

REGULAR BOARD MEETING AGENDA

5:30 PM Wednesday February 28, 2024
UPUD Headquarters | 339 Main Street, Murphys, CA 95247

OUR MISSION

Union Public Utility District is dedicated to protecting, enhancing, and developing our water resources to the highest beneficial use for our customers, while maintaining cost-conscious, reliable service and providing gainful employment through responsible management.

Board Chambers are open to the public and the following alternative is available to members of the public who wish to participate in the meeting virtually:

Microsoft Teams meeting

Join on your computer, mobile app or room device

[Click here to join the meeting](#)

Meeting ID: 231 098 604 416

Passcode: fgRMdM

[Download Teams](#) | [Join on the web](#)

Or call in (audio only)

[+1 209-729-7215,,484999377#](#)

Phone Conference ID: 484 999 377#

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Administration Office at 209-728-3651. Notification in advance of the meeting will enable UPUD to make reasonable arrangements to ensure accessibility to this meeting. Any documents that are made available to the Board before or at the meeting, not privileged or otherwise protected from disclosure, and related to agenda items, will be made available at UPUD for review by the public.

ORDER OF BUSINESS

CALL TO ORDER/THE PLEDGE OF ALLEGIANCE

1. ROLL CALL
2. APPROVAL OF AGENDA

3. PUBLIC COMMENT:

(LIMIT 5 MINUTES PER PERSON) Members of the public may address the Board on items not agendized. The public is encouraged to contact the General Manager or Board of Directors for consideration of items to be placed on the agenda. No action will be taken by the Board unless an item is agendized.

4. CONSENT AGENDA:

Consent agenda items are expected to be routine and non-controversial. They will be acted upon by the Board at a time, without discussion. Any board member, staff member or interested party may request removal of an item from the consent agenda for later discussion.

- a. Approval of Minutes: January 24, 2024 – Regular Meeting
- b. Approval of Minutes: January 31, 2024 – JPA Special Meeting
- c. Expenditures - January 2024
- d. Fund Balance Report – January 2024
- e. Balance Sheet & Income Statement – January 2024
- f. YTD Budget to Actuals – January 2024
- g. Legal Fees Year-to-Date Review

5. NEW BUSINESS

- a. Discussion/Action Regarding UPUD FY 2022-2023 Audit
(Presentation by Ryan Jolley)
- b. Discussion/Action Regarding UWPA FERC Exemption Application/Resolution of Support
(Joel Metzger, UWPA General Manager) **RESO NO. 2024-003**
- c. Discussion/Action Regarding Adopting New Reserves **RESO NO. 2024-004**
- d. Discussion/Action Regarding District Policy Updates **RESO NO. 2024-005**
(Jessica Self, General Manager)
 - 1. 2002, 2005 – Discipline and Termination
 - 2. 2011 – Reduction in Workforce/Reorganization
 - 3. 3010 – Purchasing
 - 4. 3025 – Financial Reserves
- e. Discussion/Action revising District Job Descriptions
(Jessica Self, General Manager)
 - 1. 2335, 2340
- f. Discussion/Action regarding Proposed Budget Revision FY 2023-2024

6. OLD BUSINESS:

- a. Discussion/Action Regarding Irrigation Rate Adjustment

RESO NO. 2024-006

7. UWPA

- a. Discussion/Potential Direction Regarding UWPA

8. REPORTS

- a. General Manager

9. CLOSED SESSION:

- a. Pursuant to Government Code § Section 54957(b)(1): Public Employee One-Year Performance Evaluation – Title: General Manager

10. RETURN TO OPEN SESSION

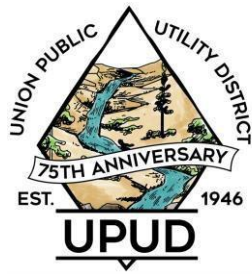
11. REPORT ON CLOSED SESSION

12. DIRECTORS COMMENTS

13. NEXT BOARD MEETINGS & EVENTS

- Wednesday, March 27, 2024 at 5:30 PM – Regular Meeting
- Wednesday, April 24, 2024 at 5:30 PM – Regular Meeting
- Wednesday, May 22, 2024 at 5:30 PM – Regular Meeting

14. ADJOURNMENT



MINUTES

UNION PUBLIC UTILITY DISTRICT REGULAR BOARD MEETING

JANUARY 24, 2024

Directors Present: Eric Bottomley, President
Greg Rasmussen, Vice-President
Tom Quincy, Secretary
Bruce Tallakson, Treasurer
Ralph Chick, Director

Directors Absent: None

Staff Present: Jessica Self, General Manager
Jenna Mayo, Administrative Analyst/Board Clerk
Elaine Urruty, Administrative Assistant/Board Clerk

Others Present: Andrew Ramos, Legal Council
Matt Ospital, District Engineer
Public at Large

ORDER OF BUSINESS

CALL TO ORDER & THE PLEDGE OF ALLEGIANCE

1. ROLL CALL

President Bottomley called the Regular Board Meeting to order at 5:30 p.m. and led the Pledge of Allegiance.

2. APPROVAL OF AGENDA

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

MINUTE ENTRY. MOTION TO APPROVE THE AGENDA AS PRESENTED, WITH THE POSTPONEMENT OF ITEM 6 B.

3. PUBLIC COMMENT:

No Public Comment.

4. CONSENT AGENDA:

- a. Approval of Minutes: November 9, 2023 – Special Meeting
- b. Approval of Minutes: November 15, 2023 – Regular Meeting
- c. Approval of Minutes: November 21, 2023 – Special Meeting
- d. Expenditures - November 2023, December 2023
- e. Fund Balance Report – November 2023, December 2023
- f. Balance Sheet & Income Statement – November 2023, December 2023
- g. YTD Budget to Actuals – November 2023, December 2023
- h. Legal Fees Year-to-Date Review
- i. Request for Leak Adjustment

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

MINUTE ENTRY. MOTION TO APPROVE THE CONSENT AGENDA AS PRESENTED WITH ITEMS 4 H and 4 I TO BE PULLED FOR DISCUSSION AND REVIEW.

Director Tallakson pointed out that we currently have two separate cases, as well as the water initiative, and urged the public to take note that our legal fees have surpassed \$121,000.00, with the conclusion still pending.

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

MINUTE ENTRY. MOTION TO APPROVE ITEM 4 H AS PRESENTED.

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

Abstained: None

MINUTE ENTRY. MOTION TO APPROVE ITEM 4 I ONE-TIME CREDIT ADJUSTMENT TO THE CUSTOMER'S ACCOUNT APN#068-071-024 IN THE AMOUNT OF \$201.33 AS RECOMMENDED.

5. **OLD BUSINESS:** None

6. **NEW BUSINESS**

a. Discussion/Action Regarding Utica Irrigation Customer
(Jessica Self, General Manager)

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

MINUTE ENTRY. MOTION TO APPROVE THE NEW IRRIGATION CUSTOMER CONNECTION WITHIN OUR SPHERE THROUGH UWPA'S SYSTEM, PER THE AGREEMENT WITH UWPA.

b. UPUD FY 2022-2023 Audit
(Presentation by Ryan Jolley)

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

MINUTE ENTRY. MOTION TO TABLE ITEM 6 B TO THE NEXT REGULAR MEETING.

c. Discussion/Action Regarding Mutual Assistance Agreements with COA & CCWD
(Jessica Self, General Manager)

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

MINUTE ENTRY. MOTION TO APPROVE MUTUAL ASSISTANCE AGREEMENT BETWEEN UPUD AND COA, AS PRESENTED.

Motion: Director Tallakson
Second: Director Quincy
Ayes: Directors Bottomley, Rasmussen, Quincy, Tallakson, and Chick

Nays: None
Absent: None
Abstained: None

MINUTE ENTRY. MOTION TO APPROVE MUTUAL ASSISTANCE AGREEMENT BETWEEN UPUD AND CCWD, AS PRESENTED.

d. Discussion/Action Regarding District Policy Updates
(Jessica Self, General Manager)

RESO NO. 2024-001

1. 2030 – Holiday Schedule
2. 2040 – Sick Leave
3. 2020 – Vacation Pay
4. 4025 – Expenditure Reimbursement
5. 5010 – Board Meetings
6. 5020 – Board Meeting Agendas
7. 3020 – Public Records Act

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

RESO NO. 2024-001. TO ADOPT RESOLUTION NO. 2024-001 – UPDATING DISTRICT POLICIES, AS PRESENTED.

e. Discussion/Action Regarding UPUD's Customer Assistance Program
(Jenna Mayo, Administrative Analyst)

RESO NO. 2024-002

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

RESO NO. 2024-002. TO ADOPT RESOLUTION NO. 2024-002 – UPUD'S CUSTOMER ASSISTANCE PROGRAM, AS PRESENTED.

f. Trout in the Classroom Presentation
(Jessica Self, General Manager)

General Manager, Jessica Self gave a presentation on the Trout in the Classroom program, a nationwide initiative. The program involves students raising trout in the classroom, providing them with valuable insights into fish biology and watershed health. Subsequently, the students will release the trout into Angels Creek. Weather permitting, they will have the opportunity to enjoy lunch at Murphys Park. Additionally, there is an art contest in which children can illustrate a depiction of "Healthy Waters" or a related theme. The UPUD Board of Directors will judge the artwork, and the top contestants will have their illustrations showcased on UPUD's building. The Board Directors and the public expressed great enthusiasm for this program.

g. Discussion/Action Regarding 2024 Board Assignments & Positions
(Eric Bottomley, Board President)

Discussion ensued regarding election of officers. The Board unanimously agreed to maintain the same Board Officers as in 2023.

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

MINUTE ENTRY. MOTION TO APPOINT THE UPUD OFFICERS AND COMMITTEES FOR 2024 THE SAME AS 2023, AS FOLLOWS:

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

Finance Committee: Director Tallakson and Director Quincy.

UWPA Board Members: Director Chick and Director Quincy, Director Rasmussen as alternate.

7. REPORTS

a. General Manager

A copy of the General Manager's report was provided to the Board, and General Manger, Jessica Self reviewed the report with the Board.

b. UWPA

Director Chick announced that UWPA completed their EAP testing last week. Additionally, they are scheduled to have a FERC meeting on Thursday, January 25th.

8. CLOSED SESSION: The meeting was adjourned into Closed Session at 6:27 PM

a. Conference with Legal Counsel – Anticipated Litigation (Gov. Code § 54956.9(d)(2): one case

b. Public Employee Performance Evaluation (Gov. Code § 54957(b)(1): General Manager

9. RETURN TO OPEN SESSION: The meeting returned to open session at 7:11 PM

10. REPORTABLE ACTION FROM CLOSED SESSION: There was no reportable action.

11. DIRECTORS REPORTS, INFORMATION, FUTURE AGENDA ITEMS

Director Bottomley expressed gratitude to General Manager, Jessica Self for her valuable contributions.

12. NEXT BOARD MEETINGS & EVENTS

1. Wednesday, January 31, 2024 at 4:00 PM – Full JPA Meeting (Native Sons Hall, Murphys)
2. Wednesday, February 28, 2024 at 5:30 PM – Regular Meeting
3. Wednesday, March 27, 2024 at 5:30 PM – Regular Meeting

13. AJOURNMENT

The meeting adjourned at 7:13 PM.

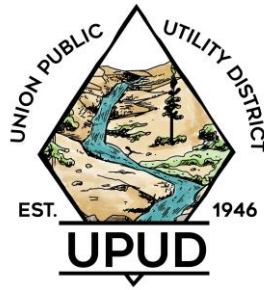
Respectfully Submitted:

ATTEST:

Tom E. Quincy, Board Secretary

Jenna Mayo, Clerk to the Board

DRAFT



**SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF
CITY OF ANGELS, CITY COUNCIL,
UNION PUBLIC UTILITY DISTRICT (UPUD) and
UTICA WATER AND POWER AUTHORITY (UWPA)
DRAFT MINUTES January 31, 2024**

THIS MEETING WILL BE HELD AT NATIVE SONS HALL, 389 Main Street Murphys, CA 95247

In person public attendance will be available with limited seating. Seats are available on a first come, first served basis. Members of the public shall have the right to observe and offer public comment at the appropriate time. To view or participate in the meeting online, please use the following link:

CITY OF ANGELS, CITY COUNCIL:

Mayor Jennifer Herndon **(PRESENT)**

Vice Mayor Isabel Moncada **(PRESENT)**

Council Members Alvin Broglio **(PRESENT ARRIVED 4:03PM)**, Michael Chimente **(PRESENT)**,
Caroline Schirato **(PRESENT)**

City Administrator Rebecca Callen **(PRESENT)**

UNION PUBLIC UTILITY DISTRICT (UPUD):

PRESIDENT Eric Bottomley **(PRESENT)**

VICE PRESIDENT Greg Rasmussen **(PRESENT)**

SECRETARY Tom Quincy **(PRESENT)**, TREASURER Bruce Tallakson **(PRESENT ARRIVED 4:03PM)**, DIRECTOR
Ralph "Rocky" Chick **(PRESENT)**

GENERAL MANAGER Jessica Self **(PRESENT)**

UTICA WATER AND POWER AUTHORITY (UWPA):

CHAIR Jennifer Herndon **(PRESENT)**

VICE CHAIR Ralph "Rocky" Chick **(PRESENT)**

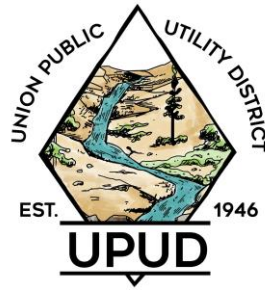
DIRECTORS Caroline Schirato, Greg Rasmussen and Gary Conrado **(ALL PRESENT)**

GENERAL MANAGER Joel Metzger **(PRESENT)**

4:00 p.m. REGULAR MEETING

- 1. ROLL CALL – AS NOTED ABOVE**
- 2. PLEDGE OF ALLEGIANCE**
- 3. APPROVAL OF THE AGENDA AS POSTED (OR AMENDED)**

ACTION: MOTION TO APPROVE THE AGENDA BY ANGELS CAMP MAYOR/ UWPA CHAIR JENNIFER HERNDON, SECONDED BY UPUD SECRETARY, TOM QUINCY, PASSED 11 YES

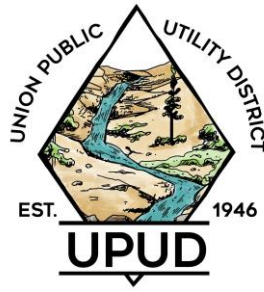


4. PUBLIC COMMENT: **LARRY THOMPSON SPOKE ABOUT UWPA AND WHEN HE WAS A DIRECTOR**

5. REGULAR AGENDA
 - A. Historical Overview of Utica Water and Power Authority – **ROUND TABLE DISCUSSION REGARDING THE AMOUNT OF WATER, AND FERC, NO PUBLIC COMMENTS**
 - B. Joint Powers Agreement (JPA) Review – **ROUND TABLE DISCUSSION, QUESTIONS ON CREATION OF AN ADHOC, LEAVING IT UP TO UWPA TO CREATE ADHOC OR ALLOW UWPA TO WORK ON THE AGREEMENT, HAVING UWPA LEGAL REVIEW, INCLUDE COMMUNICATION WITH ANGELS CITY ADMINISTRATOR REBECCA CALLEN AND GENERAL MANAGER JESSICA SELF, NO PUBLIC COMMENT**
 - C. Utica Financial Analysis – **ROUND TABLE DISCUSSION ON FINANCES**
 - D. Break
 - E. Overview of Upcoming Rate Studies: City of Angels and Union Public Utility District (UPUD) – **ROUND TABLE DISCUSSION, CURRENT COLLECTION AMOUNTS FROM BOTH DISTRICTS, SETTING A FIXED RATE FOR UWPA TO RECEIVE FROM COA AND UPUD ALLOWING UWPA TO MANAGE THEIR BUDGET AND FUNDS, UWPA GENERAL MANAGER JOEL METZGER AGREES, NO PUBLIC COMMENT**
 - F. Federal Energy Regulatory Commission (FERC) Exemption Application Overview – **ROUND TABLE DISCUSSION, COA TO PROVIDE A RESOLUTION OF SUPPORT WITHIN THE NEXT TWO MONTHS, REMACT MENTIONED, NO PUBLIC COMMENT**
 - G. Joint Power Agreement (JPA) Communication and Joint Power Agreement Member – **ROUND TABLE DISCUSSION,**
WHAT IS WORKING: UPUD/UWPA MANAGER ATTENDING THEIR MEETINGS, CCWD INCLUDED IN WATER AGENCY DISCUSSION, JPA MANAGERS MEETING ABOUT BUDGET
FULL JPA WEIGH IN: CLARIFICATION OF CLOSED SESSION REPORT OUT, WATER RIGHTS, FERC EXEMPTION, LARGE GRANTS WITH LOCAL MATCH REQUIREMENTS
REOCCURRING MEETINGS: ANNUALLY, BIANNUALLY (JANUARY/JULY), AFTER AN ELECTION
WHEN TO CALL A SPECIAL MEETING: FERC RELICENSING, BIG ITEMS (BUT WHAT DEFINES?), LEGAL, IF FUNDING AGREEMENT IS ESTABLISHED AND THEN THERE IS A BUDGET CHANGE, PROJECT CHANGES (NEW HYDRO)
DESIGNATED LIAISON: BIG ITEMS JOEL UWPA ON A QUARTERLY BASIS, ANNUAL PRESENTATION, AGENDA ITEM FROM BOARD MEMBERS, MINUTES, ALTERNATES ATTEND WHEN THEY CAN
REGULAR REPORTING: MONTHLY FINANCIAL REPORTS, JOEL WILL MAKE REPORTS/AGENDA ITEMS AS REQUESTED, UWPA DIRECTORS BRING RESPECTIVE BOARD'S BUSINESS TO UTICA MEETINGS
NO PUBLIC COMMENT
 - H. Discussion / Direction From the Full Joint Power Agreement (JPA) to Staff – **ROUND TABLE DISCUSSION REGARDING THE MEETING, NO PUBLIC COMMENT**

8. ADJOURNMENT
ACTION: MOTION TO ADJOURN THE MEETING AT 7:10PM BY CITY OF ANGELS VICE MAYOR MONCADA, SECONDED BY UPUD VICE PRESIDENT / UWPA DIRECTOR GREG RASMUSSEN, PASSED 11 YES

Next regular UPUD meeting is scheduled for Wednesday, February 28, 2024, at 5:30 PM



