

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

MINUTES OF JANUARY 17, 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:	ELAINE URRUTY	Office Manager
	KEN AIROLA	District Legal Counsel
	GARY GHIO	District Engineer
	MATT OSPITAL	Weber-Ghio & Associates
	KYLE RASMUSSEN	UWPA
	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 November 15, 2017, regular meeting were included in the agenda packets for review.

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

MINUTE ENTRY. THE MINUTES OF THE MEETING OF NOVEMBER 15, 2017 WERE APPROVED AS PRESENTED.

The minutes of the December 21, 2017, special meeting were included in the agenda packets for review.

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

MINUTE ENTRY. THE MINUTES OF THE MEETING OF DECEMBER 21, 2017 WERE APPROVED AS PRESENTED.

At this time President Chick moved to New Business for Item 6.a & 6.b for Election of Officers and Committees and Appointments for 2018.

NEW BUSINESS:

6.a 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 2017:

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

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

MINUTE ENTRY. MOTION TO KEEP THE UPUD OFFICERS THE SAME AS 2017.

6.b UPUD COMMITTEES & APPOINTMENTS; DISCUSSION/POSSIBLE ACTION A copy of the 2017 UPUD Committees and Appointments Listing was provided in the agenda packet for the Board's review. It was the Board's consensus to keep the Committees & Appointments the same as 2017.

At this time President Chick moved to Old Business.

OLD BUSINESS:

5.a REQUEST TO REVISIT REQUEST FOR ANNEXATION FROM DON PADOU FOR PROPERTY AT 612 APPLE BLOSSOM DRIVE, MURPHYS; DISCUSSION/POSSIBLE ACTION A copy of the letter of request from Mr. Padou to revisit possible annexation of his property was included in the agenda packet for review. Elaine Urruty introduced Don Padou. Mr. Padou reviewed his request with the Board reviewing his strenuous efforts to obtain water for his property, including drilling three dry wells and extensive discussions with CCWD finding that their service would be too cost prohibitive due to lack of infrastructure. CCWD recommended going through UPUD as his property is adjacent to their service lines. Mr. Padou noted that the property is approximately 79 acres, but that the majority is steep hillside with no plans or ability to build and a small area where he would like to build a home and where he has some fruit trees. Since the Padou property borders UPUD district boundaries,

he is again asking the Board to revisit annexation of his property since he has tried all other options to no avail. Discussion ensued regarding the proposed annexation. Mr. Padou also mentioned the possibility of using a neighbor's pump and 600 gallon tank system to hookup his service, if approved. It was the Board's consensus to table this item to the next meeting so the Board can hear from the District Manager regarding this issue. Ken Airola noted that, if the Board were to agree to annexation, that some type of written agreement should be written up regarding the proposed service. President Chick reviewed the annexation process of needing to go to LAFCO first and that, if this were to happen, that any costs of annexation would be at the property owner's expense. President Chick recommended that Mr. Padou contact John Benoit from LAFCO in the meantime to review the process and the costs that would be involved, if the District agrees to move forward with the annexation request. Elaine will provide Mr. Padou with LAFCO contact information. This item tabled to the February 2017 meeting.

- 5.b REVIEW AND POSSIBLE REPLACEMENT POSITION FOR DISTRIBUTION/TREATMENT; DISCUSSION/POSSIBLE ACTION The District Manager was not in attendance and there was no action or discussion at this time.

At this time President Chick moved to New Business items 6.c.

NEW BUSINESS:

- 6.c WEBER GHIO & ASSOCIATES – GARY GHIO, DISTRICT ENGINEER REPORT; DISCUSSION/POSSIBLE ACTION District Engineer, Gary Ghio, reported that he wanted to formally inform the Board that he is starting his retirement process and will be going into semi-retirement and working only three days per week. Gary re-introduced Matt Ospital, from Weber-Ghio & Associates, who he will be handing over a lot of work for UPUD to and who has worked on UPUD projects in the past. Gary noted that it has been a pleasure working with UPUD and he will still be working on the large high level projects for the district and he will still be available to the district and involved as needed.

At this time President Chick returned to Recurring Business.

