

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

MINUTES OF JULY 15, 2020 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
	DUANE ONETO	Director
Directors Absent:	RALPH CHICK	Treasurer
Also Present:	ELAINE URRUTY	Office Manager
	BILL ELTRINGHAM	District Manager
	KEN AIROLA	District Attorney
	JOEL METZGER	UWPA GM

1. PLEDGE OF ALLEGIANCE. The Pledge was given.
2. APPROVAL OF AGENDA. – Agenda was approved as presented.

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

MINUTE ENTRY. TO APPROVE THE AGENDA AS PRESENTED.

3. PUBLIC COMMENT. There was no Public Comment.

At this time President Bottomley moved to New Business for a presentation from District Auditor.

NEW BUSINESS:

- 8.a ACCEPTANCE OF UPUD FY 2018-2019 AUDIT BY BRYANT JOLLEY, CPA – PRESENTATION BY RYAN JOLLEY; DISCUSSION/POSSIBLE ACTION Copies of the Draft Audit & Management Report were included in the agenda packet for review. Ryan Jolley reviewed the Audit and Management Report with the Board and stated that it was a clean audit with no exceptions with a net revenue of \$468,035 for the year. Ryan noted that in their findings this year they noted a ‘Lack of Segregation of Duties’ regarding controls over the District’s cash management with having the two office staff as signers on the accounts and processing all accounting of checks and reconciliation of accounts. Ryan reviewed possible

changes to signing procedures and noted he understands how this is sometimes hard with a small staff. Ryan noted that this is only a recommendation and it is not mandatory that the District implement the change, but it was something they wanted to point out for the District to consider and this would strengthen controls on the cash disbursements process. The Board thanked Ryan for his presentation. Discussion ensued regarding the District's current signing and auditing procedures and the recommendation from the auditor. Bill Eltringham stated that our procedures have been working well and it is often hard for staff to get signatures in a timely manner and recommended keeping our procedures the way they are. It was the Board's consensus to continue with our current signing procedures.

At this time, President Bottomley returned to the consent agenda.

CONSENT AGENDA

4. APPROVAL OF MINUTES:
 - a. June 17, 2020 – Regular Meeting
5. APPROVAL OF EXPENDITURES:
 - a. June 2020 Expenditures.

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

MINUTE ENTRY. TO APPROVE THE CONSENT AGENDA - ITEMS #4.a – MINUTES – JUNE 17, 2020, REGULAR MEETING; & #5.a – EXPENDITURES – JUNE 2020, AS PRESENTED.

REGULAR AGENDA

RECURRING BUSINESS:

- 6.a CASH RECEIPTS REPORT. The Cash Receipts report for the month of June 2020 was included in the agenda packets for review. Elaine reviewed the cash receipts report with the Board noting receipt of our final SRLF grant disbursement in the amount of \$12,155 and an receipt of one new domestic connection from Jim Heryford in the amount of \$14,000. Elaine also reported to the Board that our over 90-day, 60-day & 30-day balances are still increasing due to the COVID-19 pandemic and Governor's order of no shut-offs or late fees, however, we did get a payoff on one of the seriously past due accounts.
- 6.b BALANCE OF FUNDS REPORT. The Balance of Funds report for the month of June 2020 was included in the agenda packet for review. Elaine Urruty reviewed the Fund Balance Report with the Board. Elaine reported the transfer of \$168,000 from the LAIF Irrigation account to Union Bank to cover the first payment on the Stephen's Fill Line to Cole Tiscornia

Construction and reported that our SRLF debt lowered by our June loan payment. The current LAIF balance as of June 30, 2020 is \$2,574,557.26.

- 6.c BALANCE SHEET & INCOME STATEMENT. The June 2020 Balance Sheet & Income Statement were included in the agenda packet for review. Elaine Urruty reviewed the reports, noting that the balances are prior to end-of-year postings, and reported the year to-date net income as of June 30, 2020 is \$285,394.03. Elaine also reported that, if we take our current SRLF loan balance of \$1,002,457.74 and deduct our SRLF reserve accounts and LAIF SRLF reserve, there would be a balance left to pay off the loan of \$308,105. Elaine said we may want to keep this in mind, as we could pay off the loan early to save significant interest costs of approximately \$107,395. Elaine reported that the net difference of our cash and reserve accounts to our long term debts as of June 30, 2020 is a positive \$1,925,529.