Respectfully Submitted:

ATTEST:

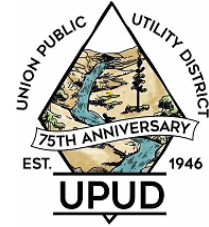
Tom E. Quincy, Board Secretary

Jenna Mayo, Clerk to the Board

DRAFT

Bank Reconciliation

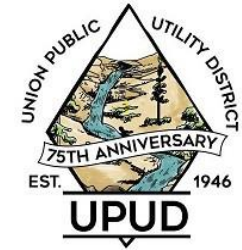
Expenditures - January 2024



Check No	Check Date	Name	Module	Void	Amount
0	1/5/2024	CalPERS	AP		4,302.06
0	1/5/2024	EDD	AP		1,474.96
0	1/5/2024	Employment Development Dept	AP		315.19
0	1/5/2024	United States Treasury	AP		8,152.82
0	1/5/2024	PR - DD 00601.01.2024	PR		20,168.52
0	1/10/2024	AT&T U-verse	AP		183.44
0	1/10/2024	Farmer's Insurance Exchange	AP		1,515.62
0	1/10/2024	PG&E	AP		471.36
0	1/10/2024	Verizon Wireless	AP		367.67
28448	1/10/2024	UWPA	AP		72,500.00
28449	1/10/2024	Alpha Analytical Laboratories, Inc.	AP		1,910.00
28450	1/10/2024	AT&T CALNET	AP		281.16
28451	1/10/2024	Best Best & Krieger Attorneys At Law	AP		12,180.69
28452	1/10/2024	Clark Pest Control	AP		91.00
28453	1/10/2024	Comcast	AP		191.61
28454	1/10/2024	Coneth Solutions, Inc	AP		1,455.00
28455	1/10/2024	CPPA	AP		4,150.60
28456	1/10/2024	Dataprose, LLC	AP		2,280.48
28457	1/10/2024	Mother Lode Answering Service, Inc.	AP		279.00
28458	1/10/2024	Murphys Sanitary District	AP		120.00
28459	1/10/2024	NSGW - Chispa 139	AP		500.00
28460	1/10/2024	Red Store	AP		392.51
0	1/19/2024	CalPERS	AP		4,029.92
0	1/19/2024	CalPERS - Health Benefits	AP		18,194.96
0	1/19/2024	EDD	AP		1,354.64
0	1/19/2024	Employment Development Dept	AP		295.04
0	1/19/2024	United States Treasury	AP		7,497.60
0	1/19/2024	PR - DD 00602.01.2024	PR		19,136.73
28461	1/19/2024	Anthem Blue Cross	AP		1,526.00
28462	1/19/2024	Bartkiewicz,Kronick & Shanahan	AP		3,235.00
28463	1/19/2024	California Waste Recovery System	AP		193.78
28464	1/19/2024	DMV	AP		1.00
28465	1/19/2024	Gold Electric	AP		232.20
28466	1/19/2024	Hammer Down Repair	AP		369.10
28467	1/19/2024	Progressive Print Solutions	AP		1,914.35
28468	1/19/2024	Quill	AP		233.56
28469	1/19/2024	Springbrook Holding Company, LLC.	AP		55.00
28470	1/19/2024	Springbrook Holding Company, LLC.	AP		533.00
28471	1/19/2024	Weber, Ghio & Associates	AP		508.75
28472	1/26/2024	Hunt & Sons, Inc	AP		1,646.82
28473	1/26/2024	Petty Cash Custodian - Elaine M Urruty	AP		18.65
28474	1/26/2024	Signal Service	AP		288.00
28475	1/26/2024	USA Vision	AP		165.44
28476	1/30/2024	Dataprose, LLC	AP		1,083.75
28477	1/30/2024	Ferguson Waterworks #1423	AP		189.78
28478	1/30/2024	USA Blue Book	AP		1,051.41
0	1/31/2024	PG&E	AP		744.98

Total Void Check Count:	0
Total Void Check Amount:	-
Total Valid Check Count:	47
Total Valid Check Amount:	197,783.15

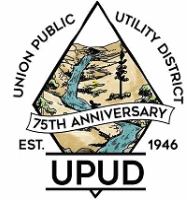
General Ledger
Fund Balance Report LAIF & CA CLASS January 2024



Account Number	Description	Beg Bal	Debits	Credits	End Bal
01	Water Fund				
01-00-1400	LAIF Account	62,970.71	656.15	0.00	63,626.86
01-00-1401	LAIF-Surplus Fund	735,195.33	8,021.35	0.00	743,216.68
01-00-1402	LAIF-Irrigation Imprvmnt Fund	189,284.62	12,210.93	0.00	201,495.55
01-00-1404	LAIF-UWPA Reserve Fund	166,563.50	94,376.56	72,000.00	188,940.06
01-00-1405	LAIF-Reserve Fund	349,800.66	18,735.02	0.00	368,535.68
01-00-1406	LAIF-Capital Imprvmnt Fund	193,158.38	2,069.40	0.00	195,227.78
01-00-1407	LAIF-SRLF Rec (Conn Fees)	671,995.22	21,167.20	0.00	693,162.42
01	TOTAL LAIF =	2,368,968.42	157,236.61	72,000.00	2,454,205.03
01-00-1501	CA CLASS - District Surplus	407,491.52	1,897.42	0.00	409,388.94
01	TOTAL CA CLASS =	407,491.52	1,897.42	0.00	409,388.94
	TOTAL FUND BALANCE =				2,863,593.97

General Ledger

Balance Sheet
January 2024

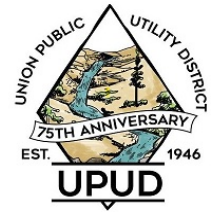


Period: 7
Fiscal Year: 2024

Fund ALFRE

Account Type	Amount
01 - Water Fund	
Assets	
Cash & Investments	3,117,108.43
Accounts Receivable	205,803.80
Inventory	0.00
Fixed Assets	4,672,618.36
Other Long Term Assets	0.00
CalPERS Pension Outflows	318,606.00
Grant Receivable	0.00
Total Assets:	8,314,136.59
Liabilities	
Accounts Payable	0.00
Payroll Liabilities	0.00
Deferred Revenue	2,462.32
Compensated Absences	74,871.35
Bonds/Notes Payable-Current	0.00
CalPERS Pension -Liability Exp	525,941.00
CalPERS Pension - Inflows	43,711.00
Total Liabilities:	646,985.67
Fund Balance	
Fund Balance	7,738,078.15
Total Fund Balance:	7,738,078.15
Total Liabilities and Fund Balance:	8,385,063.82
Total Retained Earnings:	(70,927.23)
Total Fund Balance and Retained Earnings:	7,667,150.92
Total Liabilities, Fund Balance, and Retained Earnings:	8,314,136.59
Totals for Fund 01 - Water Fund:	0.00

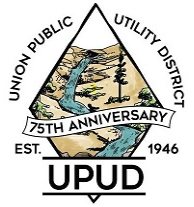
General Ledger
Revenues by Category
January 2024



Period 07
Fiscal Year 2024

Account Number	Description	One Year Prior Actual	Budget	Period Amt	End Bal
01	Water Fund				
01-01-4100	Domestic Water Revenue	-1,123,440.06	-1,583,114.00	-126,196.23	-854,485.59
01-01-4105	Irrigation Water Revenue	-65,022.45	-116,796.00	-9,641.70	-117,691.54
01-01-4106	Utica Conveyance Fees	0.00	-370,000.00	-30,873.00	-216,049.80
01-01-4107	Utica Irrigation Water Sales	0.00	-163.00	0.00	-157.22
01-01-4120	Hydrant Meter Revenue	-1,256.40	-2,000.00	0.00	-689.00
01-01-4160	Penalties	-13,240.00	-10,000.00	-2,440.00	-7,720.00
01-01-4180	Other - Water Related	-3,710.97	-7,000.00	-100.00	-2,758.93
01-01-4189	Meter Reset Fees	0.00	-1,000.00	0.00	-1,000.00
01-01-4190	Meter Connection Fees	-70,000.00	-70,000.00	-14,000.00	-42,000.00
01-01-4195	Non-Operating Income	0.00	-1,500.00	-878.06	-878.06
01-01-4200	Interest Earned	-23,036.14	-70,000.00	-27,134.03	-81,569.73
01-01-4300	County Taxes	-80,264.51	-165,000.00	-89,365.52	-97,421.38
01-01-4420	Insurance Refund	0.00	0.00	0.00	-337.06
01-01-4440	Garage Rental Revenue	-700.00	-1,200.00	-445.00	-1,005.00
01-01-4441	NCPA Facilities Use Agreement	-2,500.00	-2,500.00	0.00	-2,500.00
01-01-4460	Grant Income	-38,500.00	-1,650,000.00	0.00	0.00
01	Water Fund	-1,421,670.53	-4,050,273.00	-301,073.54	-1,426,263.31
Revenue Total		<u>-1,421,670.53</u>	<u>-4,050,273.00</u>	<u>-301,073.54</u>	<u>-1,426,263.31</u>

General Ledger
YTD Budget to Actuals
January 2024



Period 01 - 07
Fiscal Year 2024

Account Number	Description	Prior Yr Actual	YTD Budget	Period Amt	End Bal	YTD Bgt Var	YTD Bgt % Var
01-01-4100	Domestic Water Revenue	1,123,440.06	923,483.17	126,196.23	854,485.59	68,997.58	-7.47
01-01-4105	Irrigation Water Revenue	65,022.45	68,131.00	9,641.70	117,691.54	-49,560.54	72.74
01-01-4106	Utica Conveyance Fees	0.00	215,833.33	30,873.00	216,049.80	-216.47	0.10
01-01-4107	Utica Irrigation Water Sales	0.00	95.08	0.00	157.22	-62.14	65.36
01-01-4120	Hydrant Meter Revenue	1,256.40	1,166.67	0.00	689.00	477.67	-40.94
01-01-4160	Penalties	13,240.00	5,833.33	2,440.00	7,720.00	-1,886.67	32.34
01-01-4180	Other - Water Related	3,710.97	4,083.33	100.00	2,758.93	1,324.40	-32.43
01-01-4189	Meter Reset Fees	0.00	583.33	0.00	1,000.00	-416.67	71.43
01-01-4190	Meter Connection Fees	70,000.00	40,833.33	14,000.00	42,000.00	-1,166.67	2.86
01-01-4195	Non-Operating Income	0.00	875.00	878.06	878.06	-3.06	0.35
01-01-4200	Interest Earned	23,036.14	40,833.33	27,134.03	81,569.73	-40,736.40	99.76
01-01-4300	County Taxes	80,264.51	96,250.00	89,365.52	97,421.38	-1,171.38	1.22
01-01-4420	Insurance Refund	0.00	0.00	0.00	337.06	-337.06	0.00
01-01-4440	Garage Rental Revenue	700.00	700.00	445.00	1,005.00	-305.00	43.57
01-01-4441	NCPA Facilities Use Agreement	2,500.00	1,458.33	0.00	2,500.00	-1,041.67	71.43
01-01-4460	Grant Income	38,500.00	962,500.00	0.00	0.00	962,500.00	-100.00
01-02-6003	Water Purchased	367,500.00	215,833.33	72,500.00	145,000.00	70,833.33	32.82
01-03-6100	Labor	43,456.78	49,149.33	6,717.32	48,772.88	376.45	0.77
01-03-6102	Vacation Pay	5,852.97	0.00	0.00	1,508.86	-1,508.86	0.00
01-03-6103	Overtime	2,301.84	2,625.00	1,103.43	10,618.63	-7,993.63	-304.52
01-03-6104	On Call Pay	10,440.00	6,121.50	837.50	6,134.97	-13.47	-0.22
01-03-6105	WT Cert Bonus	0.00	875.00	0.00	500.00	375.00	42.86
01-03-6107	Temp Labor	0.00	5,833.33	0.00	0.00	5,833.33	100.00
01-03-6110	FICA 7.65%	4,775.53	4,987.50	662.35	5,166.49	-178.99	-3.59
01-03-6200	Repairs & Maintenance	0.00	2,916.67	0.00	0.00	2,916.67	100.00
01-03-6201	Equipment Repairs	3,608.87	4,375.00	0.00	0.00	4,375.00	100.00
01-03-6202	Supplies	69,935.40	43,750.00	1,051.41	51,962.20	-8,212.20	-18.77
01-03-6204	Utilities	18,700.29	25,083.33	4,066.61	17,650.78	7,432.55	29.63
01-03-6205	Capital Exp Equip Pur)\$1K	39,100.00	1,003,333.33	11,792.52	36,827.75	966,505.58	96.33
01-03-6207	Permits & Fees	6,141.49	17,500.00	0.00	6,619.88	10,880.12	62.17
01-03-6208	Equipment Rental	0.00	1,458.33	0.00	0.00	1,458.33	100.00
01-03-6209	Uniforms	0.00	291.67	307.00	383.22	-91.55	-31.39
01-03-6212	Water Analysis	9,309.00	12,833.33	1,910.00	10,864.00	1,969.33	15.35
01-03-6214	Other	0.00	291.67	0.00	0.00	291.67	100.00
01-03-6215	Equipment Purchase to \$999	3,329.35	2,916.67	0.00	4,826.26	-1,909.59	-65.47

Account Number	Description	Prior Yr Actual	YTD Budget	Period Amt	End Bal	YTD Bgt Var	YTD Bgt % Var
01-03-6216	Education & Training	225.53	875.00	0.00	150.00	725.00	82.86
01-03-6220	CV Autogate Expense	610.30	875.00	56.95	252.57	622.43	71.13
01-03-6300	Health Insurance	29,438.01	21,583.33	3,803.28	28,639.00	-7,055.67	-32.69
01-03-6301	Worker's Compensation	1,030.58	1,458.33	1,123.44	2,328.04	-869.71	-59.64
01-03-6400	CalPERS PR Expense	12,776.22	11,666.67	1,123.87	14,316.79	-2,650.12	-22.72
01-03-6450	Travel & Mileage	0.00	291.67	0.00	93.01	198.66	68.11
01-03-6500	Telephone	1,785.03	2,041.67	133.30	891.23	1,150.44	56.35
01-03-6801	Professional Svc-Engineer	0.00	5,833.33	-623.52	23.98	5,809.35	99.59
01-03-6804	Professional Svc-Other	7,899.37	5,541.67	107.77	8,399.65	-2,857.98	-51.57
01-04-6100	Labor	124,628.89	147,449.75	16,156.27	139,348.80	8,100.95	5.49
01-04-6101	Sick Pay	3,762.41	0.00	2,470.75	5,968.79	-5,968.79	0.00
01-04-6102	Vacation Pay	10,940.07	0.00	0.00	11,561.63	-11,561.63	0.00
01-04-6103	Overtime	4,285.11	4,958.33	630.09	1,560.33	3,398.00	68.53
01-04-6104	On Call Pay	6,300.00	6,121.50	837.50	6,137.50	-16.00	-0.26
01-04-6105	TD Cert Bonus	0.00	583.33	0.00	500.00	83.33	14.29
01-04-6107	Temp Labor	0.00	17,500.00	0.00	0.00	17,500.00	100.00
01-04-6110	FICA	11,468.64	14,000.00	1,537.25	12,628.42	1,371.58	9.80
01-04-6200	Repairs & Maintenance	0.00	2,916.67	0.00	0.00	2,916.67	100.00
01-04-6201	Equipment Repairs	5,512.85	4,375.00	369.10	1,530.33	2,844.67	65.02
01-04-6202	Supplies	10,047.11	17,500.00	582.29	5,597.86	11,902.14	68.01
01-04-6204	Utilities	2,449.08	3,383.33	904.03	2,902.50	480.83	14.21
01-04-6205	Capital ExpEquip Pur) \$1K	5,390.00	204,166.67	15,253.73	210,757.73	-6,591.06	-3.23
01-04-6206	Memberships	4,178.73	2,625.00	0.00	2,066.31	558.69	21.28
01-04-6207	Permits & Fees	139.18	291.67	0.00	0.00	291.67	100.00
01-04-6208	Equipment Rental	0.00	1,458.33	0.00	0.00	1,458.33	100.00
01-04-6209	Uniforms	171.17	1,166.67	1,300.35	1,427.42	-260.75	-22.35
01-04-6211	Gas, Oil & Fuel	14,133.54	14,000.00	1,646.82	10,979.29	3,020.71	21.58
01-04-6215	Equipment Purchase to \$999	1,002.77	1,750.00	0.00	1,152.18	597.82	34.16
01-04-6216	Education & Training	225.53	2,916.67	0.00	376.00	2,540.67	87.11
01-04-6300	Health Insurance	79,606.19	63,583.33	10,385.74	78,138.44	-14,555.11	-22.89
01-04-6301	Worker's Compensation	4,122.34	4,083.33	3,412.05	6,984.25	-2,900.92	-71.04
01-04-6400	CalPERS PR Expense	30,515.87	33,541.67	2,865.37	33,982.73	-441.06	-1.31
01-04-6450	Travel & Mileage	0.00	175.00	0.00	0.00	175.00	100.00
01-04-6500	Telephone	3,058.97	3,208.33	308.16	2,093.00	1,115.33	34.76
01-04-6801	Professional Svc-Engineer	29,419.14	37,916.67	-25,913.98	38,722.20	-805.53	-2.12
01-04-6804	Professional Svc-Other	11,298.00	7,000.00	258.64	1,538.23	5,461.77	78.03
01-06-6100	Labor	144,109.83	197,796.67	23,530.51	182,149.27	15,647.40	7.91
01-06-6101	Sick Pay	4,244.97	0.00	1,236.00	4,586.79	-4,586.79	0.00
01-06-6102	Vacation Pay	17,503.82	0.00	620.96	3,641.46	-3,641.46	0.00
01-06-6103	Overtime	2,181.34	2,782.50	0.00	555.88	2,226.62	80.02
01-06-6110	FICA	13,274.51	15,750.00	2,044.28	15,225.58	524.42	3.33
01-06-6200	Repairs & Maintenance	1,255.97	2,916.67	232.20	928.91	1,987.76	68.15
01-06-6201	Equipment Repairs	0.00	291.67	0.00	0.00	291.67	100.00
01-06-6202	Supplies	1,725.10	2,916.67	233.56	1,608.12	1,308.55	44.86
01-06-6203	Copier Expense	2,565.61	2,158.33	0.00	2,400.76	-242.43	-11.23
01-06-6204	Utilities	1,913.11	2,625.00	488.60	2,487.27	137.73	5.25
01-06-6205	Capital ExpEquip Pur) \$1K	42,027.13	5,833.33	0.00	0.00	5,833.33	100.00
01-06-6206	Memberships	14,506.10	12,833.33	0.00	15,069.05	-2,235.72	-17.42

