

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

MINUTES OF AUGUST 15, 2018 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
	ERIC BOTTOMLEY	Director
Also Present:	BILL ELTRINGHAM	District Manager
	ELAINE URRUTY	Office Manager
	KEN AIROLA	District Legal Counsel
	PUBLIC AT LARGE	

1. PLEDGE OF ALLEGIANCE. The Pledge was given.
2. PUBLIC COMMENT. There was no public comment.
3. APPROVAL OF MINUTES. The minutes of the July 18, 2018, regular meeting were included in the agenda packets for review. Bill Eltringham requested a correction to pg 5, paragraph 3. Line 3: from '6 AF down by the Airola's' to '6 AF on the South Ditch'.

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

MINUTE ENTRY. THE MINUTES OF THE MEETING OF JULY 18, 2018 WERE APPROVED AS CORRECTED.

RECURRING BUSINESS:

- 4.a APPROVAL OF EXPENDITURES. The July 2018 Expenditures were included in the agenda packets for review. Elaine Urruty reviewed the expenditures with the Board, noting the large expenditures of payments to Garrett Walker for the annual backflow testing in the amount of \$4,200; UWPA 1st quarter contract payment in the amount of \$10,000; and CalPERS annual unfunded liability payment the amount of \$39,014.

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

MINUTE ENTRY. THE JULY 2018 EXPENDITURES WERE APPROVED AS PRESENTED.

- 4.b CASH RECEIPTS REPORT. The Cash Receipts report for the month of July 2018 was included in the agenda packets for review. Elaine reviewed the cash receipts report noting an increase in hydrant sales along with receipt of our final tax disbursement from Calaveras County for FY 2017-2018 in the amount of \$6,894.69 and receipt of two new domestic service connections in the amounts of \$14,000 each for Miller & Carson-Hull for new construction. Elaine provided the Board with copies of the over 90-day accounts report and reviewed the report with the Board.
- 4.c BALANCE OF FUNDS REPORT. The Balance of Funds report for the month of July 2018 was included in the agenda packet for review. Elaine reviewed the report noting that the quarterly transfers were completed totaling deposits of \$71,000 into LAIF for UWPA & Irrigation reserves (\$37,000), Filter Media (\$15,000) & domestic and irrigation connection fees(\$19,000), along with quarterly interest in the amount of \$7,165.27. LAIF's current apportionment rate is 1.90%. The current LAIF balance is \$1,580,756.77.
- 4.d BALANCE SHEET & INCOME STATEMENT. The July 2018 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 July 31, 2018 is \$87,375.62. Elaine also noted that the net difference of our cash and reserve accounts to our long term debts as of July 31, 2018 is a positive \$933,043.54. Elaine noted that these figures are prior to end of year postings & audit.

OLD BUSINESS:

- 5.a REQUEST FOR WAIVE OF DOMESTIC CONNECTION FEE FOR VACATION RENTAL ON PROPERTY – MARK WILSON, OWNER – 244 SCHOOL ST., MURPHYS – APN #066-004-047; DISCUSSION/POSSIBLE ACTION This item was tabled from the last Board meeting to give the Board and Legal Counsel time to review the accessory dwelling rulings and our current ordinance more thoroughly. A copy of the letter of request and UPUD's Ordinance, Chapter 16 – Rates, were provided in the packet for the Board's review. Legal Counsel Ken Airola stated that per the District's ordinance and in review of AB2299 & SB1069 regarding Accessory Dwellings that it is his feeling that Mr. Wilson would need to pay the required domestic connection fee. Director Quincy noted that he and Director Bottomley also reviewed the current ordinance and AB2299 & SB1069 and agreed that Mr. Wilson should be required to pay the current domestic connection fee for his vacation rental. Mr. Wilson stated that he

disagreed with the Board's decision. Lengthy discussion ensued regarding the rulings and Mr. Wilson's vacation rental trailer. It was the Board's consensus to deny Mr. Wilson's request for a waiver of the domestic connection fee based on the District's current ordinance & their interpretation of the Assembly & Senate bills. Mr. Wilson requested a formal letter from the Board stating their decision and the specific reasons for the denial, so he can research those reasons further. The Board requested Legal Counsel, Ken Airola, to draft a letter to send to Mr. Wilson.