RECURRING BUSINESS:

- 4.a APPROVAL OF EXPENDITURES. The November & December 2017 Expenditures were included in the agenda packets for review. Elaine Urruty reviewed the expenditures with the Board, noting the November large expenditures of the purchase of the new Ford F-150 from Haidlen Ford in the amount of \$26,770.06; payments to Ferguson Enterprises in the amount of \$20,717.73 for inventory for upcoming projects and Weber-Ghio & Associates in the amount of \$24,400.40 for project & grant expenses. Elaine also noted our semi-annual SRLF loan payment in the amount of \$73,990.23 and our SRLF reserve deposit payment in the amount of \$7,400. Elaine reported that our SRLF reserve is now at \$148,098.78 and meets the required maximum level and we will no longer have to be making semi-annual reserve deposits. Elaine noted the only large expenditures in December were for Weber-Ghio & Associates in the amount of \$11,745.48; payment to Joseph Darby for his vacation payout in the amount of \$7,284.95 and our retro payroll. Elaine noted that Cal-PERS retirement payments are now being paid through electronic fund transfers (EFT) per Cal-PERS requirements. Director

Rasmussen questioned the Sam Berry towing charge and asked if someone had to be towed. Elaine reported that the starter went out in the 2007 Ford & it had to be towed to the shop.

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

MINUTE ENTRY. THE NOVEMBER 2017 EXPENDITURES WERE APPROVED AS PRESENTED.

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

MINUTE ENTRY. THE DECEMBER 2017 EXPENDITURES WERE APPROVED AS PRESENTED.

- 4.b CASH RECEIPTS REPORT. The Cash Receipts reports for the months of November & December 2017 were included in the agenda packets for review. Elaine Urruty reviewed the cash receipts and over 90 day accounts with the Board. Elaine noted that the cash receipts for November included payment for NCPA's annual use agreement in the amount of \$2,500; payments for two new domestic connections in the amount of \$14,000 each along with numerous hydrant payments. Elaine also noted that she separated out the UWPA fee in the sales figures for 2016 so that the Board could see that the UWPA fees are the reason 2016 sales were higher than 2017. The UWPA fee was \$12 per account in 2016 and has since been lowered to \$6 per account, which cut the sales income in half for this fee.
- 4.c BALANCE OF FUNDS REPORT. The Balance of Funds reports for the months of November & December 2017 were included in the agenda packet for review. Elaine Urruty reviewed the balance of funds report with the Board. Elaine noted that the only changes in November were for payment to our SRLF loan, which lowered the debt and that we have now reached our maximum level in our SRLF reserve account. There were no changes on the December report. Elaine reported that the January 2018 report will show the 2nd quarter transfers for quarterly interest, UWPA & Irrigation fees to reserve and transfers for projects, filter media and park fund expense.
- 4.d BALANCE SHEET & INCOME STATEMENT. The November & December 2017 Financial Reports were included in the agenda packet for review. Elaine reviewed the reports and reported the year to-date net income as of November 30, 2017 was \$223,133.86 and for December 31, 2017 was \$235,225.48. Elaine also noted that the net difference of our cash and reserve accounts to our long term debts as of December 31, 2017 is a positive \$612,795.17.

NEW BUSINESS:

6.d REQUEST FOR TRANSFER OF IRRIGATION SERVICE FROM MIKE & SHANA NASH TO JOE ZIELKE – 3528 VALLECITO BYPASS, VALLECITO – APN #064-013-011; DISCUSSION/POSSIBLE ACTION A copy of the irrigation service application was provided in the agenda packets. Elaine Urruty reported that this property was sold to Joe Zielke and he is applying to transfer the irrigation service with the sale for the similar proposed usage.

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

MINUTE ENTRY. TO APPROVE TRANSFER OF IRRIGATION SERVICE FROM MIKE & SHANA NASH TO JOE ZIELKE AT 3528 VALLECITO BYPASS, VALLECITO – APN #064-013-011.