Account Number	Description	Prior Yr Actual	YTD Budget	Period Amt	End Bal	YTD Bgt Var	YTD Bgt % Var
01-06-6207	Permits & Fees	64.30	116.67	500.00	574.00	-457.33	-391.99
01-06-6209	Uniforms	144.43	291.67	307.00	408.61	-116.94	-40.09
01-06-6210	Postage	3,185.08	4,958.33	1,558.06	5,255.49	-297.16	-5.99
01-06-6213	Bank Fees	9,521.21	10,500.00	2,265.64	15,836.77	-5,336.77	-50.83
01-06-6215	Equipment Purchases to \$999	1,225.48	2,916.67	0.00	1,552.50	1,364.17	46.77
01-06-6216	Education & Training	4,263.74	3,500.00	0.00	744.95	2,755.05	78.72
01-06-6300	Health Insurance	53,134.73	37,333.33	7,032.38	50,926.91	-13,593.58	-36.41
01-06-6301	Worker's Compensation	3,435.24	4,666.67	-3,019.87	510.81	4,155.86	89.05
01-06-6302	General Insurance	19,040.00	14,583.33	0.00	20,200.80	-5,617.47	-38.52
01-06-6400	CalPERS PR Expense	40,998.75	43,750.00	3,019.03	39,145.11	4,604.89	10.53
01-06-6450	Travel & Mileage	983.84	1,750.00	0.00	6,535.19	-4,785.19	-273.44
01-06-6500	Telephone	1,945.84	2,041.67	369.73	2,267.38	-225.71	-11.06
01-06-6802	Professional Svc-Legal	17,019.98	17,500.00	15,415.69	108,358.51	-90,858.51	-519.19
01-06-6803	Professional Svc-Accounting	9,700.00	6,066.67	0.00	700.00	5,366.67	88.46
01-06-6804	Professional Svc-Other	37,223.14	10,183.83	1,410.88	12,277.93	-2,094.10	-20.56
01-06-6805	Professional Svs - IT	10,185.00	14,583.33	1,455.00	11,895.00	2,688.33	18.43
01-06-6806	Professional Svs - Software	0.00	20,416.67	55.00	13,293.62	7,123.05	34.89
01-06-6810	Communications	0.00	2,916.67	0.00	169.74	2,746.93	94.18
01-06-6901	Contingencies	0.00	46,666.67	0.00	0.00	46,666.67	100.00
Revenue Total		1,421,670.53	2,362,659.23	301,073.54	1,426,263.31	936,395.92	0.3963
Expense Total		1,458,250.40	2,537,659.26	198,432.04	1,497,190.54	1,040,468.72	0.41
Grand Total		-36,579.87	-175,000.03	102,641.50	-70,927.23	-104,072.80	-0.5947
01	Water Fund	-36,579.87	-175,000.00	102,641.50	-70,927.23	-104,072.77	-59.47
Revenue Total		1,421,670.53	2,362,659.23	301,073.54	1,426,263.31	936,395.92	0.3963
Expense Total		1,458,250.40	2,537,659.26	198,432.04	1,497,190.54	1,040,468.72	0.41
Grand Total		-36,579.87	-175,000.03	102,641.50	-70,927.23	-104,072.80	-0.5947



UPUD legal fees invoiced to date for January 2023 - Present.

Primary Column	Description	Hours	Total Charge
▣ TOTAL FEES			\$125,736.70
▣ Hatfield v. UPUD		207.42	\$77,051.43
+	February 2023	4.3	\$1,397.50
+	April 2023	8.1	\$2,632.50
+	July 2023	5.32	\$1,787.50
+	August 2023	53.35	\$19,908.30
+	September 2023	18.4	\$7,811.28
+	October 2023	25.8	\$10,115.32
+	November 2023	44.7	\$15,784.06
+	December 2023	39.6	\$14,108.05
+	January 2024	7.85	\$3,506.92
▣ Glanville v. UPUD		60.475	\$19,111.68
+	February 2023	1.6	\$520.00
+	March 2023	7.8	\$2,535.00
+	April 2023	3.6	\$1,170.00
+	May 2023	14.2	\$4,615.00
+	July 2023	5.4	\$1,755.00
+	August 2023	2.25	\$731.25
+	September 2023	3.5	\$1,137.50
+	October 2023	7	\$2,315.63
+	November 2023	10.25	\$2,876.67
+	December 2023	1.5	\$325.00
+	January 2024	3.375	\$1,130.63
▣ Hatfield v. UPUD - Water Rate Initiative		80.45	\$29,573.59
+	June 2023	7.7	\$2,502.50
+	July 2023	1.3	\$422.50
+	October 2023	18.4	\$6,684.50
+	November 2023	48.3	\$18,981.45
+	December 2023	4.75	\$982.64

Agenda Item

DATE: February 28, 2024
TO: Jessica Self, General Manager
FROM: Elaine Urruty, Administrative Asst/Board Clerk
SUBJECT: UPUD FY 2022-2023 Audit

RECOMMENDED ACTION:

Motion: _____ / _____ Receive and File the Union Public Utility District Audited Financial Statements for the Fiscal Year Ending June 30, 2023, by the Auditing Firm of Bryant Jolley, CPA.

SUMMARY:

Staff is pleased to present the Independent Auditor's Report and Financial Statements for the Union Public Utility District for the fiscal year ending June 30, 2023, completed by the Bryant Jolley, CPA office. The purpose of the report is to provide the Board of Directors, District staff, ratepayers, bondholders, and other interested parties with useful information concerning the district's operations and financial position. The district is responsible for the accuracy, completeness, and fairness of the data presented in this report.

A copy of the Draft Audit is provided in your agenda packet for review. Ryan Jolley will give a full review of the audit report at the February meeting.

FINANCIAL CONSIDERATIONS:

None.

Attachments: UPUD FY 2022-2023 Draft Audit Report
Management Letter

UNION PUBLIC UTILITY DISTRICT

INDEPENDENT AUDITOR'S REPORT

AND

FINANCIAL STATEMENTS

JUNE 30, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Union Public Utility District
Murphys, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Union Public Utility District (the "District") as of and for the year ended June 30, 2023, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District, as of June 30, 2023, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

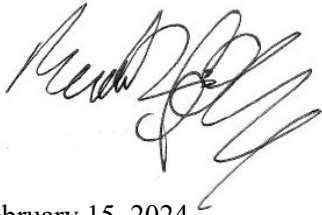
Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the Schedule of the District's Proportionate Share of Net Pension Liability and Schedule of Contributions on pages 22 and 23 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 15, 2024, on our consideration of the District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District’s internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to be 'Kendall J. [unclear]', written in a cursive style.

February 15, 2024

UNION PUBLIC UTILITY DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2023

ASSETS

Current assets

Cash and investments	\$ 3,146,631
Accounts receivable, net	212,570
Interest receivable	22,232
Prepaid insurance	42,250
Total current assets	<u>3,423,683</u>

Non-current assets

Property, plant, and equipment - net of accumulated depreciation	<u>4,672,618</u>
Total non-current assets	<u>4,672,618</u>

Total assets 8,096,301

DEFERRED OUTFLOWS OF RESOURCES

318,606

LIABILITIES

Current liabilities

Accounts payable	<u>32,305</u>
Total current liabilities	<u>32,305</u>

Non-current liabilities

Compensated absences	74,871
Net pension liability	<u>525,941</u>
Total non-current liabilities	<u>600,812</u>

Total liabilities 633,117

DEFERRED INFLOWS OF RESOURCES

43,711

NET POSITION

Net investment in capital assets	4,672,618
Unrestricted	<u>3,065,461</u>
Total net position	<u>\$ 7,738,079</u>

UNION PUBLIC UTILITY DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION YEAR ENDED JUNE 30, 2023

Operating Revenue

Water sales	\$ 2,002,996
Transfer connection and meter fees	<u>100,000</u>
Total operating revenue	<u>2,102,996</u>

Operating Expense

Water treatment	874,734
Transmission and distribution	571,084
Administrative and customer services	697,986
Depreciation	<u>297,809</u>
Total operating expense	<u>2,441,613</u>

Operating income/(loss) (338,617)

Non-operating Revenue/(Expense)

Property taxes	152,918
Interest income	64,254
Other income	<u>14,887</u>
Total non-operating revenue/(expense)	<u>232,059</u>

Net Income Before Contributions (106,558)

Capital Contributions 38,500

Change in Net Position (68,058)

Net Position

Beginning of year	<u>7,806,137</u>
End of year	<u>\$ 7,738,079</u>

UNION PUBLIC UTILITY DISTRICT

STATEMENT OF CASH FLOWS YEAR ENDED JUNE 30, 2023

Operating Activities

Receipts from customers and users	\$ 2,096,031
Payments to suppliers for goods and services	(1,220,160)
Payments to employees for services	(895,499)
Net cash provided by/(used in) operating activities	<u>(19,628)</u>

Non-capital Financing Activities

Property taxes received	152,918
Other income	14,887
Net cash provided by non-capital financing activities	<u>167,805</u>

Capital and Related Financing Activities

Acquisition of capital assets	(178,483)
Grant income received - capital contribution	38,500
Net cash used in capital and related financing activities	<u>(139,983)</u>

Investing Activities

Interest received	46,312
Net cash provided by investing activities	<u>46,312</u>

Net Increase in Cash and Investments 54,506

Cash and Investments

Beginning of year	3,092,125
End of year	<u>\$ 3,146,631</u>

Reconciliation of Cash and Investments to the Statement of Net Position

Cash and investments	\$ 3,146,631
	<u>\$ 3,146,631</u>

Cash Flows from Operating Activities

Operating income (loss)	\$ (338,617)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	297,809
(Increase) Decrease in accounts receivable	(6,665)
(Increase) Decrease in prepaid expenses and inventory	(6,084)
(Increase) Decrease in deferred outflows of resources	(222,898)
Increase (Decrease) in payables and accrued expenses	(7,829)
Increase (Decrease) in unearned revenues	(300)
Increase (Decrease) in net pension liability	372,529
Increase (Decrease) in deferred inflows of resources	(110,836)
Increase (Decrease) in compensated absences	3,263
Net Cash Provided by/(Used in) Operating Activities	<u>\$ (19,628)</u>

See accompanying notes.

UNION PUBLIC UTILITY DISTRICT

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 1 – Summary of Significant Accounting Policies

The financial statements of the Union Public Utility District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to enterprise funds of governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the District are described below:

Reporting Entity

The District was established July 23, 1946, for the purpose of supplying domestic and agricultural water to property within the District which includes the unincorporated communities of Murphys, Douglas Flat, Vallecito, Carson Hill and Six-Mile Village. The water supply and distribution system was acquired on January 1, 1961, from the Calaveras Water Users Association. Operations are conducted under provisions of the Community Services District Laws.

Basis of Accounting

The District accounts for its operations in an enterprise fund using the economic resources measurement focus and the accrual basis of accounting. A fund is an accounting entity with a self-balancing set of accounts established to record the financial position and results of operations of a specific government activity. The activities of enterprise funds closely resemble those of ongoing businesses in which the purpose is to conserve and add to basic resources while meeting operating expenses from current revenues. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

An enterprise fund distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the District's principal ongoing operations. The principal operating revenues of the District are charges to customers for water service. Operating expenses for the District include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Financial Statement Amounts

Cash and Investments – Cash and investments represent the District's cash bank accounts including, but not limited to, certificates of deposit, money market funds and cash management pools for reporting purposes in the Statement of Cash Flows. Additionally, investments with maturities of three months or less when purchased are included as cash equivalents in the Statement of Cash Flows.

Investments of the pool include only those investments authorized by the California Government Code such as, United States Treasury securities, agencies guaranteed by the United States Government, registered state warrants, and other investments. Investments primarily consist of deposits in the State of California Local Agency Investment Fund. Investments are stated at fair value.

Accounts Receivable – Billings for water services are sent monthly and are reflected on the accrual basis of accounting. Delinquent accounts are submitted to the Calaveras County and are attached to the County tax rolls.

UNION PUBLIC UTILITY DISTRICT

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

Capital Assets – Capital assets are defined by the government as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Betterments and major improvements which significantly increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement of fixed assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Capital assets in service are depreciated using the straight line method over the following estimated useful lives:

	<u>Years</u>
Water Treatment	25 - 50
Transmission and Distribution	25 - 50
Equipment	5 - 10

Compensated Absences – The District allows employees to accumulate unused vacation leave to a maximum of 400 hours. Upon termination, accumulated vacation that was not taken will be paid to the employee. Sick leave is not paid upon termination, but will be paid only upon illness while in the employment of the District.

Vested or accumulated vacation leave time that is expected to be paid with expendable available financial resources is recorded as an expense and liability as the benefits accrue.

Long-Term Obligations – Long-term debt and other obligations are reported as District liabilities.

Pension Plan – All full-time District employees are members of the State of California Public Employees' Retirement System. The District's policy is to fund all pension costs accrued; such costs to be funded are determined annually as of July 1 by the System's actuary. See Note 6 for further discussion.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's Pension Plan and additions to/deductions from the District's Pension Plan's fiduciary net position have been determined on the same basis as they are reported by the District's Pension Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

UNION PUBLIC UTILITY DISTRICT

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

Net Position – The financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- Net Investment in Capital Assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- Restricted Net Position – This category presents external restrictions on net position imposed by creditors, grantors, contributors, laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- Unrestricted Net Position – This category represents net position of the District not restricted for any project or other purpose.

When an expense is incurred for the purposes for which there are both restricted and unrestricted net position available, it is the District's policy to apply those expenses to restricted net position to the extent such are available and then to unrestricted net position.

Revenues and Expenses – The District distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the District's principal ongoing operations. The principle operating revenues of the District are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Property Tax – Secured property taxes attach as an enforceable lien on property as of March 1. Taxes are payable in two installments on November 15 and March 15. Unsecured property taxes are payable in one installment on or before August 31. The County of Calaveras bills and collects the taxes for the District. Tax revenues are recognized by the District when billed.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

UNION PUBLIC UTILITY DISTRICT

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 2 – Cash and Investments

Cash and investments as of June 30, 2023 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 3,146,631
Total Cash and Investments	<u>\$ 3,146,631</u>

Cash and investments as of June 30, 2023 consist of the following:

Cash on hand	\$ 200
Deposits with financial institutions	283,407
Local Agency Investment Fund	<u>2,863,024</u>
Total Cash and Investments	<u>\$ 3,146,631</u>

Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that categorizes the inputs to valuation techniques used to measure fair value into three levels. The fair value hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

- Level 1: Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2: Inputs to valuation methodology include inputs – other than quoted prices included within Level 1 – that are observable for an asset or liability, either directly or indirectly.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within a fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

LAIF is valued based on the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (Level 2 input).

UNION PUBLIC UTILITY DISTRICT

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 2 – Cash and Investments (Continued)

The District had the following recurring fair value measurements as of June 30, 2023:

	Level 1	Level 2	Level 3	June 30, 2023 Balance
Investments by fair value level:				
LAIF	\$ -	\$ 2,863,024	\$ -	\$ 2,863,024
Total Investments	<u>\$ -</u>	<u>\$ 2,863,024</u>	<u>\$ -</u>	<u>\$ 2,863,024</u>

Investments Authorized by the District's Investment Policy

The District's investment policy only authorizes investment in the local government investment pool administered by the State of California (LAIF). The District's investment policy does not contain any specific provisions intended to limit the District's exposure to interest rate risk, credit risk, and concentration of credit risk.

Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the District's investment policy. The table below identifies the investment types that are authorized for investments held by the bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>
U.S. Treasury Obligations	None
U.S. Agency Securities	None
Banker's Acceptances	180 days
Commerical Paper	270 days
Money Market Mutual Funds	N/A
Investment Contracts	30 years

UNION PUBLIC UTILITY DISTRICT

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 2 – Cash and Investments (Continued)

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As of June 30, 2023 the District had the following investments.

<u>Investment Type</u>		<u>Maturity Date</u>
Local Agency Investment Fund (LAIF)	\$ 2,863,024	N/A
Total	<u>\$ 2,863,024</u>	

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. LAIF does not have a rating provided by a nationally recognized statistical rating organization.

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer that represent 5% or more of total District investments.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2023, none of the District's deposits with financial institutions in excess of federal depository insurance limits were held in non-collateralized accounts.

UNION PUBLIC UTILITY DISTRICT

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 2 – Cash and Investments (Continued)

Custodial Credit Risk (Continued)

The custodial risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

Investment in State Investment Pool – The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

UNION PUBLIC UTILITY DISTRICT

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 3 – Property, Plant and Equipment

The detail of property, plant and equipment at June 30, is as follows:

	<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2023</u>
Capital assets, not being depreciated				
Land	\$ 117,464	\$ -	\$ -	\$ 117,464
Construction in progress	59,696	26,484	-	86,179
Total capital assets, not being depreciated	<u>177,160</u>	<u>26,484</u>	<u>-</u>	<u>203,643</u>
Capital assets, being depreciated				
Treatment plant	7,108,061	-	-	7,108,061
Utility system - infrastructure	3,448,032	46,844	-	3,494,876
Donated property	232,427	-	-	232,427
Buildings and equipment	749,707	105,156	(3,975)	850,888
Total capital assets, being depreciated	<u>11,538,227</u>	<u>152,000</u>	<u>(3,975)</u>	<u>11,686,252</u>
Less accumulated depreciation for				
Treatment plant	(4,083,400)	(177,882)	-	(4,261,282)
Utility system - infrastructure	(2,131,867)	(66,363)	-	(2,198,230)
Donated property	(144,122)	(4,649)	-	(148,771)
Buildings and equipment	(564,054)	(48,915)	3,975	(608,994)
Total accumulated depreciation	<u>(6,923,443)</u>	<u>(297,809)</u>	<u>3,975</u>	<u>(7,217,277)</u>
Total capital assets, being depreciated, net	<u>4,614,784</u>	<u>(145,809)</u>	<u>-</u>	<u>4,468,975</u>
Total capital assets, net	<u>\$ 4,791,944</u>	<u>\$ (119,325)</u>	<u>\$ -</u>	<u>\$ 4,672,618</u>

Note 4 – Long-Term Debt

The following is a summary of the changes in other noncurrent liabilities at June 30, 2023:

	<u>Balance</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2023</u>
Compensated absences	\$ 71,608	\$ 3,263	\$ -	\$ 74,871
Net Pension Liability	\$ 153,412	\$ 372,529	\$ -	\$ 525,941

UNION PUBLIC UTILITY DISTRICT

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 5 – Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The District reports one item, \$318,606 in deferred outflows related to net pension liability in the Statement of Net Position. See Note 6 for details.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represent an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District reports one item, \$43,711 in deferred inflows related to net pension liability in the Statement of Net Position. See Note 6 for details.

