a certificate for our records. There is also a supervisor's training that is recommended, but not required for small businesses at this time, but may be required in the future. Director Quincy asked how Mary Miloslavich was doing in the part time clerk position and if we were making Mary permanent or going to advertise. Elaine said she was planning on meeting with the Personnel committee regarding this, but that since she was unable to place the ad and schedule interviews with time off during her Mom's passing and the holidays, she would at this time recommend that we make Mary a permanent part time clerk. Elaine said that we could probably get someone with more accounting qualifications, but that the positive is that Mary has proven very reliable and flexible with her hours worked and we have a lot of time devoted to her training now and it has relieved Lisa of some of her daily workflow so that she can get AP and account changes done in a more timely manner without assistance. Elaine said the office will continue the cross training of jobs to help cover during vacation times also. Discussion ensued regarding the position and it was the Board and Bill Eltringham's consensus to allow Elaine to move forward on making Mary's part-time position permanent. Elaine informed the Board that we had received an invitation from the Western Utilities Underground Alert to their annual meeting and luncheon on Thursday, February 7, 2019 if anyone was interested. Also received was a listing of candidates for their board and asking for any nominees for positions on the Board, however, the notice was received January 16th & due back by January 25th, so we could not respond. Michael Minkler asked Elaine if she would send the information on the Sexual Harassment training and Cal Chamber to the UWPA office.

9.f IRRIGATION COMMITTEE. There was nothing to report.

9.g PERSONNEL COMMITTEE. There was nothing to report.

9.h BUDGET/FINANCE COMMITTEE. There was nothing to report.

10. DIRECTORS COMMENTS. Director Rasmussen asked if the Board could receive the agenda packet as one attachment in the email, as it caused his phone to send notices with every attachment. Elaine said she didn't know if the attachment would be too large, but that she would try sending one PDF to him with the next agenda packet. Elaine said she keeps each item in separate PDFs as the reports are completed, as it makes it easier if she has any corrections while building the packet. Director Oneto said he thought he was giving a presentation to just the Historic Society, he did not realize it would be such a large ordeal.

11. NEXT MEETING: Next regular meeting is scheduled for Wednesday, February 20, 2019, at 7:00 PM.

12. ADJOURNMENT. The meeting was adjourned with no further business at 8:35 PM.

Submitted by: _____
Thomas E. Quincy, Secretary

Date: _____

ATTEST:

Elaine M. Urruty
Clerk to the UPUD Board of Directors