

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

MINUTES OF AUGUST 18, 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
	TOM QUINCY	Secretary
	BRUCE TALLAKSON	Treasurer
	RALPH CHICK	Director
Directors Absent:	None	
Also Present:	BILL ELTRINGHAM	District Manager
	ELAINE URRUTY	Office Manager
	KEN AIROLA	Legal Counsel
	JOEL METZGER	UWPA General Manager
	PUBLIC AT LARGE	

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

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

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

3. PUBLIC COMMENT. There was no Public Comment.

CONSENT AGENDA

4. APPROVAL OF MINUTES:
 - a. June 16, 2021 - Regular Meeting
 - b. July 21, 2021 – Regular Meeting – Delayed to September Meeting

5. APPROVAL OF EXPENDITURES:

a. July 2021 Expenditures. Elaine noted that the Expenditures were high due to the SRLF loan payoff in the amount of \$881,591.30; the Cal PERS annual UAL payment in the amount of \$30,465; the UWPA 1st Qtr contract payment in the amount of \$10,000 and the UWPA 1st Qtr contribution payment in the amount of \$104,250. Elaine noted that the loan payoff amount was being covered from a transfer from LAIF SRLF reserves to Union Bank. Elaine also noted we had larger than normal Ferguson and Weber, Ghio & Associates invoices.

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

MINUTE ENTRY. MOTION TO APPROVE THE CONSENT AGENDA; ITEMS #4.a – JUNE 16, 2021 MINUTES; & #5.a – EXPENDITURES – JULY 2021, AS PRESENTED.

REGULAR AGENDA

RECURRING BUSINESS:

- 6.a CASH RECEIPTS REPORT. The Cash Receipts report for the month of July 2021 was included in the agenda packets for review. Elaine reviewed the cash receipts reports with the Board, noting receipt of one new domestic service connection in the amount of \$14,000 and a new ADU connection fee in the amount of \$7,000, along with hydrant sales and emergency water charge receipts. Elaine reported that she had been contacted by Jack Kautz and that he plans on purchasing 5-6 domestic connections each month until he is complete with his project, which will be approximately 39 connections with the balance being purchased privately. Elaine asked the Board if she has permission to request connection fees to be paid by check of bank cashier's checks or transfers to avoid large credit card fees. It was the Board's consensus to allow staff to request payments other than credit cards for large connection fees. Elaine noted that the outstanding delinquent receivables continue to increase.
- 6.b BALANCE OF FUNDS REPORT. The Balance of Funds report for the month of July 2021 was included in the agenda packet for review. Elaine Urruty reviewed the Fund Balance report with the Board. Elaine reviewed the quarterly transfers including the transfer to zero out the SRLF LAIF Reserve account in the amount of \$728,848.66 plus funds from District Surplus account to total the SRLF loan payoff amount of \$881,591.30. These funds were transferred to Union Bank to cover the cost of the loan payoff and therefore, the long-term debt now shows zero. Elaine reported that once US Bank receives the confirmation of the loan payoff, they will issue payment to UPUD to close out the SRLF reserve bank accounts and the funds will be deposit to the District Surplus account. The current LAIF balance as of July 31, 2021 is \$1,772,711.22

- 6.c **BALANCE SHEET & INCOME STATEMENT.** The July 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 loss as of July 31, 2021 is \$<25,998.57>. Elaine noted that this net loss is due to paying the 1st Qtr UWPA contract and contributions early and prior to receipt of payments from customers. Without these payments we would have a net income of \$88,251.43. Elaine noted that these totals are prior to end of year postings and completion of the audit. Elaine reported that the net difference of our cash and reserve accounts to our long-term debts as of July 31, 2021 is a positive \$2,236,218.75.

At this time President Bottomley moved to New Business; Item 8.b.