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

MINUTE ENTRY. TO DENY MR. WILSON'S REQUEST TO WAIVE DOMESTIC CONNECTION FEE REQUIRED FOR HIS TRAILER WHICH HE HAS INSTALLED TO USE AS A VACATION RENTAL AT 244 SCHOOL STREET, MURPHYS (APN #066-004-047).

- 5.b REVIEW & UPDATE ON MURPHYS AFTERBAY PUMPING PLANT PROPOSAL; DISCUSSION/POSSIBLE ACTION A copy of the Murphys Afterbay Pumping Plant Proposal from July 2017 prepared by Matthew Gass Consulting, was provided in the agenda packet for the Board's information and review. Bill Eltringham reported that the quote he received from Ford Construction for the project at Stephens Spillway is approximately \$230,000 to do the digging. Bill said we have pipe already purchased at the yard, which cost approximately \$13,000. So to do the project through a contractor it would cost at least \$250,000. Bill said he then spoke with Michael Minkler regarding possibly including the pumping to divert water from the after bay to Stephen's Reservoir in this project. Bill reviewed the pumping project and projected costs and revenue from the 2014 report. Discussion ensued regarding the project and need for updated costs. Bill said he was recommended by Steve Kautz, who does a lot of pumping in the valley, to contact Lodi Pump & Irrigation. Bill said he met with Lodi Pump & Irrigation and gave them the specs on the project and is waiting for their estimated costs. Bill said a lot of the pumping work can be done by UWPA and UPUD staff. Bill said he would still recommend putting in the fill line on the North Ditch diversion as a backup & to not run through the powerhouse. Bill said we could extend the North Ditch system beyond Douglas Flat and use this water. Bill said he feels we should pursue the pumping project and that it could cost more in the range of \$100,000-\$125,000. Bill said that he felt that UWPA would be responsible for the power bill and maintenance & operation of the pump since they are moving and delivering the water. Discussion ensued regarding the estimated costs to maintain and run the pump, especially the high power costs. Michael Minkler stated that with expanding deliveries down the North Ditch, we may want to look into increasing the size of the pump from 3 cfs for the future. Discussion also ensued regarding the South & North Ditch maximum diversions and whether or not they can be changed as long as we don't go over the total maximum. Bill asked for direction from the Board regarding replacing the fill line now or looking into the pumping project first, noting that the fill line needs repair soon. It was the Board's consensus that they support working on the pumping project with UWPA as a joint project and for Bill to move forward getting firm numbers to bring back to the Board.

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

MINUTE ENTRY. TO SUPPORT THE MOVING FORWARD ON THE CONCEPT OF THE MURPHYS AFTERBAY PUMPING PROJECT DEPENDENT ON COSTS THAT ARE OBTAINED FROM CONSULTANTS.

NEW BUSINESS:

6.a APPROVAL OF FY 2018-2019 BUDGET; DISCUSSION/POSSIBLE ACTION A copy of the Proposed FY 2018-2019 Budget was provided to the Board in the agenda packet for their review. Director Oneto reviewed the budget with the Board and the contingency figures available in the budget. Discussion ensued regarding the improvements & furniture costs for at the office and that those costs will come from LAIF funds, along with any increase costs to health benefits for any change in status of employees. Director Oneto recommended keeping \$100,000 in contingencies for any unforeseen expenses. Also, any raises will be transferred out of these contingency funds.

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

MINUTE ENTRY. TO APPROVE THE FY 2018-2019 BUDGET AS PRESENTED.

6.b 2018 CONFLICT OF INTEREST CODE LOCAL AGENCY BIENNIAL NOTICE TO CALAVERAS COUNTY CLERK; DISCUSSION/POSSIBLE ACTION A copy of the Biennial Notice letter from the Calaveras County Clerk to the Board of Supervisors with backup information and instructions was included in the agenda packet for the Board's review. An informational meeting is scheduled for Thursday, August 30, 2018 at 5 pm in the Board of Supervisors Chambers. Ken Airola, District Counsel, recommended sending the notice back with 'No Amendments Required'.