6.e NEW IRRIGATION SERVICE CONNECTIONS – POSSIBLE PAYMENT PLANS; DISCUSSION/POSSIBLE ACTION Elaine Urruty reported that District Manager, Bill Eltringham, had requested this item be put on the agenda to review the possibility of allowing payment plans for the new irrigation service connections that the Board approved at the November 2017 meeting. Discussion ensued regarding allowing payment plans for connection fees or just for cost of labor & construction, if required. It was the Board’s consensus not to allow for payment plans for irrigation connection fees and require payment in full for all costs before connection is allowed as per the district’s ordinance

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

MINUTE ENTRY. TO DENY PAYMENT PLANS ON IRRIGATION CONNECTION FEES AND RELATED COSTS AND REQUIRE PAYMENT IN FULL PRIOR TO CONNECTION AS PER DISTRICT ORDINANCE.

6.f APPROVAL OF PURCHASE OF POWER VAC UNIT; DISCUSSION/POSSIBLE ACTION A copy of a quote in the amount of \$43,822.35 from Pres Tech Equipment Company was included in the agenda packets for review. Elaine Urruty reported the District Manager, Bill Eltringham, had requested this item be placed on the agenda. Discussion ensued regarding required bid process needed for items in this price range and more information needed from District Manager. District Counsel, Ken Airola, stated that this item should go through the proper bid advertising process unless there is an emergency exception. Ken said he can get together with Elaine and assist with the process. It was the Board’s consensus to table this item to the next meeting and asked Elaine to inform Bill.

6.g APPROVAL OF UWPA 3rd QTR 2017-2018 CONTRACT PAYMENT; DISCUSSION/POSSIBLE ACTION A copy of the UWPA invoice for 3rd quarter 2017-2018 contract payment in the amount of \$10,000 was included in the agenda packets for review.

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

MINUTE ENTRY. TO APPROVE PAYMENT OF UWPA 3rd QTR 2017-2018 CONTRACT PAYMENT IN THE AMOUNT OF \$10,000.

6.h ACCEPTANCE OF FY 2016-2017 AUDIT BY BRYANT JOLLEY, CPA; DISCUSSION/POSSIBLE ACTION A copy of the 2016-2017 annual audit was included in the agenda packets for review. Director Quincy requested tabling the approval of the audit to the next meeting so everyone has more time to review the report. Elaine also requested tabling the item, as she has a GASB total that differs from the audit and she needs to review the GL with the auditor calculations, which she just received today.

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

MINUTE ENTRY. TO TABLE APPROVAL OF THE 2016-2017 ANNUAL AUDIT TO THE FEBRUARY MEETING AND APPROVE PAYMENT FOR THE ANNUAL AUDIT TO BRYANT JOLLEY IN THE AMOUNT OF \$7,500.

6.i REVIEW OF POSSIBLE PAYOFF OF ALL POINTS/FIRST SECURITY BANK LOAN; DISCUSSION/POSSIBLE ACTION Elaine Urruty reported that this item was brought back to Board per their request for review. Elaine provided an updated Long Term Debts & Reserve accounts listing to the Board and noted that the current loan balance is \$185,929.74 with payoff scheduled June 30, 2021. The semi-annual payments including interest are \$29,040.66 and the next payment is scheduled this month. Elaine noted that we could save approximately \$11,000 in interest payments if we pay off the loan now and that payoff was also recommended by the auditor. There is no reserve for this loan, so payment would need to be paid from District Surplus or Capital accounts or from excess in Union Bank account. Discussion ensued regarding payoff of loan and where to pull funds from. Elaine recommended tabling this item to the February 2017 meeting so that the Board can see true balances in the LAIF accounts and Union Bank account after all quarterly transfers are completed and when the District Manager, Bill Eltringham, is in attendance for his input in

regards to project costs. It was the Board's consensus to table this item to the February 2017 meeting.

REPORTS:

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

Next Hwy 4 Corridor meeting is scheduled for Thursday, February 1, 2018 at 4:00 PM at the Murphys Sanitary District office in Murphys.