NEW BUSINESS:

- 8.b **REVIEW OF POSSIBLE LACK OF EASEMENT ON PARCELS AT GOLDEN CREEK DRIVE & HWY 4 (APN #057-016-001 – REEVES & APN #057-012-006 – SWISS RANCH, INC/TODESCHINI); DISCUSSION/POSSIBLE ACTION.** A copy of the letter of request of backup documents were provided in the agenda packet for review. President Bottomley read the letter of request. Elaine Urruty reported that Weber Ghio employees were researching their records for any easements recorded and Elaine also went to the county to research and unfortunately their computerized records do not go back far enough. Elaine, therefore, had to contact the county archives office for assistance in researching for these easements. County archives office told Elaine that they have to research further to try and locate these records. Elaine said she also contacted the surveyor at the time, Lee Fordahl, and he said he can research his records also if not located at the County of Weber Ghio. Bill Eltringham gave a brief history of the project located down by Six Mile Subdivision and said that in 1998 this project was surveyed and easements were requested. Discussion ensued regarding the project and pipeline in this area. Bill said if the easement was not recorded, we will need to complete an easement and get it recorded. Kirby Reeves said that his title documents when he purchased the property did not show any utility easement. It was the Board's consensus to continue this item to the next agenda to give more time to research the easement. President Bottomley asked Reeves and Todeschini to be prepared to inform the Board of what they are asking for if there is no easement and also requested Bill Eltringham to review with District Engineer, Matt Ospital, regarding possible value of the easement in the meantime. Discussion ensued with Legal Counsel, Ken Airola, regarding possible prescriptive easement.
- 8.a **REQUEST FOR WAIVE OF MONTHLY MINIMUM CHARGE FOR NEWLY REPORTED ADU FROM #5291-000 - RODNEY & BEVERLY SCHOCK, 3544 MAIN ST., VALLECITO; DISCUSSION/POSSIBLE ACTION.** Elaine Urruty introduced Rod Schock via online teleconference. Rod reviewed his second dwelling/studio apartment that they purchased in 1986 and renovated in 2014 to bring the water sewer & electricity up to code. Rod said they have a listing in Airbnb, but it is not listed currently. Rod also said the unit has no heating or air conditioning and has a bathroom, bedroom and a small kitchenette with a small bar sink, small refrigerator and a microwave. The Schock's are asking for a waive of the connection fee and monthly minimum charge since this unit does not have a full kitchen and is not occupied most of the time. Rod said they may put unit back on Airbnb during certain times of the year. Lengthy discussion ensued regarding whether this unit would qualify as an ADU. It was the Board's consensus that because the unit only had a small microwave and no stove or oven, that UPUD would not consider it an ADU; and, therefore, would not charge ADU fees to the

Schocks. The Board noted that if a stove or oven were added to the unit that it is the Schock's responsibility to inform the district.

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

MINUTE ENTRY. MOTION FOR THE SCHOCK'S UNIT TO NOT BE CONSIDERED AN ADU BECAUSE IT DOES NOT HAVE A STOVE OR OVEN TO BE CONSIDERED A KITCHEN.

Director Quincy said that in talking with staff on some of the issues surrounding clarification of ADU status and our ordinance, that he recommends we send a copy of our ordinance to the State for their review and comments. Director Quincy noted that our ordinance was in place prior to the requirement that the State approve any ADU ordinances, but he felt it would be a good idea to make sure we are understanding and following their rules. Ken Airola said he thought that would be a good idea also. Director Bottomley said he was not sure if this would be a good idea, as they may add a lot more on to our requirements. Discussion ensued and it was the Board's consensus to send a copy of our ordinance that pertain to ADU's to the State for review and comment. Director Quincy noted that this will delay our October deadline for accepting applications and waiving ADU connection fees and charging monthly minimums until after we hear back from the State.