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

MINUTE ENTRY. TO SEND THE 2018 LOCAL AGENCY/SPECIAL DISTRICT BIENNIAL NOTICE TO THE CLERK TO THE CALAVERAS COUNTY BOARD OF SUPERVISORS WITH 'NO AMENDMENT REQUIRED' TO UPUD'S CONFLICT OF INTEREST CODE.

REPORTS:

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

Next Hwy 4 Corridor meeting is scheduled for Thursday, October 4, 2018 at 4:00 PM with location to be announced at a later date.

7.b UWPA REPORT. Director Rasmussen reported that they had a meeting last Monday with CCWD regarding the water rights of 8,000 AF CCWD has available and that they are currently using approximately 2,000 AF and there is excess available that needs to be utilized. Dave Eggerton and Peter Martin were in attendance. They discussed how UWPA might utilize these waters when they are in low tier years. Michael Minkler noted that if all of UWPA's water customers used their maximum allocation, we would not be able to meet our flow requirements and can show that we could use this excess water from CCWD. Michael said this would be a win/win situation for both UWPA and CCWD, because CCWD can show they have contracts in place to utilize the excess water and UWPA would have the water available for these situations. CCWD water rights are expiring and they have asked for an extension, but they need these water agreements in place to show they can use the excess water. Therefore, UWPA is trying to get an agreement in place with CCWD for this water. Michael said the next step is to meet with Peter Martin to discuss the next steps to get a contract in place. Discussion ensued regarding changing the point of diversion on the slurry line and that CCWD now own the easements from the old Calaveras Cement down to Hwy 49. Michael said they are discussing changing the diversion from before Murphys powerhouse down to Ross Reservoir, because the demand will be between Ross and Hwy 49.

Michael said that the REMAT program is currently still tied up in the 9th circuit court and both applications for stays have failed, so it could be 9 months to a year before any further decision will be made by the 9th circuit court. A positive development is that the PUC has initiated a ruling to address the issue in the law suit and if this moves forward it could happen within the year, depending on if any agencies oppose the ruling. Michael said that hopefully they can keep this PUC ruling moving forward and get the injunction lifted so we don't have to wait for the 9th circuit court. Michael said at best we are still looking at 8 to 12 months out for the REMAT program.

Next UWPA meeting is scheduled for Tuesday, August 28, 2018 at 5:30 PM at the UWPA office in Angels Camp.

7.c LAFCO REPORT. Director Quincy noted there was no meeting and nothing to report. Elaine Urruty reported that the office had received a memorandum from John Benoit and LAFCO to all utility agencies in the County asking any agencies for comments or response in regards to the Padou annexation request, so the Padou annexation is in process with LAFCO. The other Utilities have until September 7, 2018 to respond to LAFCO. Elaine said that John Benoit is

waiting on information from the Metzgers to move forward on their annexation and UPUD still needs his legal description for the property for our resolution. Legal Counsel, Ken Airola, reported that he had received the legal description and will give to Elaine tonight.

The next LAFCO meeting is scheduled for Monday, September 17, 2018 at 6:00 PM at the Calaveras County Board of Supervisors Chambers in San Andreas.

7.d DISTRICT MANAGER'S REPORT. Bill Eltringham reported that they have been averaging 2.5 cfs on the Cademartori Reservoir and that not all of this water is going to customers, as it takes a lot of water to produce water with backwash 3 days per week. Bill said on the North Ditch they have been averaging 4 AF per day, so usage has picked up and South Ditch is 5.5 to 6 AF per day usage. Bill said that they pulled a lot of water from our reservoir for the Camp Nine fire. Bill reported that on the Treatment Plant backwash & aeration project they are going with option 2 of sending water to Seibel Reservoir. Bill said it is going to be complicated because they have to put a buffer dam to catch the silt before it goes to Siebel. Bill said that the grant money may run out before they get the engineering done and the District may have to pick up some of the engineering costs. Bill said we will have a set of plans in the office soon and then will have to wait for more grant funds to come available to complete the project. In the meantime, we will have to send the water down Seibel like we have for years.