Note 6 – Defined Benefit Pension Plan

General Information about the Pension Plan

Plan Description – The District’s defined benefit pension plan, the California Public Employees’ Retirement System (CalPERS), provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. CalPERS is part of the Public Agency portion of the CalPERS, an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions as well as other requirements is established by State statutes within the Public Employees Retirement Law. The District selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance. CalPERS issues a separate comprehensive financial report. Copies of the CalPERS’ annual financial report may be obtained from the CalPERS Executive Office – 400 P Street – Sacramento, CA 95814.

UNION PUBLIC UTILITY DISTRICT

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 6 – Defined Benefit Pension Plan (Continued)

Funding Policy – Active plan members in the District’s defined pension plan are required to contribute 7% of their annual salary. The District has elected to make the employee contribution and the District is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2023 was 7.470-8.630%. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

The Plans’ provisions and benefits in effect at June 30, 2023, are summarized as follows:

	<u>Miscellaneous</u>	<u>PEPRA</u>
Hire Date	Prior to January 1, 2013	January 1, 2013 and after
Benefit Formula	<u>2.0% at 60;</u> maximum 2%	<u>2.0% at 62;</u> maximum 2%
Benefit Vesting Schedule	COLA 36 mos.	COLA 36 mos.
Benefit Payments	monthly for life	monthly for life
Retirement Age	60	62
Monthly Benefits, as a % of Eligible Compensation	2.00%	2.00%
Required Employee Contribution Rates	7.00%	6.75%
Required Employer Contribution Rates	8.630%	7.470%

Contributions – Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2023, the contributions recognized as part of the pension expense was \$69,924.

UNION PUBLIC UTILITY DISTRICT

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 6 – Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2023, the District reported net pension liabilities for its proportionate shares of the net pension liability as follows:

	<u>Proportionate Share of Net Pension Liability</u>
Total Net Pension Liability - Miscellaneous	\$ 525,941

General Information about the Pension Plan

The District's net pension liability is measured as the proportionate share of the net pension liability. The net pension liability of each Plan is measured as of June 30, 2021, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of June 30, 2022 and 2023 was as follows:

	<u>Miscellaneous</u>
Proportion – June 30, 2022	0.00808%
Proportion – June 30, 2023	0.01124%
Change – Increase/(Decrease)	0.00319%

For the year ended June 30, 2023, the District recognized pension credit of \$124,323. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 85,528	\$ -
Changes in assumptions	53,894	-
Differences in projected and actual experience	10,562	(7,074)
Differences between employer's contributions and proportionate share of contributions	-	(36,637)
Differences between projected and actual investment earnings	96,338	-
Change in employer's proportion	72,284	-
Total	<u>\$ 318,606</u>	<u>\$ (43,711)</u>

UNION PUBLIC UTILITY DISTRICT

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 6 – Defined Benefit Pension Plan (Continued)

\$85,528 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	
2024	\$ 51,716
2025	47,891
2026	30,837
2027	58,924
Thereafter	-

Actuarial Assumptions – The collective total pension liability for the June 30, 2022 measurement period was determined by an actuarial valuation as of June 30, 2021, with update procedures used to roll forward the total pension liability to June 30, 2022. The collective total pension liability was based on the following assumptions:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Payroll Growth	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	Derived using CalPERS' ¹
Post Retirement Benefit Increase	Membership Date for all Funds Contract COLA up to 2.3% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

¹ The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

UNION PUBLIC UTILITY DISTRICT

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 6 – Defined Benefit Pension Plan (Continued)

Change of assumptions – None.

Discount rate – The discount rate used to measure the total pension liability for PERF C was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected rate of returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds’ asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The long-term expected real rates of return by asset class can be found in CalPERS’ Comprehensive Annual Financial Report for the fiscal year ended June 30, 2022.

UNION PUBLIC UTILITY DISTRICT

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 6 – Defined Benefit Pension Plan (Continued)

The table below reflects long-term expected real rates of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class	Assumed Asset Allocation	Real Return Years 1-10 ^{1,2}
Global equity - cap-weighted	30%	4.45%
Global equity - non-cap-weighted	12%	3.84%
Private equity	13%	7.28%
Treasury	5%	27.00%
Mortgage-back securities	5%	50.00%
Investment grade corporates	10%	1.56%
High Yield	5%	2.27%
Emerging market debt	5%	2.48%
Private debt	5%	3.57%
Real assets	15%	3.21%
Leverage	-5%	-59.00%
Total	100%	

(1) An expected inflation of 2.30% used for this period.

(2) Figures are based on the 2021-22 Asset Liability Management study.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the District’s proportionate share of the net pension liability for each Plan, calculating using the discount rate of each Plan, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.90%) or 1-percentage point higher (7.90%) than the current rate:

	1% Decrease (5.9%)	Current Discount Rate (6.9%)	1% Increase (7.9%)
Net Pension Liability	\$ 867,173	\$ 525,941	\$ 245,192

Pension Plan Fiduciary Net Position – Detailed information about each pension plan’s fiduciary net position is available in the separately issue CalPERS financial reports.

Payable to the Pension Plan – At June 30, 2023, the District has no amount to report as outstanding amount of contributions to the pension plan required for the year ended June 30, 2023.

Note 7 – Compensated Absences

All earned vacation hours, holiday, and compensating time is payable upon termination or retirement and are accrued as compensated absences. Compensated absences liability is calculated in accordance with GASB Statement No. 16.

UNION PUBLIC UTILITY DISTRICT

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

Note 8 – Risk Management

The District is exposed to various risks of loss to torts; theft of, damage of, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District pays an annual premium for its general insurance coverage. The District continues to carry commercial insurance for all other risks of loss, including workers' compensation, and employee health and accident insurance.

Note 9 – Subsequent Events

The District evaluated subsequent events for recognition and disclosure through February 15, 2024, the date which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since June 30, 2023 that required recognition or disclosure in such financial statements.

REQUIRED SUPPLEMENTAL INFORMATION

UNION PUBLIC UTILITY DISTRICT

**REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY
LAST 10 YEARS*
AS OF JUNE 30, 2023**

	Proportion of the net pension liability	Proportionate share of the net pension liability	Covered - employee payroll	Proportionate share of the net pension liability as a percentage of covered-employee payroll	Plan's fiduciary net position	Plan's fiduciary net position as a percentage of the Total Pension Liability
2015	0.52800%	\$ 328,685	\$ 343,105	95.80%	\$ 936,016	74.01%
2016	0.01047%	\$ 287,410	\$ 421,728	68.15%	\$ 1,106,275	79.37%
2017	0.01048%	\$ 364,105	\$ 302,326	120.43%	\$ 1,203,767	76.78%
2018	0.01062%	\$ 418,565	\$ 314,078	133.27%	\$ 1,453,770	77.64%
2019	0.01027%	\$ 386,997	\$ 395,123	97.94%	\$ 1,629,807	80.81%
2020	0.01029%	\$ 412,186	\$ 388,755	97.94%	\$ 1,652,399	80.04%
2021	0.01037%	\$ 437,453	\$ 404,924	108.03%	\$ 1,795,158	80.41%
2022	0.00808%	\$ 153,412	\$ 394,023	38.93%	\$ 2,200,413	93.48%
2023	0.01124%	\$ 525,941	\$ 544,573	96.58%	\$ 1,997,262	78.99%

*Fiscal year 2014-15 was the first year of implementation, therefore only nine years are shown.

Changes of Assumptions: None

UNION PUBLIC UTILITY DISTRICT

**REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF CONTRIBUTIONS**

LAST 10 YEAR*

AS OF JUNE 30, 2023

	Contractually required contribution (actuarially determined)	Contributions in relation to the actuarially determined contributions	Contributions deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered- employee payroll
2015	\$ 53,888	\$ (53,888)	\$ -	\$ 343,105	15.71%
2016	\$ 53,291	\$ (53,291)	\$ -	\$ 421,728	12.64%
2017	\$ 51,659	\$ (51,659)	\$ -	\$ 302,326	17.09%
2018	\$ 53,479	\$ (53,479)	\$ -	\$ 314,078	17.03%
2019	\$ 56,704	\$ (56,704)	\$ -	\$ 395,123	14.35%
2020	\$ 68,152	\$ (68,152)	\$ -	\$ 388,755	17.53%
2021	\$ 78,787	\$ (78,787)	\$ -	\$ 404,924	19.46%
2022	\$ 59,294	\$ (59,294)	\$ -	\$ 394,023	15.05%
2023	\$ 69,924	\$ (69,924)	\$ -	\$ 544,573	12.84%

*Fiscal year 2014-15 was the first year of implementation, therefore only nine years are shown.

**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors
Union Public Utility District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Union Public Utility District (the “District”), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated February 15, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

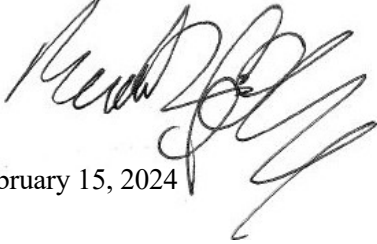
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, appearing to be 'Kendall J. [unclear]', written in a cursive style.

February 15, 2024

UNION PUBLIC UTILITY DISTRICT

MANAGEMENT REPORT

FOR THE YEAR ENDED JUNE 30, 2023

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Board of Directors
Union Public Utility District
Murphys, California

We have audited the financial statements of the Union Public Utility District (District) for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter dated September 2, 2023. Professional standards require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2023. We noted no transactions entered into by District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the District's financial statements were:

- Management has determined the economic useful lives of fixed assets based on past history of similar types of assets, future plans as to their use, and other factors that impact their economic value to the District. We evaluated the key factors and assumptions used by management in computing depreciation expense and believe that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the net pension liability and related deferrals is based on actuarial valuations which include significant assumptions regarding discount rate, inflation, payroll growth, projected salary increases and investment rate of return. We evaluated the key factors and assumptions used to develop the liability and related deferrals in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 15, 2024.

Management Consultations with Other Independent Accountants

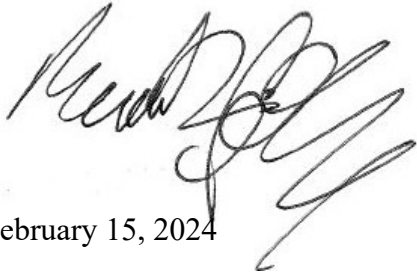
In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Restriction on Use

This report is intended for the use of management, the Board of Directors, and others within the organization, and it's not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to be "Michael J. [unclear]", written over a faint, illegible printed name.

February 15, 2024

Agenda Item

DATE: February 28, 2024

TO: UPUD Board of Directors

FROM: Jessica Self, General Manager

SUBJECT: Support for UWPA's FERC Exemption Applications

RECOMMENDED ACTION:

Motion to adopt Resolution 2024-003 Supporting Utica Water and Power Authority's Federal Energy Regulatory Commission (FERC) Conduit Exemption Applications for the Utica P-2019 and Angels P-2699 and authorizing the UPUD Board President to sign a comment letter supporting the process.

SUMMARY:

The Utica Water and Power Authority (Utica) performed a long-term operational alternatives study in 2022, and determined pursuing Federal Energy Regulatory Commission (FERC) Conduit Exemptions for both of its powerhouses was the best course of action. Over the next two years, Utica staff worked with consultants and legal counsel to prepare draft FERC exemption applications for both of its powerhouses. On December 20, 2023, these draft applications were circulated to more than 60 stakeholders. Comments on Utica's draft applications are due on March 25, 2024, and the Utica Board has requested the UPUD Board consider submitting a comment letter.

Staff supports Utica's efforts to secure Conduit Exemptions for its two powerhouses, and associated surrender of water supply infrastructure, and recognizes the benefits to the Joint Powers Authority, community, and UPUD's ratepayers. Staff is confident that if the Exemptions are granted Utica will continue to comply with all environmental and public safety regulations while continuing to provide reliable water deliveries to UPUD.

BACKGROUND:

The primary purpose of Utica is to operate and maintain a 27-mile-long water supply system delivers water to the Union Public Utility District (UPUD), City of Angels Camp (COA) and 25 water contractors. Water conveyed by Utica is the sole public water supply for nearly 10,000 people in the Murphys, Douglas Flat, Vallecito, and Angels Camp communities and more than 1,000 acres of agricultural land. To help offset the maintenance cost of the water supply system, Utica operates two small hydroelectric powerhouses, each operating under a FERC license, P-2019 Utica Project, and P-2699 Angels Project.

Both of Utica's federal licenses include the powerhouses and associated water conveyance facilities. They are both 30-year term licenses that will expire in 2033. The purpose of FERC licenses is to ensure the licensee (Utica) is safely operating its facilities and that the power and water conveyance facilities conform with the environmental and other needs of the public waterways. The existing federal licenses provide a solid framework for Utica and others to manage water flows and meet community needs. Prior to 2033, Utica would need to apply for new FERC licenses for its two projects. The upcoming relicensing process would take at least five years and could cost the Utica and the communities Utica serves up to \$10 million to complete. For context, Utica's annual budget is around \$3 million.

Given the financial and operational challenges presented by FERC relicensing, in 2020 the Utica Board performed an in-depth Operational Alternatives Analysis to examine options for the long-term operations of the Authority's two federally licensed hydropower facilities. Of the options analyzed, seeking small Conduit Exemptions from FERC (and associated license surrender of part of the water conveyance system) was selected as the preferred alternative. Pursuing an exemption requires an application process similar to relicensing. If FERC approves exemptions for the Utica and Angels projects, FERC relicensing every 30 years would no longer be required. It would lead to permanent FERC authorization to operate the powerhouses, with all of the water conveyance system continuing to operate as it does now, but under local authorization and control.

To determine whether Utica was a good candidate for FERC exemptions, Utica staff worked closely with FERC staff in Washington D.C. to provide information about Utica's system, operations, and purpose. In 2022, FERC staff in D.C. confirmed that, at a staff level, Utica was deemed to be a good candidate to apply for exemptions.

In late 2022, Utica began working with Stantec's team of regulatory, environmental, and engineering consultants to work on the process of applying for FERC Conduit Exemptions. The goal is to convert the existing Angels Hydroelectric Project to the Angels Powerhouse Project and the Utica Hydroelectric Project to the Murphys Powerhouse Project. As part of the Conduit Exemption process, Utica is also seeking to surrender portions of its existing water conveyance system.

Over the course of 2023, Utica staff and Stantec met with many key stakeholders, conferred with specialty FERC legal counsel, and moved forward with the process of drafting an Initial Consultation Document (ICD) in the form of two draft FERC Conduit Exemption applications. Utica staff also briefed the UPUD Board and COA on the process. This process culminated with Utica and Stantec staff distributing draft FERC Conduit Exemption application documents to all interested parties on Wednesday December 20, 2023.

All draft FERC Conduit Exemption Applications documents can be viewed here: <https://www.uticawater.com/exemption/>

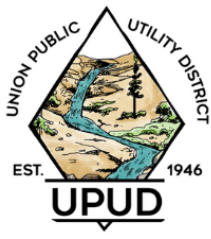
NEXT STEPS:

If the UPUD Board approves a resolution of support and authorizes the Board President to sign a comment letter, these documents will be formally submitted to Utica prior to the March 25, 2024, comment deadline.

FINANCIAL CONSIDERATIONS:

As a Joint Powers Authority member, UPUD has provided financial support to Utica over the past 10 years. If the FERC Conduit Exemption applications are approved by the FERC, it would reduce the need for increases in the amount of financial support Utica requests from UPUD.

*Attachments: Utica's Draft FERC Exemption Applications ([click here to view](#))
Resolution 2024-003 Supporting Utica's FERC Exemption Applications*



UNION PUBLIC UTILITY DISTRICT

February 28, 2024

Joel Metzger
General Manager
Utica Water and Power Authority
1168 Booster Way
Angels Camp, CA 95222

Regarding UWPA's Draft Applications to the Federal Energy Regulatory Commission for Conduit Exemptions for Utica P-2019 and Angels P-2688

Dear Mr. Metzger,

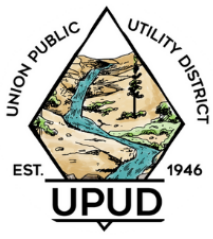
We have reviewed the draft surrender and Conduit Exemption applications circulated by the Utica Water and Power Authority (UWPA) for Utica P-2019 and Angels P-2699 and found no omissions or concerns with the regard to the characterization of this critically important water supply system, the environmental resources, and the Conduit Exemption and Surrender proposals.

The Union Public Utility District (UPUD) relies on untreated water supplies provided by UWPA to serve 1,715 residential, commercial, and agricultural customers in the communities of Murphys, Douglas Flat, Vallecito, Six Mile Village, Carson Hill, and Angels Camp. Under our contractual agreement, UWPA annually provides more than 8,470 acre-feet of water to UPUD. Over the years, UWPA has consistently delivered a reliable water supply to UPUD, and we anticipate this reliability to continue in the future.

The UWPA system plays a vital role in ensuring the water security of our communities and meeting our daily supply needs. The ongoing operation of UWPA's two powerhouses not only helps to offset the operational costs of the water supply system but also ensures the efficient delivery of water to our customers. In light of the sparse population density in our rural areas, our water rates are typically higher compared to urban areas. Additionally, our entire service area falls within disadvantaged communities, underscoring the importance of maintaining affordable water rates. Therefore, obtaining this exemption is crucial to keeping costs low for our communities.

On behalf of the UPUD Board of Directors, we offer our strong support for Utica Water and Power Authority's efforts to obtain Conduit Exemptions from the Federal Energy Regulatory Commission (FERC) for the Utica Project P-2019 and Angels Project P-2699.





UNION PUBLIC UTILITY DISTRICT

UWPA has demonstrated its commitment to responsible management of natural resources. Following our review of the draft applications circulated on December 20, 2024, and participation in the Joint Meeting held on January 25, 2024, UPUD is confident in UWPA's ability to adhere to all environmental and public safety regulations while ensuring the safe and reliable delivery of the regional water supply.