OLD BUSINESS:

- 7.a UPUD ORGANIZATIONAL CHART REVIEW & HIRING OF NEW DISTRICT MANAGER;
DISCUSSION/POSSIBLE ACTION President Bottomley stated that this item was placed back on the agenda to start the process of looking for a new General Manager to replace Bill when he leaves. Bill informed the Board that he is looking at possibly May of next year. Director Chick asked if we are going to go through a hiring agency? Bill stated that CPUD just hired someone to recruit for their agency. Joel Metzger stated that it might be a good idea to use an agency that some of the other agencies in the area have used, as they would therefore be familiar with our area. Joel noted that UPUD might contact Stacy Lauler from HR at CCWD and CPUD for referrals. Director Chick said he will contact CCWD and gather information.
- 7.a UWPA FUTURE FUNDING (Tom Quincy); DISCUSSION/POSSIBLE ACTION There was nothing new to report at this time.
- 7.b UPUD PREPARATION FOR DROUGHT IMPACTS & CONSERVATION PLANNING;
DISCUSSION/POSSIBLE ACTION Bill Eltringham reported that UPUD is still on voluntary 15% reduction and at this time has adequate water to serve our customers but deferred to Joel Metzger for an update on possible curtailments from the State. Joel Metzger reported that on August 3rd the SWRCB approved curtailments our water rights and it is being reviewed by the Office of State Administrative Law. Joel noted that the curtailments say we cannot divert from the natural flows, but we may be exempt because we use stored water for our allocation. Joel

said that NCPA stated there is well more water going through the tunnel from Spicer that is stored than what we would divert normally. However, Bruce Bowersox, also stated that he doesn't believe UWPA has the right to divert any water from New Spicer Reservoir, only the natural flow and what is coming from the old Utica Union and from Old Spicer. Joel said he called legal counsel and found that there is still some disagreement over those water rights and Attachment A that was never fully settled in or out of court and UWPA has been taking what we understood was ours, but it is not fully agreed with by NCPA. Joel said that he and Director Chick and Director Rasmussen will be meeting with UWPA's Legal Counsel next week to look into this further. Joel said that as it stands right now though, he believes that UWPA can continue to use their normal allocation from stored water and be exempt from this regulation. Joel also stated that it is in our interest to show the State that we are doing some type of conservation even if it is voluntary. Joel said that he sent a memo to Bill and Melissa Eads at City of Angels recommending that the three agencies do a Voluntary 15% conservation reduction and announce this to the public. Joel said he will be taking the same recommendation to his Board next week. Director Quincy asked if TUD or MID or other agencies are looking at any lawsuits in regards to the curtailments and Joel said absolutely, that there is a tributaries group that has already gotten a lawsuit together and told the State that they will be sued. Elaine noted that at prior meetings the Board already chose to be on a 15% Voluntary Reduction, but have not formally announced, but we do put notices on our statements monthly. Discussion ensued regarding conservation and current customer usage and Calaveras Conserves notices. Joel recommended that if UWPA and City of Angels also voted to do the 15% Voluntary Conservation that the agencies do a joint press release to the public. It was the Board's consensus to direct Elaine to add a note on the monthly statements regarding the 15% Voluntary Conservation reduction and also note on our website and once all agencies have approved to do a joint press release to the public.

Joel noted that if the State rejects the stored water argument, then we would have to cut back to indoor water use of 55 gallons of water per person per day. UPUD would have to take your average population of 2.4 people and multiply it times your customers for a daily number of gallons allowed per day. This would be for indoor use only not water of yards or agriculture. The State would be monitoring UPUD and if you don't bring use down to meet these numbers, you could be fined up to \$10,000 per day and we definitely don't want to go there.

REPORTS:

- 9.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.

- 9.b UWPA REPORT. Joel Metzger reported that there is an opportunity to put some infrastructure in the UPUD chlorinator building and we didn't know if we need to bring something formal to the Board for approval or just go through the General Manager. Bill Eltringham said that they will track the water on the S53 and can install a meter to monitor and record this. Joel said that this will help UWPA do accurate water rights reporting to the State. Joel stated that currently UWPA does not have a functioning water meter on the diversion from Angels Creek

to Stephens Reservoir and therefore cannot report accurate numbers to the State, which could put us in jeopardy. This is a solution that Bill helped us come up with to identify that there is a power building with an existing meter on that line to help us get the data we need.