7.b UWPA REPORT. Director Rasmussen reported that there was not much to report in regards to day to day operations at UWPA; however, it was brought up by Elaine the day of our Special Meeting in December that our office had received notice from AWWA of a law suit that has been filed against the PUC in regards to the REMAT program. Kyle Rasmussen reported that Michael has been working on this and was hoping to have an update today, but has not gotten any solid answers yet. Discussion ensued regarding the pending lawsuit and how it could affect the REMAT program. Kyle said that Michael will update the Board as soon as he has more concrete information. Kyle noted that we really need rain and snow and that the next read by the State will be May 1st and if numbers don't improve, we could end up back at Step 6 where we were a few years ago. Director Rasmussen said we hopefully will be at Step 4 and we should be okay because we have a rate plan for these circumstances. Director Rasmussen also reported that with no REMAT for Murphys, Michael obtained a contract for power sales with Calpine in San Diego on a month to month basis.

Next UWPA meeting is scheduled for Tuesday, January 23, 2018 at 5:30 PM at the UWPA office in Angels Camp.

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

The next LAFCO meeting is scheduled for Monday, February 19, 2018 at 6:00 PM at the Calaveras County Board of Supervisors Chambers in San Andreas.

7.d IRWMP/CRG. There was nothing to report.

7.e DISTRICT MANAGER'S REPORT. Bill Eltringham was not in attendance.

7.f OFFICE MANAGER'S REPORT. Elaine Urruty reported the office has been very busy the last two months. The retro payroll was calculated and paid in November and Joe Darby's vacation payout was done. The district purchased the new F150 truck and it was picked up November 30th. Elaine reported that the District was contacted by phone in December by Vallecito Unified School District (VUSD) for Michelson Elementary and by the County Office of Education for the Head Start Program in Murphys requesting that the district perform School Lead Testing. Elaine said she asked for the requests in writing per requirements from both entities and was told by our SWRCB representative that we are not required to perform testing for Head Start Programs since they are considered child care and not schools; however, the District can perform the tests at the entities cost if they wish. Elaine said that on December 18th we received a formal letter of request from VUSD and we are following the State's rules

for testing. Bill had the initial meeting with the VUSD representative on January 3rd to develop the test sampling plan and Elaine will be setting up the sample sites on our State online portal and finalized the testing plan so we can implement testing within the required 90 days. Elaine noted that school testing is at the district's expense per State rules for up to 5 sampling sites and if the school wishes additional site they are at their expense. The current cost for lead sampling for each sampling site is \$18 per test. If any of the school sampling sites do not pass, any repairs or remedies will be at the school's expense, but retesting is still at the district's expense. There are strict rules for how these tests are to be conducted.

Elaine said she has been working on HR issues, getting COBRA information to Joe Darby and new enrollment forms to Kyle and new labor calculations with benefits cost changes. There have been more lien payoffs and payoff demand requests coming in. Elaine noted that CalPERS Health benefits are now required to be paid through electronic fund transfer (EFT), as of January 2018 and the State has also mandated our DE88 payments done each payroll be paid by EFT. Elaine said she has finished setting both of these systems up and they are working. Elaine said she has tested W2s & 1099s & has verified calculations and they will be printed by this Friday to distribute. W4s and State tax tables have been setup and we are waiting for the Fed tax tables from the IRS. Elaine said she is currently working on our quarterly and end of year payroll taxes due by end of month. Elaine noted that there have been a large amount of account changes and property sales along with tenant changes this last month. Elaine said she has received notice that the District's Workers Comp Audit is scheduled for February 9th, so she will also be preparing documents for the audit. Also, the District's annual report is due in April and she will need to be working on this data.

7.g IRRIGATION COMMITTEE. There was nothing more to report.

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

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

8. **Closed Session was cancelled.**

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

9. REPORT OF ACTION TAKEN

There was no action taken.

10. DIRECTORS COMMENTS. Director Rasmussen and the rest of the Board thanked Ralph Chick for stepping up and doing a great job as President this last year. Elaine reported that in February 2018 we will also have the required annual UPUD Financial Corporation meeting prior to our regular meeting.

11. NEXT MEETING: Next regular meeting is scheduled for Wednesday, February 21, 2018, at 7:05 PM immediately following the UPUD Financial Corporation meeting at 7:00 PM.

12. ADJOURNMENT. The meeting was adjourned with no further business at 8:00 PM.

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

Date: 3-28-18

ATTEST:

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