OLD BUSINESS:

7. There was no Old Business

NEW BUSINESS:

- 8.b CALAVERAS COUNTY RESOURCE CONSERVATION DISTRICT (CCRCD) NOTICE OF GRANT AWARD & MURPHYS-TO-FOREST MEADOWS WUI FUEL BREAK PROJECT AND REQUEST FOR LETTERS OF SUPPORT & RIGHT OF ENTRY PERMIT FOR TWO PARCELS (APN #068-011-102 & 068-010-077) AT UPUD TREATMENT PLANT ON MT DAVIS RD; DISCUSSION/POSSIBLE ACTION A copy of the letter of request & letter of support forms were included in the agenda packet for review. Bill Eltringham explained that CCRCD has received their grant and are now ready to start the process of getting property owner's formal permission and then begin the clear cutting. Elaine reported that this fire break is from Murphys to Forest Meadows area as shown in the maps in the letter.

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

MINUTE ENTRY. APPROVAL OF LETTERS OF SUPPORT & RIGHT OF ENTRY PERMIT FOR TWO PARCELS (APN #068-011-102 & 068-010-077) AT UPUD TREATMENT PLANT ON MT DAVIS RD FOR CALAVERAS COUNTY RESOURCE CONSERVATION DISTRICT (CCRCD) MURPHYS-TO-FOREST MEADOWS WUI FUEL BREAK PROJECT.

- 8.c REQUEST FOR PREAPPROVAL OF TRANSFER OF IRRIGATION SERVICE FROM #5382-000 – BRADDOCK & LOGAN, 3850 CARSON ST, VALLECITO (APN#066-020-006) TO DARRIN & KARIN MILLS; DISCUSSION/POSSIBLE ACTION A copy of the letter and irrigation application were included in the agenda packet for review. Bill Eltringham reported that this is the former Mitchell property in Vallecito and they plan to continue irrigating the property as it has been in the past. Bill said he did inform Darrin that, if the parcels are sold, the irrigation will not automatically transfer with the sale and stays with the main parcel it is assigned to.

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

MINUTE ENTRY. TO PREAPPROVE TRANSFER OF IRRIGATION SERVICE FROM #5382-000 – BRADDOCK & LOGAN, 3850 CARSON ST, VALLECITO (APN#066-020-006) TO DARRIN & KARIN MILLS, PENDING SALE OF THE PROPERTY.

- 8.d APPROVAL OF PREPAYMENT OF UNFUNDED ACCRUED LIABILITY (UAL) FOR CALPERS FY 2020-2021; DISCUSSION/POSSIBLE ACTION. A copy of the CalPERS Invoices for both the Classic CalPERS contract and the PEPRA CalPERS contract were included in the agenda packet for review. Elaine reported that the CalPERS UAL prepayment amounts are \$24,030 for the Classic contract and \$1,214 for the PEPRA contract for a total of \$25,244.

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

MINUTE ENTRY. TO APPROVE PREPAYMENT OF THE UNFUNDED ACCRUED LIABILITY (UAL) FOR CALPERS CLASSIC & PEPRA CONTRACTS FOR FY 2020-2021 FOR A TOTAL AMOUNT OF \$25,244.

- 8.e APPROVAL OF UWPA PAYMENT OF \$10,000 FOR 1/3 MATCH REQUIREMENT FOR THE MULTI-JURISDICTIONAL HAZARD MITIGATION PLAN (HMP) PURSUANT TO THE HAZARD MITIGATION GRANT PROGRAM FEMA-4407-DR-CA; DISCUSSION/POSSIBLE ACTION. A copy of UWPA Invoice #20-64 was included in the agenda packet for review. Elaine Urruty reported that this is for the grant that UPUD, City of Angels and UWPA agreed to go together on last year for a Multi-Jurisdictional Hazard Mitigation Plan (HMP) for the JPA agencies and the agreed to costs for matching funds associated with the grant. Elaine deferred to Joel Metzger for further review of the process. Joel Metzger, UWPA General Manager, reported UWPA had a kick off meeting with the consultant that Calaveras County has hired for their HMP and UWPA has also hired, two days ago. He said next we will have one more meeting with UPUD, City of Angels, UWPA and County staff next week and then we will hold the first public kick off meeting with stakeholders on Thursday, August 30th. The purpose of the HMP is to try to anticipate what hazards could impact your system, identify them and plan how to minimize the risk. The valuable part of this plan is to have this plan finished and approved by CalOES and FEMA in order to get any pre-hazard mitigation funding from CalOES or FEMA. Joel said the pre-hazard mitigation funds are easy to get and he has already identified some our agencies could apply for. The timeline the consultants gave was 20 months, but Joel has told them he wants ours done by end of year to get off to CalOES and FEMA. Joel said CalOES and FEMA could take up to 6 months to review after submittal. Joel reported that this is a Multi-Jurisdictional plan because once our plan is done we have agreed