UPUD urges FERC to authorize the Conduit Exemptions upon the submission of the final applications.

Thank you for considering our perspective and for your attention to this matter.

Sincerely,

Eric Bottomley
Board President
Union Public Utilities District



**RESOLUTION NO. 2024-003
UNION PUBLIC UTILITY DISTRICT
BOARD OF DIRECTORS**

**Union Public Utility District Support for Utica Water and Power Authority's
Federal Energy Regulatory Commission Conduit Exemption Applications for the
Utica P-2019 and Angels P-2699**

WHEREAS, The Union Public Utility District (UPUD) has been a member of the Utica Water and Power Authority (UWPA) Joint Powers Authority (JPA) since 1995; and

WHEREAS, UPUD relies on UWPA's water conveyance system for its sole raw water supply, which UPUD uses to provide residential, commercial, and agricultural service to thousands of people; and

WHEREAS, UPUD provides financial contributions to UWPA when hydropower revenues do not cover all operating costs, and UPUD charges its customers a fee for this purpose; and

WHEREAS, UPUD is supportive of UWPA taking steps to increase regulatory efficiencies and operate the water supply system in a more cost-effective manner, which in turn reduces the financial burden on UPUD's ratepayers; and

WHEREAS, UPUD supports UWPA's efforts to apply for Federal Energy Regulatory Commission (FERC) Conduit Exemptions for the Utica Project 2019 and Angels Project 2699.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of Union Public Utility District that the Union Public Utility District Board President is hereby authorized to sign the comment letter attached hereto in Exhibit 1 supporting UWPA's Exemption applications and submit said letter prior to the March 25, 2024, comment deadline.

PASSED, APPROVED, AND ADOPTED this 28th day of February, 2024.

AYES:

NOES:

ABSENT:

ABSTAIN:

Eric Bottomley, President
Union Public Utility District

I hereby certify that the within and foregoing is a full, true, and correct copy of the Resolution which was duly passed and adopted at a regular meeting of the Board of Directors of the Union Public Utility District on the 28th day of February 2024.

Jenna Mayo
Clerk to the Board

DRAFT

Agenda Item

DATE: February 28, 2024
TO: Jessica Self, General Manager
FROM: Jenna Mayo, Administrative Analyst/Board Clerk
SUBJECT: Discussion/Action Modifying District Reserves

RECOMMENDED ACTION:

Motion: _____ / _____ adopting Resolution No. 2024-004 Updating District Reserves

SUMMARY:

The Finance Committee and District staff have completed a thorough review of our current reserves. The findings underscore the importance of updating and adjusting our existing reserves to effectively tackle identified challenges and uncertainties. This highlights the necessity for reviewing and revising our reserve categories due to evolving risks and potential capital improvement needs. It is important to have restricted reserves due. Outlined below are the key recommendations:

Consolidate and create the following reserves as unrestricted funds:

- Emergency Reserve: The portion of the Surplus Fund currently in LAIF.
- Operations Reserve: Combines Capital Improvement, Capital Replacement, Reserve Fund and the portion of the Surplus Fund currently in California CLASS.

Restricted Funds:

These funds have specific spending limitations due to Proposition 218. Staff recommend keeping the following restricted reserve fund accounts as is:

- Irrigation Fund
- UWPA Reserve

Rename the following restricted reserve fund:

- Capital Reserves: SRLF-Connection Fees

Summary of recommended reserves

1. **Emergency Reserve Fund:** Financial assets held for continued operations during times of severe economic distress due to events requiring immediate and/or significant cash use.

Such severe economic situations may include otherwise insurable events for which the timely receipt of cash may be delayed. The District shall target a balance of three percent (3%) of its prior year-end total assets in this fund. Conditions for utilization of such reserves and a plan for fund replenishment will be determined by the Board.

2. **Capital Reserve Fund:** Capital reserves will be a restricted fund, and accumulated to fund infrastructure projects that increase capacity and will be an integral part of the District's capital plan documented in its Ten-Year Forecast. The maximum amount of capital reserves will equal two times the accumulated depreciation balance.
3. **Operating Reserve Fund:** The operating reserve will vary over time to maintain at least three months' average operating expenses excluding depreciation. This reserve is considered a working cash requirement. It bridges the gap between the time expenses are paid and the time revenues from the same service are collected from customers. Amounts are established annually when the annual budget and financial plan are adopted. This is a non-restricted fund.
4. **Irrigation Reserve Fund:** Financial assets held for purposes of sustaining and improving the irrigation infrastructure. A minimum of 5% of the annual capital budget is allocated for irrigation improvement and will be determined through an annual budgeting process. This process will consider the current state of infrastructure, anticipated risks, and future development plans specific to irrigation improvement. This is a restricted fund.
5. **UWPA Reserve Fund:** Financial assets held for UPUD's involvement in the Utica Water and Power Authority to support the maintenance of UWPA water conveyance infrastructure and water supply. This is a restricted fund.

FINANCIAL CONSIDERATIONS:

None at this time. All proposed updates have been budgeted for during this current fiscal year (FY24).

Attachments:

- *Resolution No. 2024-004 Updating Reserves*

**RESOLUTION NO. 2024-004
UNION PUBLIC UTILITY DISTRICT
BOARD OF DIRECTORS**

UPDATING RESERVES

WHEREAS, The Board of Directors of the Union Public Utility District recognizes the critical importance of maintaining sufficient reserves to ensure the long-term sustainability, resilience, and operational efficiency of its water supply and distribution infrastructure; and

WHEREAS, the Board of Directors and District staff have conducted a comprehensive review of its current reserves, and the findings have indicated the necessity of updating and adjusting the existing reserves to adequately address the identified challenges and uncertainties; and

WHEREAS, the Board of Directors wish to keep the following reserve fund accounts as restricted funds:

- Irrigation Reserve
- UWPA Reserve

WHEREAS, the Board of Directors wish to consolidate and create the following reserve funds:

- Emergency Reserve: The portion of the Surplus Fund currently in LAIF
- Operations Reserve: Combines Capital Improvement, Capital Replacement, Reserve Fund and the portion of the Surplus Fund currently in California CLASS.

WHEREAS, the Board of Directors wish to rename the restricted fund, 'SRLF-Connection Fees' as 'Capital Reserves'.

WHEREAS, the Board of Directors wish to permanently remove the Park Fund.

NOW, THEREFORE, BE IT RESOLVED the Board of Directors of the Union Public Utility District hereby approves the following updates to its reserves, effective immediately:

1. **Emergency Reserve Fund:** Financial assets held for continued operations during times of severe economic distress due to events requiring immediate and/or significant cash use. Such severe economic situations may include otherwise insurable events for which the timely receipt of cash may be delayed. The District shall target a balance of three percent (3%) of its prior year-end total assets in this fund. Conditions for utilization of such reserves and a plan for fund replenishment will be determined by the Board.

2. **Capital Reserve Fund:** Capital reserves will be a restricted fund, and accumulated to fund infrastructure projects that increase capacity and will be an integral part of the District's capital plan documented in its Ten-Year Forecast. The maximum amount of capital reserves will equal two times the accumulated depreciation balance.
3. **Operating Reserve Fund:** The operating reserve will vary over time with a goal of maintaining a minimum of three months average operating expenses excluding depreciation. This reserve is considered a working cash requirement. It bridges the gap between the time expenses are paid and the time revenues from the same service are collected from customers. Amounts are established annually when the annual budget and financial plan are adopted. This is a non-restricted fund.
4. **Irrigation Reserve Fund:** Financial assets held for purposes of sustaining and improving the irrigation infrastructure. A minimum of 5% of the annual capital budget is allocated for irrigation improvement and will be determined through an annual budgeting process. This process will consider the current state of infrastructure, anticipated risks, and future development plans specific to irrigation improvement. This is a restricted fund.
5. **UWPA Reserve Fund:** Financial assets held for UPUD's involvement in the Utica Water and Power Authority to support the maintenance of UWPA water conveyance infrastructure and water supply. This is a restricted fund.

PASSED, APPROVED, AND ADOPTED this 28th day of February, 2024.

AYES:

NOES:

ABSENT:

ABSTAIN:

Eric Bottomley, President
Union Public Utility District

I hereby certify that the within and foregoing is a full, true, and correct copy of the Resolution which was duly passed and adopted at a regular meeting of the Board of Directors of the Union Public Utility District on the 28th day of February 2024.

Jenna Mayo
Clerk to the Board

Agenda Item

DATE: February 28, 2024
TO: Jessica Self, General Manager
FROM: Jenna Mayo, Administrative Analyst/Board Clerk
SUBJECT: Discussion/Action Revising and Implementing District Policies

RECOMMENDED ACTION:

Motion: _____ / _____ adopting Resolution No. 2024-005 Revising District Policies 2002, 2005 – Discipline and Termination; and

Creating policies 2011 – Reduction in Workforce/Reorganization, 3010 – Purchasing, 3025 – Financial Reserves

SUMMARY:

UPUD staff are currently drafting updates to the District’s employee policies. A fully revised Employee Policy Handbook will be presented to the Board for future consideration. As a result, specific sections have been prioritized by staff and are recommended for immediate Board approval.

Furthermore, UPUD staff are actively pursuing a Transparency Certificate from the California Special District’s Association (CSDA). This certification necessitates the adoption and publication of certain policies on our website, including those outlined below.

Following are the policies that are currently before the Board for updates:

<u>Policy Name</u>	<u>Number</u>
Discipline and Termination	2002, 2005

Following are the new policies that are currently before the Board for implementation:

<u>Policy Name</u>	<u>Number</u>
Reduction In Workforce/Reorganization	2011
Purchasing	3010
Financial Reserves	3025

FINANCIAL CONSIDERATIONS:

None at this time. All proposed updates have been budgeted for during this current fiscal year (FY24).

Attachments:

- *Resolution No. 2024- 005 Adopting Updates to UPUD District Policies*
- *Current Policies*
- *Proposed Policies*

**RESOLUTION NO. 2024-005
UNION PUBLIC UTILITY DISTRICT
BOARD OF DIRECTORS**

UPDATING DISTRICT EMPLOYEE POLICIES

WHEREAS, The Board of Directors of the Union Public Utility District has the authority to change existing policies and implement new policies; and

WHEREAS, the Board of Directors and District staff wish to modify the following policies; and

<u>Policy Name</u>	<u>Number</u>
Discipline and Termination	2002, 2005

WHEREAS, the Board of Directors wish to add the following policies:

<u>Policy Name</u>	<u>Number</u>
Reduction In Workforce/Reorganization	2011
Purchasing	3010
Financial Reserves	3025

NOW, THEREFORE, BE IT RESOLVED the Board of Directors of the Union Public Utility District hereby adopts updated UPUD Employee Policy numbers 2002, 2005, 2011, 3010, and 3025, and that Policy numbers 2002 and 2005 shall be incorporated into the Employee Policy Handbook effective immediately.

PASSED, APPROVED, AND ADOPTED this 28th day of February, 2024.

AYES:

NOES:

ABSENT:

ABSTAIN:

Eric Bottomley, President
Union Public Utility District

I hereby certify that the within and foregoing is a full, true, and correct copy of the Resolution which was duly passed and adopted at a regular meeting of the Board of Directors of the Union Public Utility District on the 28th day of February 2024.

Jenna Mayo
Clerk to the Board

DRAFT

Union Public Utility District

POLICY HANDBOOK

POLICY TITLE: At-Will Employment
POLICY NUMBER: 2002
DATE ADOPTED: January 16, 2008

2002.1 An employee is free to terminate employment with the District at any time, with or without a reason and the District has the right to terminate an employee's services at any time, with or without reason. Although the District may choose to terminate employment for cause, cause is not required. This is called "at-will" employment.

Union Public Utility District

POLICY HANDBOOK

POLICY TITLE: Disciplinary Process

POLICY NUMBER: 2005

DATE ADOPTED: January 16, 2008

- 2005.1** The following is the normal sequence of disciplinary procedure
- 2005.2** Verbal Warning
- 2005.3** Written Warning
- 2005.4** Disciplinary Probation
- 2005.5** Termination
- 2005.6** It should be noted it is not required the disciplinary process include all of the above four steps. Disciplinary action may begin at any time with or without pay at any step in the process depending upon the severity of the offense committed and as determined by the Board of Directors.
- 2005.7** While it is important to make a complete listing of the types of conduct, which may result in disciplinary action or termination, the following is presented as a guide of unacceptable behavior or conduct. It is important to note any or all of the following may be interpreted as cause for termination.
 - 2005.7.1** Sexual harassment, harassment or discrimination of any kind
 - 2005.7.2** Violations of safety, security or District policies
 - 2005.7.3** Interfering with or disrupting the performance of the other employees on the job
 - 2005.7.4** Unprofessional or immoral conduct
 - 2005.7.5** Excessive tardiness or unexcused absenteeism
 - 2005.7.6** During work hours, leaving the normal work area of the District without properly notifying the Manager
 - 2005.7.7** Failure to report any accident resulting in injury or property damage
 - 2005.7.8** Willfully falsifying information on an application for employment
 - 2005.7.9** Theft, attempted theft, or unauthorized use of District equipment, property or vehicles
 - 2005.7.10** Reporting to work under the influence of alcohol or illegal drugs, or consuming it on District premises
 - 2005.7.11** Conviction of any crime
 - 2005.7.12** Intentional falsification of information on pertinent records of the District
 - 2005.7.13** Insubordination, for example, not following a lawful instruction issued by the Manager
 - 2005.7.14** Inexcusable neglect of duty. Continued incompetence and inefficiency resulting in harm to the General Public, the District or other employees

POLICY AND PROCEDURE
UNION PUBLIC UTILITY DISTRICT

DATE APPROVED:	MANUAL	POLICY NO. 2002, 2005
APPROVED BY: Board of Directors	POLICY TITLE Discipline and Termination	Page 1-4

PURPOSE OF POLICY

Union Public Utility District requires that employees adhere to acceptable levels of professional behavior in the workplace and maintain a satisfactory level of job performance, in addition to adhering to all Agency policies. Non-compliance with these standards or any Agency policies or regulations may lead to appropriate disciplinary measures, including the possibility of employment termination.

2002.1 At-Will Employment. An employee is free to terminate employment with the District at any time, with or without a reason and the District has the right to terminate an employee's services at any time, with or without reason. Although the District may choose to terminate employment for cause, cause is not required. This is called "at-will" employment.

2005 Disciplinary Process

2005.1 The following is the normal sequence of disciplinary procedure:

2005.2 Verbal Oral Warning

2005.3 Written Warning

2005.4 Disciplinary Probation

2005.5 Suspension

2005.6 Demotion

2005.7 Termination

2005.68 It should be noted it is not required the disciplinary process include all of the above four steps. Disciplinary action may begin at any time with or without pay at any step in the process depending upon the severity of the offense committed and as determined by the Board of Directors. The level of discipline imposed depends on numerous factors, including but not limited to the nature of the offense and past disciplinary history. The District may, in its discretion, impose whatever discipline it considers appropriate. There is no requirement that it impose any particular disciplinary step or steps before proceeding to termination; the Agency may determine that termination is appropriate without taking any less severe disciplinary step first.

2005.79 While it is important to make a complete listing of the types of conduct, which may result in disciplinary action or termination, the following is presented as a guide of unacceptable behavior or conduct. It is important to note any or all of the following may be interpreted as cause for discipline.

2005.79.1 Sexual harassment, harassment or discrimination of any kind

2005.79.2 Violations of safety, security or District policies

POLICY AND PROCEDURE UNION PUBLIC UTILITY DISTRICT

2005.79.3 Interfering with or disrupting the performance of the other employees on the job

2005.79.4 Unprofessional or immoral conduct

2005.79.5 Excessive tardiness or unexcused absenteeism

2005.79.6 During work hours, leaving the normal work area of the District without properly notifying the Manager

2005.79.7 Failure to report any accident resulting in injury or property damage

2005.79.8 Willfully falsifying information on an application for employment

2005.79.9 Theft, attempted theft, or unauthorized use of District equipment, property or vehicles

2005.79.10 Reporting to work under the influence of alcohol or illegal drugs, or consuming it on District premises

2005.79.11 Conviction of any crime

2005.79.12 Intentional falsification of information on pertinent records of the District

2005.79.13 Insubordination ~~for example, not following a lawful instruction issued by the Manager~~

2005.79.14 Inexcusable neglect of duty. Continued incompetence and inefficiency resulting in harm to the General Public, the District or other employees.

2005.9.15 Failure to comply with any District policies or rules.

2005.10 Right to Respond to Discipline.

2005.10.1 Response to Written Reprimand. Any regular employee who receives a written reprimand is entitled to respond to that reprimand by drafting a written response. The employee's written response must be submitted, if at all, within fourteen (14) calendar days following the employee's receipt of the reprimand. Any such written response will be attached to the written reprimand and placed in the employee's personnel file. This right to respond does not apply to employees on introductory probation. Such employees have no right to make a written response to a written reprimand.

2005.10.2 Response to Proposed Severe Discipline (Skelly Response). Before the District makes a final determination to impose more Severe Discipline (defined as: unpaid suspension of more than five days, demotion, or termination), it will provide the regular employee with the following:

1. Written notice of the proposed disciplinary action and the proposed effective date for such action;
2. Reasons for the proposed disciplinary action;
3. A copy of the materials upon which the proposed disciplinary action is based; and
4. An opportunity to respond to the proposed discipline, in writing, to the General Manager. The written response to the General Manager must be submitted, if at all, within seven (7) calendar days of the employee's receipt of the proposed discipline. If the employee does not timely respond, then the proposed disciplinary action shall become final as of the effective date stated in the notice of intended disciplinary action. If the employee chooses to respond timely, the District will make a final decision regarding the proposed disciplinary action after considering the employee's response and will provide notice of that final decision to the employee. Prior to the effective date of any proposed

POLICY AND PROCEDURE UNION PUBLIC UTILITY DISTRICT

Severe Disciplinary action, the General Manager may place the affected employee on paid administrative time if the General Manager determines that to be necessary and appropriate.

This Skelly Response section does not apply to introductory probationary employees. Such employees have no Skelly Response rights.

2005.11 Appeal of Severe Discipline.

2005.11.1 If the Agency imposes Severe Discipline on a regular employee, the employee may appeal the final disciplinary decision to the Board of Directors. The employee may choose to appeal either by written brief or by oral hearing, but not both. Introductory employees have no right to appeal any disciplinary decision to the Board.