Bill also reported that the District has received an application from Anna Gutierrez for irrigation service at the old Bob Kress property on Monge Ranch Rd. Bill said this property used to have irrigation years ago and Anna wants to put fruit trees and berries in, but was not on the list that was brought to the Board for approval. Bill said the service box is no longer there, as they have replaced the main since the service was removed. Discussion ensued regarding process of approving applications for irrigation or whether to give the District Manager authorization to approve irrigation services. It was the Board's consensus to put this item on next month's agenda for the Board's approval.

Bill reported that he has gotten a quote from Angels Sheet Metal for a heat and air split unit for the back office, which came out to \$4,000, plus they have to pay for a permit through the County. Bill also got a quote for the main office of \$6,000, but they recommended using the unit we have for now until it fails, as it is a good unit. Bill said we also will need to get furniture and equipment for the back office for approximately \$4,000 to \$5,000, so the estimated cost is \$8,000 to \$10,000 for these items. These items are needed to get the office set up for Elaine to move to the back office. Bill noted that we also need to complete repair of the back wall of the office. Bill said the training of the new staff is going along and they are doing good and catching on. Bill said the employee evaluations are complete and asked when the Personnel Committee would want to get together regarding salaries. A meeting was scheduled for Tuesday, August 21st at 2 pm for Bill to meet with the Personnel Committee.

7.e OFFICE MANAGER'S REPORT. Elaine Urruty reported that she was hesitant to put the part time position in the paper until she knew what direction we were moving in for the office setup and to have a place for this person to work. Elaine said she also wants to meet with the Customer Service Rep to plan out the work flow, jobs and training along with getting the equipment needed so we are ready to bring this person onboard. Elaine said she has some

sample ads and a draft ad written up and will get together with Tom to get placed in the paper. Elaine said she has been very busy working on the budget and now that it is approved, will need to enter into Springbrook so it shows on our financial reports. Elaine said the meeting that was scheduled for yesterday has been rescheduled to next Tuesday with Nhu Bergstrom from Nhu Design regarding our website and to review & choose a website template. Elaine said she has been gathering documents for the website for Nhu. Elaine has also contacted Springbrook to get a new contact person to obtain updated numbers for the cost of the on-line bill pay module and what the cost of processing credit cards payments through Springbrook versus our current monthly credit card costs are to know if there will be additional monthly costs we are not aware of. Elaine said she will be working on calculating this year's project costs, accrual costs, and end of year calculations to post for end of year and the audit. Bill has also asked me to obtain quotes for janitorial costs at the office and corp yard. Elaine said that Mary has been working well in the office and she has handed over the training of posting payments to Lisa so she can work on more pressing workload in the office.

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

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

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

8. **Adjourn to Closed Session:**

a. Public Employee Discipline/Dismissal/Release, Government Code 54957,
Distribution/Treatment Employee.

Closed Session was cancelled.

9. REPORT OF ACTION TAKEN

Elaine Urruty reported that the District did receive an additional bill for unemployment for Joe Darby in the amount of \$5,897, which has been paid through EFT. Elaine said that we budgeted the maximum that EDD informed her could be drawn of \$11,700 less payments already made in the amount of \$8,147 leaving a balance budgeted of \$3,553.

10. DIRECTORS COMMENTS. Director Oneto thanked Director Bottomley, Elaine & Bill for all the work on the budget and Director Bottomley also thanked everyone. Michael Minkler reported that UWPA has received a Cal FIRE grant to purchase a 2 ton truck to pull the bobcat for vegetation and tree clearing.

11. NEXT MEETING: Next regular meeting is scheduled for Wednesday, September 19, 2018, at 7:00 PM.

12. ADJOURNMENT. The meeting was adjourned with no further business at 8:30 PM.

Submitted by: _____
Thomas E. Quincy, Secretary

Date: _____

ATTEST:

Elaine M. Urruty
Clerk to the UPUD Board of Directors