to put in it inside the County's plan so it is not just us separately, but integrated with the County in the end. Joel noted that the County will not hold our HMP up even if they take the full 20 months to complete their HMP. Joel said it could cost over \$100,000 to complete and the HMP must be updated every 5 years. Once the initial HMP is complete, updates will be minimal, as the plan just needs to be reviewed for any changing or new hazards and then be updated for those hazards and resubmitted. Joel reported that the Board is invited to the kick off meeting, but requests that only 2 attend so that we do not have to agendize the meeting. We will not be able to have a large meeting, 15 max attendees, but Joel recommended filming the meeting and putting it online through public television, YouTube, Facebook, websites, etc.

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

MINUTE ENTRY. TO APPROVE PAYMENT OF UWPA INVOICE #20-64 FOR UPUD'S 1/3 PORTION OF MATCHING FUNDS FOR OUR MULTI-JURISDICTIONAL HAZARD MITIGATION PLAN IN THE AMOUNT OF \$10,000.

- 8.f APPROVAL OF UWPA PAYMENT OF \$10,000 FOR WATER CONTRACT, 1st QUARTER FY 2020-2021; DISCUSSION/POSSIBLE ACTION. A copy of UWPA invoice #20-75 was included in the agenda packet for review.

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

MINUTE ENTRY. TO APPROVE PAYMENT OF THE \$10,000 WATER CONTRACT PAYMENT FOR 1st QUARTER OF FY 2020-2021.

- 8.g APPROVAL OF UWPA PAYMENT OF \$101,250 CONTRIBUTION FOR 1st QUARTER FY 2020-2021; DISCUSSION/POSSIBLE ACTION A copy of UWPA invoice #20-74 was included in the agenda packet for review. Discussion ensued regarding whether to pay these funds before the District has collected the funds from our customers. It was the Board's consensus to use the LAIF UWPA reserve funds, if needed, to cover the costs until reimbursed by rate payer receipts. Joel Metzger thanked the Board for their support of UWPA and said it means a lot to UWPA to have these contributions to get studies done and the CIP projects and reserves going.

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

MINUTE ENTRY. TO APPROVE PAYMENT OF THE \$101,250 CONTRIBUTION
PAYMENT FOR 1st QUARTER OF FY 2020-2021.

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 next meeting is tentatively scheduled for Friday, September 4, 2020 with time & location to be determined and depending on COVID-19 status.

- 9.b UWPA REPORT. Director Quincy reported that UWPA approved the reserve fund planning and said he did have questions regarding if the requested funding is more than is needed, what happens to the excess funds? Do the funds come back to member agencies for their projects? Director Quincy said he felt there should be something in writing for the future documenting of where these funds go. Joel noted that those funds can be distributed wherever the UWPA Board chooses and it can be set to be by a simple majority vote or a 3/5 vote, whatever that Board decides. Joel said if UWPA does not relicense, those funds can be put wherever the UWPA board chooses. Director Quincy and Rasmussen noted that those funds should come back to member agencies, if not being spent on relicensing, etc. It was requested that Joel include this request in the agenda item on the 28th.

Joel Metzger reported on updates of the ReMAT program noting that the CPUC has done a rulemaking on how the ReMAT will be reopened and they found that CPUC changed the pricing on us. Currently the Angels Powerhouse is at \$89.23 per MWh for 20 years. CPUC came back with a price of \$57 per MWh for hydro generation, which is a huge cut from the original program. Currently, the coalition is trying to decide how to respond to the huge cut CPUC is proposing; however, it is still higher to the estimated \$26 per MWh anticipated without ReMAT. If the coalition, who has been working together for over 2 years, stays unified and stands together and demand the original pricing we have a chance that they will move to a higher pricing. Joel said he needs the member agencies and UWPA Board's direction on how they wish UWPA to move forward. This is a huge item that affects both agencies budgets and all rate payers in both districts. Joel noted that the only downside he sees in staying with the coalition is, it could delay the ReMAT program for Murphys; however, we do have 2 more years in our contract to work with. Joel said he feels we need to have a contract by the end of the year, if possible, knowing the lowest price we will be at is \$57 per MWh. Discussion ensued regarding whether to put this item on the next agenda and timeline for Joel's direction needed. Director Rasmussen stated he will contact Joel for direction.