2005.11.1.2 Written Brief. Within fourteen (14) calendar days following the employee's receipt of the Agency's notice of a final Severe Disciplinary decision (if delivered personally), or within twenty-one (21) calendar days after issuance of the Agency's notice of a final decision (if delivered by mail), the employee may deliver to the Agency's Board of Directors a written appeal of the final Severe Disciplinary decision. The appeal shall consist of a concise written statement setting forth all reasons why the employee believes the decision imposed by the Agency should be overturned or modified. Any such written appeal should include any documents the employee believes are relevant and should be considered by the Board. Delivery of the written appeal to the Board will be deemed complete when delivered to the General Manager in person or mailed to Union Public Utility District's Main Office. If a regular employee delivers a timely written appeal, the Agency will provide to the Board a written Agency response to the appeal brief within fourteen (14) calendar days after receipt of the employee's appeal. The Agency will also provide a copy of its written response to the employee who is making the appeal. At its sole discretion, the Board may appoint an individual (whether or not a Board member) to review the written briefs and render an advisory decision to the Board. Within sixty (60) days after receipt of both a timely written appeal and Agency written response, the Board will issue a written decision regarding the disciplinary action. The Board decision shall be delivered to all parties and shall be final and binding.

2005.11.1.3 Oral Hearing. To request an oral hearing on appeal, the regular employee must, within seven (7) calendar days following the employee's receipt of the Agency's notice of a final Severe Disciplinary decision (if delivered personally), or within fourteen (14) calendar days after issuance of the Agency's notice of a final Severe Disciplinary decision (if delivered by mail), deliver to the Agency's Board of Directors a written request to have an oral appeal hearing of the final disciplinary decision. In such case, the Agency's Board of Directors will make reasonable efforts to set the matter for hearing within sixty (60) days after receipt of a timely served written request for an appeal hearing. The Board may determine whether it wishes to hear the matter collectively, or alternatively to designate a single Board member or other outside hearing officer to hear the matter. At the hearing, the employee shall be entitled to be present at all sessions of the hearing when evidence is being received. Each side shall have the right to be represented by counsel, to present its case or defense by oral or documentary evidence, to submit rebuttal evidence and to conduct such cross-examination as may be required for full disclosure of all relevant facts. Testimony shall be under oath which shall be

POLICY AND PROCEDURE
UNION PUBLIC UTILITY DISTRICT

administered by the authorized person. The hearing need not be conducted according to the technical legal rules relating to evidence and witnesses. The Board or Board designee may, upon a request by any party, or on its own initiative, request files and documents in the custody of the Agency that may be relevant to the matter before it. No evidence other than that presented at the hearing, or as may be requested by the Board or designee, shall be considered by the Board in rendering its decision. Any procedural matter, including but not limited to objections to the evidence, shall be ruled on by the Board, or the Board designee. The hearing, if any, shall be recorded. If either party requests that the hearing be transcribed by a court reporter, the party making the request shall bear the cost involved. Within sixty (60) days following the oral hearing, the Board will issue a written decision regarding the disciplinary action. The Board decision shall be delivered to all parties and shall be final and binding. At its sole discretion, the Board may appoint an individual (whether or not a Board member) to act as hearing officer. In such event, the hearing officer will conduct the hearing in accordance with the above, and will render an advisory decision to the Board.

POLICY AND PROCEDURE
UNION PUBLIC UTILITY DISTRICT

DATE ADOPTED:	MANUAL	POLICY NO. 2011
APPROVED BY: Board of Directors	POLICY TITLE Reduction In Workforce/Reorganization	Page 1

I. PURPOSE OF POLICY

This policy aims to ensure fair and transparent processes while minimizing employee impact and maintaining the District's overall efficiency.

- 1.1 It is possible, in the event of lack of funds, lack of work, enhanced efficiency, or curtailment of operations, that the Union Public Utility District may reduce its workforce or otherwise reorganize. If necessary, the General Manager will determine the classifications and number of employees to be reduced.
- 1.2 All regular employees designated for lay off will generally be given written notice at least thirty (30) calendar days prior to the effective date of the lay-off, if possible.
- 1.3 A reduction in force is not disciplinary in nature. Accordingly, a lay-off decision does not permit the affected employee either a right to respond or a right to appeal.

POLICY AND PROCEDURE
UNION PUBLIC UTILITY DISTRICT

DATE ADOPTED:	MANUAL	POLICY NO. 3010
APPROVED BY: Board of Directors	POLICY TITLE Purchasing	Page 1-7

I. PURPOSE OF POLICY

1.1 It is the policy of Union Public Utility District to establish procedures in accordance with the regulations outlined in the State of California Government Code. Additionally, the District adheres to the guidelines governing the contracting of public projects and consulting services, as specified in the State of California Public Contract Code and the Uniform Public Construction Cost Accounting Act. This policy is designed to regulate expenditures proactively, ensuring control before committing to payment for goods or services.

II. AUTHORIZATION

2.1 By adoption of this Policy, the Board is authorizing the General Manager to exercise certain duties and responsibilities that are essential for the day-to-day operation of the District.

2.2 The General Manager may delegate the procurement of services and materials and the provision of public works projects to those staff members given specific authority, consistent with the terms of this Policy.

2.3 Delegation of purchasing authority may be through the authorized use of purchase orders, check requests, or other written authorization. All such purchases will be made in conformity with the policies and procedures prescribed within this Policy.

2.4 The Board-established procurement limits that are listed in Table 1 below. These limits are applicable on a per-expenditure/per-contract basis, not on an aggregated basis, for unrelated activities.

2.5 The Contract signatory authority is the Board and General Manager.

**POLICY AND PROCEDURE
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Table 1

Procurement Limits and Approval Authorization		
Title	Expenditures	Approval Authorization
Office Administrators	\$1,000.00 or under	General Manager's Approval Required
Water Operators	\$5,000.00 or under	Supervisor's Approval Required
Operations Manager	\$15,000.00 or under	General Manager's Approval Required
General Manager	\$150,000.00 or under	No Approval Required
<i>Board of Directors</i>	<i>\$150,001.00 and above</i>	<i>Approval Required</i>

III. GENERAL PROCUREMENT POLICIES

3.1 Procurement practices shall comply with laws, regulations and guidelines of the State and any other applicable law, and the provisions of grant or funding contracts, if applicable.

3.2 Any employee/individual effecting any procurement action outside of the policies and procedures established by this Policy and without General Manager or Board authorization to do so, shall be subject to disciplinary action and/or termination in accordance with District policies.

3.3 Expenditures and Contract awards must be authorized by the appropriate authorization level indicated in Table 1.

3.4 Purchase amounts include taxes and the cost of shipping, freight fees and any other charges billed by the supplier or contractor for purposes of the authorization limits under this Policy.

3.5 Purchase authorization and expenditure limits in Table 1, and competitive solicitation requirements in Table 2 and as further set forth in this Policy, are on a per purchase/per contract basis and shall not be applied as an aggregate limit to any vendor, supplier, or contractor.

3.6 With the exception of the General Manager, in the absence of an authorized signatory for a given request, authorization will be obtained from the next highest authority in Table 1.

3.7 The District may use electronic commerce whenever practicable or cost-effective. The District may accept electronic signatures and records in connection with District procurement, as permitted by applicable law.

POLICY AND PROCEDURE
UNION PUBLIC UTILITY DISTRICT

IV. PROCUREMENT METHODS

The following methods are available to initiate a purchase request or to pay for materials, services, and infrastructure development.

4.1 Purchase Order: Staff that require materials or services to carry out the defined duties of their positions shall receive authorization in advance, for purchases in accordance with this Policy and other applicable procedures and policies of the District. A purchase order will then be generated with approval of Department Manager.

4.2 Purchasing Cards: Designated staff may be assigned a purchase card for miscellaneous purchases that fall within the authorization limits in Table 1. Purchases are subject to the terms and conditions of the District Cardholder Acceptance Agreement.

4.3 Contracts: Provisions shall be made, either through specifications or procedures established by the District, for verification of the references and financial responsibility of the contracting parties prior to the award of a contract. After award, all contracts shall be executed on behalf of the District by the appropriate authorized signatory indicated in Table 1. In no case shall any contract be made if sufficient funds are not budgeted and appropriated and not available to make payment promptly upon delivery or completion, or in accordance with a progress payment schedule, unless otherwise authorized and approved by the General Manager or Board.

V. EXCEPTIONS TO PRE-AUTHORIZATION

5.1 Non-Discretionary Purchases do not require Board approval for payment, including those that exceed the General Manager limit. Initial engagement in all software license agreements and cloud-based service agreements are subject to the purchasing limitations as set forth in Table 1.

5.2 Emergency Work/Services: California Public Contract Code Sections 20806, 22035, and 22050, as applicable, govern procurement procedures when emergencies exist. When the Board of Directors declares an emergency by a four-fifths vote, when repair or replacements for services and materials are necessary to permit the continued conduct of District operations or services or to avoid a danger to life health or property, the General Manager may then proceed, at once, to replace or repair District facility(s) or infrastructure and/or procure the necessary goods and/or services without the benefit of competitive purchasing, either informal or formal. The General Manager shall report to the Board at the next regular board meeting stating the justification for the emergency work.

5.3 Purchase requests to replenish the District's warehouse inventory within established inventory re-order levels require no prior authorization or signatory approval under Table 1.

VI. INFORMAL AND FORMAL BIDDING PROCEDURES

6.1 Public projects are defined under this policy as construction, reconstruction, erection, alteration, renovation, improvement, demolition, and repair work involving any District owned, leased, or operated facility.

A competitive selection process for procurement of services and materials, and for Public Works projects, is required in accordance with the limits as set forth in Table 2 below (subject to certain exceptions,

**POLICY AND PROCEDURE
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qualifications or limitations as further set forth below).

Table 2

Informal and Formal Thresholds	
Threshold	Method
\$60,000 or ≤	To be performed by District employees by force account, negotiated contract, or purchase order
\$60,000 - \$150,000	Informal Bid
≥ \$150,000	Formal Bid

6.2 General Provisions for Informal and Formal Bidding Procedures. The following provisions shall apply in contracting for public projects under both informal and formal bidding procedures:

- a. Material changes to the bid: If a material change to the bid specification is issued by the District later than seventy two (72) hours prior to the opening for bids, the date and time shall be extended by no less than seventy-two (72) hours. The term “material change” means a change with a substantial cost impact on the total bid as determined by the District.
- b. Base Contract: Bid specifications which include one or more alternative bid schedules, shall identify and define the base bid for the purpose of awarding to the lowest responsive and responsible bidder.
- c. Bid opening procedures: Sealed bids shall be submitted to the Authorized Purchasing Agent or designee and shall be identified as bids on envelope. Such bids shall be opened in public at the time and place stated in the notice inviting bids in the presence of all bidders who attend. A tabulation of all bids received shall be open for public inspection during regular business hours until award of the contract.
- d. Records of bid documents: Bid documents received by the District shall be maintained by the District in accordance with the District’s records retention schedule.
- e. Award of contracts: Contracts shall be awarded by the District to the responsive and responsible bidder that submits the lowest bid.
- f. No bids received: In the event no bids are received, the District shall have the option of any of the following:
 - i. Abandoning the purchase or project;
 - ii. Rebidding the purchase or project; or
 - iii. Perform the work by employees of the District.
- g. Tie Bids: If two (2) or more bids are received from responsive and responsible bidders for the same total amount of unit price, and are the lowest, the District may accept the bid it chooses.
- h. Written Contracts: Written contracts in the form approved by the Districts Legal Counsel shall be used in the award of bids.

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UNION PUBLIC UTILITY DISTRICT

- i. Bonds: Bidders for construction contracts shall give a payment bond and a bond for the faithful performance of the construction contract that are each in an amount that is equal to 100% of the contract price.

6.3 Informal Bidding Procedures. Bids may be authorized by both District Managers and the award of contracts for public projects with an estimated value in the amount of One Hundred Fifty Thousand Dollars (\$150,000) or less in accordance with the requirements of the Public Contract Code section 22032, and the following informal bidding procedures.

- a. Budgetary authorization: Unless required by and emergency or as otherwise approved by the Board the bid items shall have been authorized as part of an approved budget of the District, and the purchase or contract shall not exceed the amount authorized without Board approval.
- b. Contractors List: A list of contractors shall be developed and maintained in accordance with the provisions of section 22034 of the Public Contract code and criteria promulgated from time to time by the California Cost Accounting Commission.
- c. Notices Inviting Bids: Notices inviting bids shall be prepared describing the bid items in general terms referencing how to obtain more detailed information about the bid items; and starting the time, date, and place for submission of sealed bids.
- d. Mailing of Notices: Notices inviting informal bids shall be mailed, faxed, or emailed at least ten (10) calendar days before the due date of the submission of bids as follows:
 - i. Mailed, faxed, or emailed to all firms on the bidders list or contractors list for the category of work being bid;
 - ii. For bid items defined as public projects, mailed, faxed, or emailed to all construction trade journals designated by the California Uniform Construction Cost Accounting Commission; and
 - iii. Other mailings, advertisements, and notifications as deemed appropriate by both District Managers.
 - iv. Bids received more than One Hundred Fifty Thousand (\$150,000), the Board may award the contract to the lowest responsive and responsible bidder by adoption of a resolution by a four-fifths vote if the cost estimate was reasonable and the low bid does not exceed One Hundred Sixty Two Thousand and Five Hundred Dollars (\$162,500).

6.4 Formal Bidding Procedures. The solicitation of bids and award of contracts for public projects with an estimated value in excess of One Hundred Fifty Thousand Dollars (\$150,000) shall be made in accordance with the requirements of the Public Contract Code section 22030 et seq., and the following formal bid procedures:

- a. Plans and specifications: The Board shall adopt any plans, specifications, and working details as appropriate for the bid items prior to solicitation for formal bids
- b. Notices: Notices inviting formal bids shall state the time and place for the receiving and opening of sealed bids and distinctly describe the project.
- c. Sending, mailing, and publishing of notices: Notices inviting formal bids shall be published, sent, and mailed as follows:
 - i. For bid items defined as public projects, sent electronically, by either facsimile or electronic mail and mailed to all construction trade journals designated by the California Uniform Construction Cost Accounting Commission at least fifteen (15) calendar days before the date of the bid opening.

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- ii. Sent electronically, by facsimile or electronic mail, or mailed to all firms on the bidders list at least fifteen (15) calendar days before the date of the bid opening;
- iii. Published at least once in a newspaper of general circulation, printed, and published in the District, at least fourteen (14) calendar days before the date of the bid opening, or in a manner as authorized by Public Contract Code section 22037 if there is no newspaper of general circulation; and
- iv. Other mailings, advertisements, and notifications deemed appropriate.

6.5 Contracts for Professional and Consulting Services (Architectural, Landscape Architectural, Professional Engineering, Environmental, Land Surveying, and Construction Management Services) Contracts for consultant/professional services shall be made pursuant to the provisions of this policy.

- a. Procurements for architectural, landscape architectural, professional engineering, environmental, land surveying, and construction management services contracts shall comply with this section.
- b. Selection. Contracts for architectural, landscape architectural, engineering, environmental, land surveying, and construction management services are subject to the provisions of this article and shall be awarded in accordance with the California Government Code sections 4525 et seq and 4529.10 et seq et seq. A fair and competitive process will be designed to select the most competent and qualified firm to provide the desired services at a reasonable price. Selection will not be solely based on price; however, price may be a factor in selecting a firm. If price will be a factor, it will be discussed in the RFP, along with the method used to consider price.
- c. Maximum Participation of Small Business Firms.
 - i. Definition of Small Business. "Small business," as used in this section, shall have the same definition in Government Code section 14837(d)(1).
 - ii. Quotes. The District shall attempt to obtain at least two (2) quotes or proposals from a small business, where this article requires quotes or RFPs.
- d. Prohibition of Unlawful Activity. The District specifically prohibits practices which might result in unlawful activity, including but not limited to rebates, kickbacks, or other unlawful consideration. The District also prohibits its employees from participating in the selection process when those employees have a financial interest with an individual or business entity seeking a contract under this Section and would be subject to the prohibition of Government Code sections 1090 and 87100.
- e. Procurement of Professional and Consultant Services: \$45,000.00 or Less.
 - i. Informal Request for Proposal Procedure. Except as set forth herein, the procurement of consultant or professional services with a value of Forty Five Thousand Dollars (\$45,000.00) or less shall be made following the procedure prescribed below:
 - 1. Solicitation of Proposals. A District Manager may solicit proposals by written (including e-mail) request to prospective consultants. Informal requests for proposals shall attempt, whenever feasible, to obtain at least three (3) proposals.
 - 2. Award of Contracts. Approval by both District Managers shall award contracts pursuant to this subdivision to the best qualified and most responsible proposer, which may not necessarily be the lowest priced proposal. The dollar amount of the proposal shall be considered but the award need not be made to the lowest dollar proposal.

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3. Signature Authority. The Administration Manager shall have the authority to execute a contract granted pursuant to this section. Such contracts shall be formal written agreements executed by the Administration Manager on behalf of the District.
- ii. Exceptions. The District Managers may dispense with the informal RFP procedure, whether the informal RFP procedure has been initiated or not, for the reasons set forth below:
1. In an emergency;
 2. When the services can be obtained from only one (1) source which has been reviewed and approved in writing by the District Managers;
 3. When, in the judgment of the District Managers, compliance with the procedure is not in the best interest of the District; or
 4. When processed through a cooperative purchasing agreement with another public agency, whose procurement process is substantially consistent with the provisions of this article

POLICY AND PROCEDURE
UNION PUBLIC UTILITY DISTRICT

DATE ADOPTED:	MANUAL	POLICY NO. 3025
APPROVED BY: Board of Directors	POLICY TITLE Financial Reserves	Page 1-2

PURPOSE OF POLICY

3025.1 The Union Public Utility District shall maintain reserve funds from existing unrestricted funds as designated by the District’s Reserve Policy. This policy establishes the procedure and level of reserve funding to achieve the following specific goals:

1. Funding infrastructure replacement.
2. Economic uncertainties and other financial hardships.
3. Loss of significant revenue sources such as property tax receipts or connection fees.
4. Local disasters or catastrophic events.
5. Future debt or capital obligations.
6. Cash flow requirements.
7. Unfunded mandates including costly regulatory requirements.