Joel also noted that UWPA is currently looking at updating their Employee Handbook, which is outdated and puts us at liability to have these outdated. UWPA is looking into contracting with a consultant to assist with this and has gotten some proposals and would like to know if UPUD would be interested in updating their handbooks together. It was the Board's consensus to move forward and we will place this item on future a agenda for motion.

Joel said there is no update on ReMAT at this time. PG&E is aiming for the end of August to have the contract completed. Then the commencement date target is October 1st, but in PG&E's hands. If we do not get October, we will not want to start during the outage and would probably start December 1st. It's up to PG&E at this time.

Next UWPA meeting is scheduled for Thursday, July 29, 2021, at 5:30 PM at the UWPA office in Angels Camp.

- 9.c LAFCO REPORT. Director Quincy reported that we have a meeting scheduled for Friday, August 20th at 10 a.m. with John Benoit.

The next LAFCO meeting is scheduled for Monday, September 20, 2021 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 they are still waiting on PG&E for the engineering on the electrical at the treatment plant. Bill said the Hwy 4 project is still going and our pipeline is going to be very difficult now to access and work on. Bill asked the Board, if this draught continues, about whether we are going to have to start holding back on new connections and at what point. Discussion ensued regarding water conservation and when or if we may need to curtail connections. Also discussed was whether our line need to be enlarged at some point and pressures required. Bill said some of this will be addressed in the CIP plan, but the answer won't happen overnight.

- 9.e OFFICE MANAGER'S REPORT. Elaine Urruty reported that she sent all the usage numbers to Gary for the Master Plan. Elaine said she has send all data requested on the 218 to Mark Hildebrand via the drop box except for the CIP which he will get from Matt and a large report that she will be meeting on Mark to review exactly what he needs. Elaine got updated Specs from Springbrook and met and reviewed the Specs with Computer Firemen to update equipment required so I can order as soon as we receive our credit card. Elaine completed the request for a credit card from Union Bank with Bill and herself as authorized users and once received she will move forward with ordering equipment. Elaine said she is still waiting for Comcast Business to complete their required multiple site surveys to approve through CalNet and change us over to Comcast Business Internet. We are not sure if we will go fiberoptic or coax cable, fiberoptic is better for not shutting down, but may not be affordable. Elaine said she has another meeting tomorrow with Calaveras Conserves and CPPA to review the CPPA contract and issues with PG&E and costs involved. Elaine said she also has a conflicting SWRCB webinar the mandatory COVID 19 survey, so she is checking to see if either will be recorded. Also, Elaine said she has meeting Friday with LAFCO.

- 9.f IRRIGATION COMMITTEE. There was nothing to report.
- 9.g PERSONNEL COMMITTEE. There was nothing to report.
- 9.h BUDGET/FINANCE COMMITTEE. Elaine said she has started a Draft Budget and would like to meet with the Committee before the next meeting, if possible.
- 9.i LONG RANGE PLANNING COMMITTEE. Director Quincy reported that the committee met and took a tour at the 49er RV Park in Angels Camp with owner, John Tal, to discuss the possibility of serving them. Director Bottomley said they also discussed the new GM position with Bill and the Personnel Committee.
- 10. DIRECTORS COMMENTS. Director Quincy asked Bill Eltringham if Brian Rolleri was supposed to pave the spot near Moaning Caverns where the project was done. Bill said yes, and he will make sure it gets completed and will bill the owner. Director Tallakson said he took a tour with Bill and it was very eye opening and thanked Bill for the tour. Director Bottomley recommended Director Tallakson also take a tour of the UWPA system to see where our water comes from.
- 11. NEXT MEETING: The next regular meeting is scheduled for Wednesday, August 18, 2021, at 7:00 PM.
- 12. ADJOURNMENT. The meeting was adjourned with no further business at 8:45 PM.

Submitted by: Thomas E. Quincy
Thomas E. Quincy, Secretary

Date: 9-22-21

ATTEST:

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