Next UWPA meeting is scheduled for Tuesday, July 28, 2020 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, July 20, 2020 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 the completed Stephen's Fill Line project did have a change order which increased the cost to \$248,000 plus engineering costs, which will take most of the Irrigation fund reserves. Bill also reported that UPUD exceeding our TTHMs in the second quarter testing, which leave us out of compliance. Bill noted that we have been fighting these levels every quarter with flushing, etc. and this is why we have been working on the grant funding to get the tank aeration project funded for years. Bill said the maximum contamination level is .080 ppm and we were at .082 ppm, which leaves us in violation. Because of the violation, there are protocols we have to follow to notify customers and rectify the problem. Bill will be working with Gary and Matt at Weber, Ghio & Associates to respond to the state on the compliance order. Bill stated that we may have to look at putting in the aeration system at our own expense, as Dave and Matt at Weber Ghio do not have an anticipated date for funding yet on the grant or loan funds from the State. Bill said, if we pay out of our reserves, we could get reimbursed, but there is no guarantee. Bill reported that per the State the water is safe to drink, but we must send a notice out to all customers informing them of the compliance issue and that elevated TTHMs for a long period may cause cancer. Bill also reported that any time the SWRCB spends on this issue will be charged to the District, which will increase our water fees charges.
- 9.e OFFICE MANAGER'S REPORT. Elaine Urruty reported that audit was completed with Bryant Jolley's office. Also, the Water Quality Report (CCR) was completed through the Gemini Group, went out with our July statements and was posted in town and on our website. Elaine noted that the CCR report was much more time consuming than anticipated, as she basically had to rewrite the report for our agency into their template and also add for the federal UCMR testing we completed this last year. The positive is we have a more professional looking report and the templates are now set up for future years, which should make future years easier. Elaine said she completed the LAIF transfer from irrigation reserves to cover the payment to Cole Tiscornia Construction for the Stephen's Fill Line Project. Elaine said she will be working on quarterly payroll taxes and quarterly LAIF transfer calculations and transfers and she still needs to complete the annual report and the budget. Elaine also noted we have been having more issues with our internet and email system and has been working with Cal.net to try and correct the issue. Elaine reported that while she was working on the memo to send to Mary Miloslavich regarding her COVID leave and plans to return to work, we received a unemployment claim on Mary dating back to her first day off of March 12th. Elaine said because of this she did not send the memo and had to complete a written response and payroll report to send back to EDD in response to the claim stating that she should not be eligible for the time we paid her full salary from March thru mid-May. Elaine said she will check with Cal Chamber on any changes to COVID rules and rewrite and send a new memo to Mary regarding her intentions to return to work and will follow up on the EDD claim. Elaine also let the Board know that both she and Lisa are having to take time off work due to health issues of our elderly fathers.
- 9.f IRRIGATION COMMITTEE. There was nothing to report.
- 9.g PERSONNEL COMMITTEE. There was nothing to report.
- 9.h BUDGET/FINANCE COMMITTEE. Director Oneto said that we will not be able to do raises until we have the budget complete and will need to do back pay, which he didn't know if the Board wanted to do and asked if we should do away with back pay. Discussion ensued

regarding back pay and Bill Eltringham noted that we have always done back pay in the past retro to July 1st of each year and recommended we continue to do so.

10. DIRECTORS COMMENTS. Director Oneto let the Board know he was having some health issues and hopes it will not affect his time on the Board and committees. Elaine Urruty reminded the Board that Director Oneto and Director Bottomley's terms expire in December 2020 and they must file by August 7th, if they wish to run for re-election. Elaine stated that they can apply online and if they need any information, please see Elaine. Also, if anyone knows of anyone interested in filing please tell them to contact the Calaveras County Elections office for forms and information.
11. NEXT MEETING: Next regular meeting is scheduled for Wednesday, August 19, 2020, at 7:00 PM.
12. ADJOURNMENT. The meeting was adjourned with no further business at 7:55 PM.

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

Date: 8-19-20

ATTEST:

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