RESERVE CATEGORIES

3025.2 The Union Public Utility District shall maintain the following reserve categories:

1. Emergency Reserve Fund: Financial assets held for continued operations during times of severe economic distress due to events requiring immediate and/or significant cash use. Such severe economic situations may include otherwise insurable events for which the timely receipt of cash may be delayed. The District shall target a balance of three percent (3%) of its prior year-end total assets in this fund. Conditions for utilization of such reserves and a plan for fund replenishment will be determined by the Board.
2. Capital Reserve Fund: Capital reserves will be accumulated to fund infrastructure projects and will be an integral part of the District's capital plan documented in its Ten-Year Forecast. The minimum amount of capital reserves will equal one year's capital spending. The maximum amount of capital reserves will equal two times the accumulated depreciation balance.
3. Operating Reserve Fund: The operating reserve will vary over time with a goal of maintaining three months average operating expenses excluding depreciation. This reserve is considered a working cash requirement. It bridges the gap between the time expenses are paid and the time revenues from the same service are collected from customers. Amounts are established annually when the annual budget and financial plan are adopted.
4. Irrigation Improvement Reserve Fund: Financial assets held for purposes of sustaining and improving the irrigation infrastructure.
5. UWPA Reserve Fund: Financial assets held for UPUD's involvement in the Utica Water and Power Authority to support the maintenance of UWPA water conveyance infrastructure and water supply.

POLICY AND PROCEDURE
UNION PUBLIC UTILITY DISTRICT

AUTHORITY

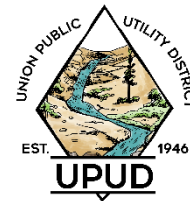
3025.3 The General Manager is responsible for the appropriate accounting and regular reporting of the District's reserve fund balance. Board oversight will be accomplished through regular reporting and review of this Policy.

PROCEDURE FOR MONITORING RESERVE LEVELS

3025.4 The District shall perform a reserve analysis to be submitted to the Board of Directors upon the occurrence of the following events:

1. Board of Directors' deliberation of the annual budget.
2. Board of Directors' deliberation of a service charge rate increase.
3. When a major change in conditions threatens the reserve levels established within this policy.
4. If the analysis indicates projected or actual reserve levels falling 10% below or above the levels outlined in this policy, at least one of the following actions shall be included with the analysis: An explanation of why the reserve levels are not at the targeted level, and/ or an identified course of action to bring reserve levels within the minimum and maximum levels prescribed.

Agenda Item



DATE: February 28, 2024

TO: UPUD Board of Directors

FROM: Jessica Self, General Manager

SUBJECT: Approval of Modifications to Job Descriptions

RECOMMENDED ACTION:

Motion: _____ / _____ to approve the job descriptions for the Administrative Assistant and Clerk to the Board / Administrative Analyst.

SUMMARY:

In recent years, the District has undergone significant changes, including shifts in administrative priorities and technological advancements. Moreover, there is a heightened focus on public outreach and policy advocacy to maintain transparency and address our challenges at the regional, state, and federal levels. Consequently, these changes have prompted a reassessment of roles and responsibilities within the administrative department.

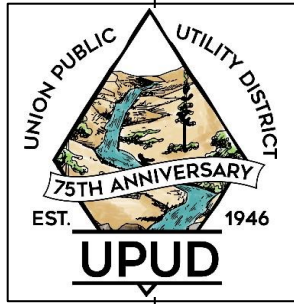
Traditionally, the Administrative Assistant handled day-to-day finances, bookkeeping, Board Clerk duties, and records retention. However, to ensure timely completion of all bookkeeping tasks without undue pressure, we have transitioned Board Clerk duties and records retention responsibilities to the Administrative Analyst position. This reallocation of tasks allows for better time management. We have already initiated this transition over the past few months and recommend making it a permanent change.

Additionally, staff recommends that the Administrative Assistant serves as a backup for all Board Clerk duties in the event that the Administrative Analyst is unavailable.

FINANCIAL CONSIDERATIONS:

Due to the increase in responsibilities, staff recommend increasing the Administrative Analyst position from a pay range 18 to 20, resulting in a salary and benefits increase of approximately \$1,500.00 for the remainder of the current fiscal year.

Attachments: Current and Draft Job Descriptions for Administrative Assistant and Clerk to the Board / Administrative Analyst



Union Public Utility District
BOARD CLERK & ADMINISTRATIVE ANALYST
REPORTS TO: General Manager
Wage Schedule Range: 20

Classification specifications (job descriptions) are intended to present a descriptive summary of the range of duties and responsibilities performed by an incumbent in the classification. Specifications are intended to outline the minimum qualification for entry into the classification and not intended to reflect all duties and responsibilities of an incumbent in the classification.

Definition/Summary

Under direction of the General Manager, this position is responsible for all duties related to Clerk to the Board. In addition, this position is responsible for updating District policies and communication practices, development, and administration of grants; various professional development, and administrative activities in support of the District's administration including highly responsible, confidential and complex support to the General Manager. This position is responsible for assisting in day- to-day administrative functions, provides administrative support for the implementation and monitoring of departmental programs; provides assistance to staff, on all levels, on a wide range of activities.

Essential Duties and Responsibilities

Other duties may be assigned.

1. Assist the General Manager in carrying out rules, regulations, and policies of the Agency.
2. Assist the Board of Directors in carrying out rules, regulations, and policies of the Agency.
3. Maintains permanent records of the official activities of the Agency.
4. Administers the Records Retention policy and program.
5. Acts as the Custodian of Records for the Agency.
6. Takes and transcribes the minutes of the meetings of the Board of Directors.
7. Coordinates committee meetings as necessary; informs the public of the procedures and legal requirements for presentation to the Board.
8. Attends to or directs the execution of various routine details of the Board of Director transactions; maintains confidential files and exercises mature judgment in matters of a confidential nature.
9. Works closely with the General Manager to conduct community outreach and participate in partnership meetings.
10. Provides analytical support in preparing draft policies and procedures for District administrative functions.
11. Assists General Manager and participates in the development of the Agency's work plan.
12. Researches, complies, and analyzes data for special projects, various reports, and presentations.
13. Researches and assists in administration of grants.
14. Generate and manage content posted on the District's website and social media accounts.
15. Answer's telephone and greets office visitors, providing a wide range of receptionist duties related to office procedures and meeting preparation.
16. Receives, processes, and maintains accounts payable records.
17. Allocates and maintains proper posting to general ledger accounts.

18. Prepares a wide variety of financial reports, and monthly accounts receivable reconciliation.
19. Researches and assists General Manager with document preparation, technical information and research of assignments as directed.
20. Regular attendance and adherence to prescribed work schedule to conduct job responsibilities.
21. Establish and maintain cooperative working relationships with co-workers, outside agencies and the public.

Knowledge of:

1. District operations, procedures, policies, precedents, and rules and regulations.
2. Grant writing, administration, and state and federal solicitation processes.
3. Customer Service skills, procedures, and method for communicating effectively.
4. Adobe Acrobat for professional document finishing, indexing and compilation.
5. Modern office practices, procedures, and computer equipment/software.
6. Principles and practices of effective customer service.
7. Microsoft Office Suite programs for word processing and spreadsheets.
8. Standard business practices such as letter writing, report writing, preparing informational materials in visual formats.
9. English language usage, spelling, grammar, and punctuation.
10. Pertinent Federal, State, and local laws, codes and regulations for Special Districts, including the Brown Act, California Public Records Act, and Political Reform Act, etc.

Ability to:

1. Under minimal supervision, perform a variety of administrative and analytical support work involving the use of sound independent judgment and personal initiative for the General Manager to effectively carry out operations of the District.
2. Analyze situations carefully and adopt effective courses of action.
3. Maintain confidential data and information for appropriate personnel.
4. Independently prepare correspondence and memorandums.
5. Successfully adapt to changing workload and task assignments.
6. Adapt to changing technologies and learn functionality of new equipment and systems.
7. Plan, coordinate, and organize work to meet deadlines with accuracy, thoroughness, and attention to detail.
8. Establish, communicate, and maintain cooperative working relationships with co-workers, members of the public and outside agencies.
9. Read, understand, and carry out written and oral directions in a clear, concise, and consistent manner.
10. Operate a variety of automated office machines typical of a work environment such as a multi- function printer/copier/scanner machine, and fax machine.
11. Operate a computer for the effective operation of the Department including word processing, database, spreadsheet, presentations, email, Internet, and an integrated accounting software package.

Physical Demands:

While performing the duties of this job, the employee is regularly required to sit. The employee frequently is required to use hands to finger, handle, or feel objects, tools, or controls and talk or hear.

Specific vision abilities required by this job include close vision and the ability to adjust focus.

Work Environment:

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions. The noise level in the work environment is usually moderate. On a continuous basis sit at a desk and in meetings for long periods of time; intermittently twist to reach equipment surrounding desk; perform simple grasping and fine manipulation; use telephone, write, or use a keyboard and mouse to communicate through written means.

This job specification should not be construed to imply that these requirements are the exclusive standards of the position. Incumbents will follow any other instructions, and perform any other related duties, as may be required.

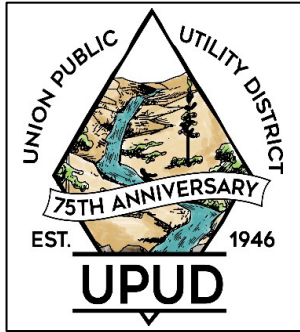
Experience and Education:

At least six (6) years of administrative support experience that includes providing direct support to management and executive level staff and Board of Directors, preferably within a public agency.

Associate's degree with coursework in business administration, communication or a related field.

Certificates, Licenses, Registrations:

Possession of a valid California driver's license and a continuing acceptable driving record.



Union Public Utility District
ADMINISTRATIVE ASSISTANT
REPORTS TO: General Manager
Wage Schedule Range: 26

Classification specifications (job descriptions) are intended to present a descriptive summary of the range of duties and responsibilities performed by an incumbent in the classification. Specifications are intended to outline the minimum qualification for entry into the classification and not intended to reflect all duties and responsibilities of an incumbent in the classification.

Definition/Summary

Under direction of the General Manager, this confidential position shall perform a variety of highly responsible, confidential, and complex administrative support duties for the General Manager and performs a wide variety of customer service duties and accounting functions, which includes customer service duties related to customer inquiries, and accounts payable and general ledger account duties. This position also serves as the backup for the Clerk to the Board,

Essential Duties and Responsibilities

Other duties may be assigned.

1. Prepares, processes, and resolves delinquent account issues, including customer notification, verification, and liens.
2. Receives, processes, and maintains accounts payable records.
3. Allocates and maintains proper posting to general ledger accounts.
4. Prepares, calculates, and reports annual 1099's and 1096 submittals.
5. Prepares a wide variety of financial reports including, but not limited to, Budget, Investment, Workers Compensation, annual Government Compensation Report, and monthly accounts receivable reconciliation.
6. Maintains employee timecard records, including recordkeeping and payroll related duties as assigned.
7. Attends and participates in meetings as needed, including Board of Directors committees, regular, special, and other public meetings; and follows up on action items.
8. Assists General Manager and participates in the development of the Agency's work plan; provides a lead office role and assign work activities, projects, and programs; monitor workflow; review and evaluate work products, methods, and procedures, and assist field operations on public information requests, work orders, and other essential tasks for effective and efficient district operations.
9. Answer's telephone and greets office visitors, providing a wide range of receptionist duties related to office procedures and meeting preparation.

10. Serves as the backup for Board Clerk duties, including:
 - Assist the Board of Directors in carrying out rules, regulations, and policies of the Agency.
 - Maintains permanent records of the official activities of the Agency.
 - Administers the Records Retention policy and program.
 - Custodian of Records for the Agency.
 - Takes and transcribes the minutes of the meetings of the Board of Directors.
 - Coordinates committee meetings as necessary; informs the public of the procedures and legal requirements for presentation to the Board.
 - Attends to or directs the execution of various routine details of the Board of Director transactions; maintains confidential files and exercises mature judgment in matters of a confidential nature.
11. Researches and assists General Manager with document preparation, technical information and research of assignments as directed.
12. Regular attendance and adherence to prescribed work schedule to conduct job responsibilities.
13. Establish and maintain cooperative working relationships with co-workers, outside agencies and the public.

Knowledge of:

1. District operations, procedures, policies, precedents, and rules and regulations.
2. Geography of the District and the location of District facilities.
3. Agenda preparation and distribution requirements.
4. Customer Service skills, procedures, and method for communicating effectively.
5. The functions and operating procedures of local governance bodies and committees.
6. Modern office practices, procedures, and computer equipment/software.
7. Principles and practices of effective customer service.
8. Microsoft Office Suite programs for word processing and spreadsheets.
9. Standard business practices such as letter writing, report writing, preparing informational materials in visual formats.
10. English language usage, spelling, grammar, and punctuation.
11. Pertinent Federal, State, and local laws, codes and regulations for Special Districts, including the Brown Act, California Public Records Act, and Political Reform Act, etc.

Ability to:

1. Under minimal supervision, perform a variety of administrative and analytical support work involving the use of sound independent judgment and personal initiative for the General Manager and Board of Directors and in a lead role to effectively carry out operations of the District.
2. Analyze situations carefully and adopt effective courses of action.
3. Maintain confidential data and information for appropriate personnel.
4. Independently prepare correspondence and memorandums.
5. Successfully adapt to changing workload and task assignments.
6. Adapt to changing technologies and learn functionality of new equipment and systems.
7. Plan, coordinate, and organize work to meet deadlines with accuracy, thoroughness, and attention to detail.
8. Establish, communicate, and maintain cooperative working relationships with co-workers, members of the public and outside agencies.
9. Read, understand, and carry out written and oral directions in a clear, concise, and consistent manner.
10. Operate a variety of automated office machines typical of a work environment such as a multi- function printer/copier/scanner machine, and fax machine.
11. Operate a computer for the effective operation of the Department including word processing, database, spreadsheet, presentations, email, Internet, and an integrated accounting software package.

Physical Demands:

The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this job, the employee is regularly required to sit. Sufficient finger/hand coordination and dexterity to operate and adjust office equipment is essential. Specific vision abilities required by this job include close vision and the ability to adjust focus.

Work Environment:

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made enable individuals with disabilities to perform the essential functions. The noise level in the work environment is usually moderate. On a continuous basis sit at a desk and in meetings for long periods of time; intermittently twist to reach equipment surrounding desk; perform simple grasping and fine manipulation; use telephone, write, or use a keyboard and mouse to communicate through written means.

This job specification should not be construed to imply that these requirements are the exclusive standards of the position. Incumbents will follow any other instructions, and perform any other related duties, as may be required.

Experience and Education:

At least six (6) years of administrative support experience that includes providing direct support to management and executive level staff and Board of Directors, preferably within a public agency.

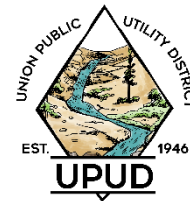
Associate's degree with coursework in accounting, business administration, communication or a related field is preferred, or equivalent.

A bachelor's degree from an accredited four (4) year college or university with major coursework in accounting, public or business administration, communication or a related field is desired.

Certificates, Licenses, Registrations

Possession of a valid California driver's license and a continuing acceptable driving record.

Agenda Item



DATE: February 28, 2024

TO: UPUD Board of Directors

FROM: Jessica Self, General Manager

SUBJECT: Approval of Modifications to the Fiscal Year 2024 Budget

RECOMMENDED ACTION:

Motion: _____ / _____ to approve the recommended budget modifications to UPUD's Fiscal Year 2024 budget.

SUMMARY:

The fiscal year 2024 budget for the Union Public Utility District was officially approved in June 2023. As we reach the fiscal year's midpoint, both staff and the Finance Committee have reviewed the budget and all general ledgers to determine necessary adjustments. The main factors driving the need for budget modifications for this fiscal year are outlined below:

Legal Fees:

The District has encountered several unforeseen legal challenges during this fiscal year, which were not accounted for in the initial budget adopted in June 2023. To address this, staff recommend an increase of \$110,000 to the legal fee's general ledger. To offset this increase, staff proposes reallocating all funds allocated in the Contingencies general ledger.

Rate Consultant:

In light of the Citizen's Initiative scheduled for November 2024, legal counsel has advised the District to conduct a rate study to safeguard against potential revenue loss if the initiative passes. While most of the costs associated with this study will be incurred in the next fiscal year, staff request an increase of approximately \$14,000 for the 'Professional Services – Other' budget.

Health Insurance:

In January 2024, CalPERS increased its rates, leading to a projected \$26,500 increase in health insurance expenses for this fiscal year.

Grant Income:

Due to significant State budget shortfalls, various water agencies across the state have been informed that funding from the State, including funding for UPUD's Backwash Project, has been canceled. Staff remain optimistic that the State will reinstate funding for this project once

additional funding becomes available. In the meantime, UPUD has secured a \$150,000 grant for the installation of a water fill station. Staff anticipates that all costs associated with this project will be incurred during the current fiscal year.

Increased Interest Revenue:

Higher-than-anticipated interest rates have led to revenue exceeding projections. Staff conservatively estimates an additional \$40,000 in revenue compared to initial projections.

Increased Irrigation Revenue:

Initial predictions regarding irrigation revenue were conservative, particularly due to uncertainties surrounding potential reductions in consumption resulting from the new rate structure. However, consumption did not decrease as significantly as expected during the first half of the fiscal year. As a result, staff conservatively forecasts an additional \$62,000 in revenue.

FINANCIAL CONSIDERATIONS:

To balance the budget, staff recommend increasing the Reserve contribution from \$300,000 to \$320,000.

Attachments:

Proposed Budget Revision for FY24

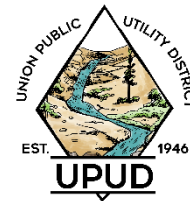
FY24 Mid-Year Budget Adjustment



Account Number	Description	FY24 Budget	FY24 Spent/Accrued	Balance	Percent Expended	Proposed Budget
	INCOME CONTINGENCIES		\$148,237			\$0.00
	REVENUES	\$4,350,273	\$1,621,263	\$2,729,010	37%	\$2,884,477
01	Operating Revenues	\$2,160,073	\$1,242,553	\$917,520	58%	\$2,134,277.00
01	Water Sales:	\$2,090,073	\$1,200,553	\$889,520	57%	\$2,134,277.00
01-4100/4105	Domestic & Irrigation	\$2,070,073	\$1,188,385	\$881,688	57%	\$2,133,277.00
01-4100	Domestic	\$1,583,114	\$854,486	\$728,628	54%	\$1,583,114.00
01-4105	Irrigation	\$116,796	\$117,692	-\$896	101%	\$180,000.00
01-4106	Utica Conveyance Fees	\$370,000	\$216,050	\$153,950	58%	\$370,000.00
01-4107	Utica Irrigation Water Sales	\$163	\$157	\$6	96%	\$163.00
01-4120/4160/4180	Other Water Related	\$19,000	\$11,168	\$7,832	59%	
01-4120	Hydrant meters	\$2,000	\$689	\$1,311	34%	\$2,000.00
01-4160	Penalties	\$10,000	\$7,720	\$2,280	77%	\$10,000.00
01-4180	Other - Water related	\$7,000	\$2,759	\$4,241	39%	\$5,000.00
01-4189	Meter Reset Fees	\$1,000	\$1,000	\$0	100%	\$1,000.00
01	Connection Fees:	\$70,000	\$42,000	\$28,000		
01-4190	Domestic	\$70,000	\$42,000	\$28,000	60%	\$56,000.00
01-4190	Irrigation	\$0	\$0	\$0		\$0.00
01	Non-Operating Revenues	\$2,190,200	\$378,710	\$1,811,490	17%	\$750,200
01-4181	Sale of Assets					
01-4195	Non-Oper Income (CV Autogate (offsets exp in 01-03-6220))	\$1,500	\$878	\$622	59%	\$1,500.00
01-4200	Interest Earned (LAIF & Bank Accts)	\$70,000	\$81,569	-\$11,569	117%	\$110,000.00
01-4300	Taxes	\$165,000	\$97,421	\$67,579	59%	\$165,000.00
01-4420	Insurance Refunds	\$0	\$337	-\$337		
01-4440	Garage Rentals	\$1,200	\$1,005	\$195	84%	\$1,200.00
01-4441	NCPA Facilities Use Agreement	\$2,500	\$2,500	\$0	100%	\$2,500.00
01-4450	Forest Meadows-Div.Wtr					
01-4460	Grant Income	\$1,650,000	\$0	\$1,650,000	0%	\$150,000.00
01-4470	Loan Proceeds					
00-1405	Transfer from LAIF Reserve Fund	\$300,000	\$195,000	\$105,000	65%	\$320,000.00
00-1406	Transfer from LAIF Cap Imprv Reserves					
	EXPENSES	\$4,350,273	\$1,473,026	\$2,877,247	34%	\$2,884,477
	Operating Expense	\$4,350,273	\$1,473,026	\$2,877,247	34%	\$2,884,477
02	Water Purchased:	\$370,000	\$145,000	\$225,000	39%	\$370,000
02-6003	Utica Fees	\$370,000	\$145,000	\$225,000	39%	\$370,000
02-6003	UPUD Contribution	\$290,000	\$145,000	\$145,000	50%	\$290,000
00-1407	Utica Reserve	\$80,000	\$0	\$80,000	0%	\$80,000
03	Treatment:	\$2,116,301	\$255,512	\$1,860,789	12%	\$474,644
03-6100	Labor	\$84,257	\$48,773	\$35,484	58%	\$86,300
03-6103	Overtime	\$4,500	\$10,619	-\$6,119	236%	\$20,000
03-6104	On-Call	\$10,494	\$6,135	\$4,359	58%	\$10,494
03-6105	WT Cert Bonus	\$1,500	\$500	\$1,000	33%	\$500
03-6107	Temp Labor	\$10,000	\$0	\$10,000	0%	\$0
03-6110	FICA/Medicare (6.2%/1.45% Emplr)	\$8,550	\$5,156	\$3,394	60%	\$9,200
03-6200	Repairs & Maintenance	\$5,000	\$0	\$5,000	0%	\$5,000
03-6201	Equipment Repairs	\$7,500	\$0	\$7,500	0%	\$7,500
03-6202	Supplies	\$75,000	\$51,962	\$23,038	69%	\$75,000
03-6204	Utilities	\$43,000	\$17,651	\$25,349	41%	\$43,000
03-6205	Capital Expenditures/Equipment Purchases	\$1,720,000	\$36,928	\$1,683,072	2%	\$60,000
03-6207	Permits	\$30,000	\$6,620	\$23,380	22%	\$30,000
03-6208	Equipment Rental	\$2,500	\$0	\$2,500	0%	\$2,500
03-6209	Uniforms	\$500	\$383	\$117	77%	\$500
03-6212	Water Analysis	\$22,000	\$10,864	\$11,136	49%	\$22,000
03-6214	Other	\$500	\$0	\$500	0%	\$0
03-6215	Equipment Purchase to \$999	\$5,000	\$4,826	\$174	97%	\$8,000
03-6216	Education	\$1,500	\$150	\$1,350	10%	\$1,500
03-6220	Autogate Expense - Crestview	\$1,500	\$253	\$1,247	17%	\$1,500
03-6299	Health Insurance - PEMCHA - Retiree FT					
03-6300	Health Insurance	\$37,000	\$28,639	\$8,361	77%	\$44,000
03-6301	Worker's Comp	\$2,500	\$2,328	\$172	93%	\$4,150
03-6400	CalPERS Contributions (Employer & Employee Contributions)	\$20,000	\$14,317	\$5,683	72%	\$20,000.00
03-6450	Travel & Mileage	\$500	\$93	\$407	19%	\$500
03-6500	Telephone	\$3,500	\$891	\$2,609	25%	\$3,500
03-6801	Professional Services - Engineer	\$10,000	\$24	\$9,976	0%	\$10,000
03-6804	Professional Services - Other	\$9,500	\$8,400	\$1,100	88%	\$9,500
04	Transmission & Distribution:	\$1,022,865	\$562,890	\$459,975	55%	\$1,166,994
04-6100	Labor	\$252,771	\$139,349	\$113,422	55%	\$269,000
04-6103	Overtime	\$8,500	\$1,560	\$6,940	18%	\$4,000

Account Number	Description	FY24 Budget	FY24 Spent/Accrued	Balance	Percent Expended	Proposed Budget	
68	04-6104	On-Call	\$10,494	\$6,138	\$4,356	58%	\$10,494
69	04-6105	TD Cert Bonus	\$1,000	\$500	\$500	50%	\$1,500
70	04-6107	Temp Labor	\$30,000	\$0	\$30,000	0%	\$0
71	04-6110	FICA/Medicare (6.2%/1.45% Emplr)	\$24,000	\$12,628	\$11,372	53%	\$22,000
72	04-6200	Repairs & Maintenance	\$5,000	\$0	\$5,000	0%	\$5,000
73	04-6201	Equipment Repairs	\$7,500	\$1,530	\$5,970	20%	\$7,500
74	04-6202	Supplies	\$30,000	\$5,598	\$24,402	19%	\$30,000
75	04-6204	Utilities	\$5,800	\$2,903	\$2,897	50%	\$5,800
76	04-6205	Capital Expenditures/Equipment Purchases	\$350,000	\$210,758	\$139,242	60%	\$500,000
77	04-6206	Memberships	\$4,500	\$2,066	\$2,434	46%	\$4,500
78	04-6207	Permits	\$500	\$0	\$500	0%	\$500
79	04-6208	Equipment Rental	\$2,500	\$4,382	-\$1,882	175%	\$2,500
80	04-6209	Uniforms	\$2,000	\$1,427	\$573	71%	\$2,000
81	04-6211	Gas, Oil & Fuel	\$24,000	\$10,979	\$13,021	46%	\$24,000
82	04-6214	Other					
83	04-6215	Equipment (to \$999)	\$3,000	\$1,152	\$1,848	38%	\$3,000
84	04-6216	Education & Training	\$5,000	\$376	\$4,624	8%	\$2,500
85	04-6300	Health Insurance	\$109,000	\$78,138	\$30,862	72%	\$120,000
86	04-6301	Worker's Comp	\$7,000	\$6,984	\$16	100%	\$12,400
87	04-6303	Unemployment					
88	04-6400	CalPERS Contributions (Employer & Employee Contributions)	\$57,500	\$33,983	\$23,517	59%	\$57,500
89	04-6450	Travel & Mileage	\$300	\$0	\$300	0%	\$300
90	04-6500	Telephone	\$5,500	\$2,093	\$3,407	38%	\$5,500
91	04-6801	Professional Services - Engineer	\$65,000	\$38,722	\$26,278	60%	\$65,000
92	04-6804	Professional Services - Other	\$12,000	\$1,624	\$10,376	14%	\$12,000
93	+ 05	Customer Service:	\$0	\$0	\$0		
103	- 06	Administration & General:	\$841,108	\$509,624	\$331,484	61%	\$872,839
104	06-6100	Labor	\$339,080	\$182,149	\$156,931	54%	\$339,080
105	06-6103	Overtime	\$4,770	\$556	\$4,214	12%	\$1,000
106	06-6110	FICA/Medicare	\$27,000	\$15,226	\$11,774	56%	\$27,000
107	06-6200	Repairs & Maintenance	\$5,000	\$929	\$4,071	19%	\$5,000
108	06-6201	Equipment Repairs	\$500	\$0	\$500	0%	\$500
109	06-6202	Office & Billing Supplies	\$5,000	\$1,608	\$3,392	32%	\$5,000
110	06-6203	Copier Expense	\$3,700	\$2,400	\$1,300	65%	\$3,700
111	06-6204	Utilities	\$4,500	\$2,487	\$2,013	55%	\$4,500
112	06-6205	Capital Expenditures/Equipment Purchases	\$10,000	\$0	\$10,000	0%	\$0
113	06-6206	Memberships	\$22,000	\$15,069	\$6,931	68%	\$22,000
114	06-6207	Permits & Fees	\$200	\$574	-\$374	287%	\$800
115	06-6208	Equipment Rental					
116	06-6209	Uniforms	\$500	\$409	\$91	82%	\$500
117	06-6210	Postage	\$8,500	\$5,255	\$3,245	62%	\$8,500
118	06-6213	Banking Fees	\$18,000	\$15,837	\$2,163	88%	\$30,000
119	06-6214	other					
120	06-6215	Equipment (to \$999)	\$5,000	\$1,553	\$3,447	31%	\$5,000
121	06-6216	Education & Training	\$6,000	\$745	\$5,255	12%	\$1,500
122	06-6300	Health Insurance	\$64,000	\$50,927	\$13,073	80%	\$72,500
123	06-6301	Worker's Comp	\$8,000	\$511	\$7,489	6%	\$950
124	06-6302	General Insurance	\$25,000	\$20,201	\$4,799	81%	\$25,000
125	06-6303	Unemployment					
126	06-6400	CalPERS Contributions (Employer & Employee Contributions)	\$75,000	\$39,145	\$35,855	52%	\$75,000
127	06-6450	Travel & Mileage	\$3,000	\$6,535	-\$3,535	218%	\$10,000
128	06-6500	Telephone	\$3,500	\$2,267	\$1,233	65%	\$3,500
129	06-6801	Professional Services - Engineer	\$0		\$0		\$0
130	06-6802	Professional Services - Legal	\$30,000	\$108,359	-\$78,359	361%	\$140,000
131	06-6803	Professional Services - Accounting	\$10,400	\$700	\$9,700	7%	
132	06-6804	Professional Services - Other	\$17,458	\$12,278	\$5,180	70%	\$31,000
133	06-6805	Professional Services - IT	\$25,000	\$10,440	\$14,560	42%	\$20,809
134	06-6806	Professional Services - Software	\$35,000	\$13,294	\$21,706	38%	\$35,000
135	06-6810	Communicatons	\$5,000	\$170	\$4,830	3%	\$5,000
136	06-6850	Election Expense					
137	06-6900	Bad Debts					
138	06-6901	Contingencies	\$80,000	\$0	\$80,000	0%	\$0
139	-	Non-Operating Expenses:	\$0				
140	+	Liability - Debt Sys	\$0				
145	+	Admin - Debt Sys Interest	\$0				

Agenda Item



DATE: February 28, 2024

TO: UPUD Board of Directors

FROM: Jessica Self, General Manager

SUBJECT: Discussion/Action adjusting UPUD irrigation rates.

RECOMMENDED ACTION:

Motion: / adopting Resolution No. 2024-006 adjusting UPUD irrigation rates.

BACKGROUND:

Balancing affordable water rates with responsible management of water infrastructure presents a complex challenge for public water agencies. Providing reasonable water rates for ranchers and farmers in our community is of critical importance. Water serves as the lifeblood of agriculture, and ensuring affordable access to water is indispensable for the sustainability and prosperity of our agricultural sector. However, the District also bears a responsibility to ensure the proper and responsible funding and maintenance of the irrigation system, thereby preventing the financial burden of repairing an aging system from being passed down to future generations or non-irrigation users.

The Union Public Utility District Board of Directors and staff have taken note of concerns raised by irrigation customers regarding the irrigation rate structure adopted in December 2022 and implemented in January 2023. These concerns have been voiced through public comments at board meetings and through a letter submitted on behalf of concerned customers, which was included as an agenda item during the August 2023 Board Meeting. District staff and the Board have conducted a comprehensive review, encompassing 2023 annual revenue, the District's Capital Improvement Plan (CIP), and an assessment of historical leaks and ongoing irrigation system maintenance. A public Board workshop held in October 2023 provided an opportunity to discuss potential adjustments to the irrigation rate structure, during which input was received from both the Board of Directors and the community.

SUMMARY:

After reviewing actual revenue and consumption data over a full year of implementing the new rates, District staff are confident in proceeding with adjustments to the irrigation rate structure. As discussed during the workshop, staff and the irrigation committee recommend the following adjustments:

Base Rates: Reduce the base rate for all irrigation meter sizes to maintain the rate at the 2023 level, effective March 1, 2024.

Consumption: It is recommended to decrease the consumption rate to \$0.09 per hundred cubic feet (HCF).

Moving forward, staff recommends that the irrigation rate structure continues to increase as scheduled for the next three years, with a 10% increase each year in 2025, 2026, and 2027. Here is a summary:

PROPOSED IRRIGATION RATES:

	2023	2024	2025	2026	2027
Meter Size					
5/8" or 3/4"	\$32.83	\$32.83	\$36.11	\$39.72	\$43.70
1"	\$45.16	\$45.16	\$49.68	\$54.64	\$60.11
1.5"	\$75.97	\$75.97	\$83.57	\$91.92	\$101.12
2"	\$112.95	\$112.95	\$124.25	\$136.67	\$150.34
3"	\$199.24	\$199.24	\$219.16	\$241.08	\$265.19
4"	\$322.51	\$322.51	\$354.76	\$390.24	\$429.26
5"	\$630.67	\$630.67	\$693.74	\$763.11	\$839.42
Consumption (per HCF)	\$0.17	\$0.09	\$0.10	\$0.11	\$0.12

CURRENT IRRIGATION RATES:

Meter Size					
5/8" or 3/4"	\$32.83	\$36.44	\$40.09	\$44.09	\$48.50
1"	\$45.16	\$50.13	\$55.14	\$60.65	\$66.72
1.5"	\$75.97	\$84.33	\$92.76	\$102.04	\$112.24
2"	\$112.95	\$125.37	\$137.91	\$151.70	\$166.87
3"	\$199.24	\$221.16	\$243.27	\$267.60	\$294.36
4"	\$322.51	\$357.99	\$393.78	\$433.16	\$476.48
5"	\$630.67	\$700.04	\$770.05	\$847.05	\$931.76
Consumption (per HCF)	\$0.17	\$0.19	\$0.21	\$0.23	\$0.25

The proposed revised rates described above are all less than the rates sent to customers in the District's 2023 rate increase notice. Because the proposed revised rates are less than the ones included in the customer notices, the Board of Directors may adopt the proposed revised rates without redoing the Proposition 218 process.

FINANCIAL CONSIDERATIONS:

Following Staff's recommendation, the District's irrigation revenue is expected to decrease by approximately \$40,000 in calendar year 2024 compared to 2023, based on consumption data from 2023. Alternatively, if the District opts to maintain current rates, irrigation revenue is projected to increase by approximately \$20,000 in 2024 compared to 2023. Consequently, adopting the adjusted rate schedule would lead to a \$60,000 decrease in revenue compared to currently scheduled rates.

Although the District acknowledges customers' concerns about potential rapid rate increases, it recognizes the necessity of raising rates over time to fund essential infrastructure upgrades and ongoing maintenance. Lowering rates would extend the period during which irrigators experience rate increases beyond the current five-year structure.

According to Proposition 218, domestic revenue cannot subsidize irrigation costs. Therefore, if the board decides to reduce rates, District staff will be required to ration their time spent on the irrigation system maintenance and adjust workload accordingly to meet a reduced b.

**RESOLUTION NO. 2024-006
UNION PUBLIC UTILITY DISTRICT
BOARD OF DIRECTORS**

Adoption of an adjustment to the District's Irrigation Rate Structure

WHEREAS, The Union Public Utility District (UPUD) recognizes balancing affordable water rates with responsible management of water infrastructure presents a complex challenge for public water agencies and providing reasonable water rates for ranchers and farmers in our community is of critical importance;

WHEREAS, UPUD also bears a responsibility to ensure the proper and responsible funding and maintenance of the irrigation system, thereby preventing the financial burden of repairing an aging system from being passed down to future generations or non-irrigation users;

WHEREAS, UPUD Board of Directors and staff have taken note of concerns raised by irrigation customers regarding the irrigation rate structure adopted in December 2022 and implemented in January 2023;

WHEREAS, UPUD will adopt the following adjustments to the irrigation rates:

Base Rates: Reduce the base rate for all meter sizes to maintain the rate at the 2023 level, effective March 1, 2024.

Consumption: It is recommended to decrease the consumption rate to \$0.09 per hundred cubic feet (HCF).

WHEREAS, Moving forward, the irrigation rate structure will continue to increase as scheduled for the next three years, with a 10% increase each year in 2025, 2026, and 2027.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of Union Public Utility District that the irrigation rates will be adjusted effective March 1, 2024.

BE IT FURTHER RESOLVED THAT that the irrigation consumption and base rates will continue to increase 10% as scheduled in 2025, 2026 and 2027.

PASSED, APPROVED, AND ADOPTED this 28th day of February 2024.

AYES:

NOES:

ABSENT:

ABSTAIN:

Eric Bottomley, President
Union Public Utility District

I hereby certify that the within and foregoing is a full, true, and correct copy of the Resolution which was duly passed and adopted at a regular meeting of the Board of Directors of the Union Public Utility District on the 28th day of February 2024.

Jenna Mayo
Clerk to the Board

DRAFT