



REGULAR BOARD MEETING MINUTES

5:30 p.m. Tuesday July 23, 2024

Utica Headquarters | 1168 Booster Way, Angels Camp, CA 95222

Join by video conference: <https://meet.google.com/ift-ojra-hxf>
Join by phone: 740-303-2745 and enter this PIN: 503 098 659#

View the meeting agenda packet: www.uticawater.com/board-of-directors/board-meeting-agendas-and-minutes

UTICA BOARD OF DIRECTORS

Ralph Chick – Chair
Caroline Schirato – Vice Chair
Jennifer Herndon – Secretary
Gary Conrado – Director
Tom Quincy – Director

ORDER OF BUSINESS

1. Call to Order / Pledge of Allegiance

- The meeting was called to order at 5:31 p.m.

2. Roll Call

- **Directors Present**
 - Director Chick
 - Director Schirato
 - Director Herndon
 - Director Quincy
 - Director Conrado

- **Utica Staff Present**
 - Joel Metzger, General Manager
 - Frank Fields, O & M Superintendent
 - Kyle Rasmussen, Conveyance Supervisor
 - Stacie Walker, Administrative Specialist
 - Ryan Heryford, Conveyance and Compliance Specialist
- **Others Present**
 - Kaylee Dillashaw, Project Manager, Hunter Reservoir Fuel Reduction Project
 - Michael Minkler, General Manager of CCWD (virtual)
 - Jessica Self, General Manager of UPUD (virtual)

3. Approval of Agenda

Board Discussion: None

Public Comment: None

Motion: Director Quincy made a motion to approve the agenda

Second: Director Schirato

Vote: 5-0-0

Ayes: Director Herndon, Director Schirato, Director Chick, Director Quincy, Director Conrado

Noes: None

Abstain: None

Absent: None

4. Public Comment

- No public comment.

5. Consent Calendar

These items are expected to be routine and non-controversial. Unless a Board member pulls an item, all items will be approved together at one time without discussion.

A. Approval of minutes from the June 25, 2024, Regular Board Meeting (Walker)

B. Financial reports for June 2024 (Walker)

C. Generation report for June 2024 (Walker)

D. Operations Report (Fields)

E. Water Conveyance Report (Rasmussen)

Board Discussion: Director Conrado pulled item 6A from the consent calendar due to alternate attendance at the June 25, 2024, meeting.

Public Comment: None

Motion: Director Herndon made a motion to approve consent calendar items 5B, 5C, 5D, and 5E

Second: Director Quincy

Vote: 5-0-0

Ayes: Director Herndon, Director Schirato, Director Chick, Director Quincy, Director Conrado

Noes: None

Abstain: None

Absent: None

Motion: Director Schirato made a motion to approve consent calendar item 5A

Second: Director Quincy

Vote: 4-0-1

Ayes: Director Herndon, Director Schirato, Director Chick, Director Quincy

Noes: None

Abstain: Director Conrado

Absent: None

6. Regular Agenda

A. Informational update on the Hunter Reservoir Fuel Reduction Project

(Kaylee Dillashaw, Project Manager)

- Mr. Metzger introduced Ms. Kaylee Dillashaw, project manager for the Hunter Reservoir Fuel Reduction Project, to update the Board on the \$1.2 million CAL FIRE grant-funded fuels reduction project. Ms. Dillashaw provided an overview, covering project phasing, invoicing, equipment mobilization, and hand clearing. She also shared before and after pictures of the project area, discussed the projected completion date, and addressed various project challenges.

7B (part 1) Director Chick moved a portion of this item forward to be heard first.

- Mr. Metzger introduced Mr. Ryan Heryford, a member of Utica staff, who presented to the Board on the Micro-Hydro Project at Ross Reservoir. Mr. Heryford reviewed the Powerball Project that began in 2019, which aimed to bring remote monitoring and control to Ross Reservoir. He explained the shortcomings of the Powerball project and how the lessons learned from it inspired and informed the development of the Micro-Hydro Project. For this initiative, Mr. Heryford collaborated with Cal Poly's engineering students. The students worked to create a new design that would energize the remote Supervisory Control and Data Acquisition (SCADA) system and valve controls at Ross Reservoir as a school project. The Micro-Hydro unit was installed at Ross Reservoir earlier in mid-July 2024 and is working well. Staff is looking for more engineering projects to send to Cal Poly and hopes the Board would be supportive of future collaboration on similar projects. The Cal Poly students donated their time which made the most expensive part of the project tapping the penstock. From start to finish, the total cost to Utica for parts and installation was \$5,680.

B. Discussion / action regarding fish studies requested by resources agencies as part of the draft FERC Conduit Exemption Applications comment review, and approval of consulting services scope of work and budget.

(Joel Metzger, General Manager)

- Mr. Metzger provided an overview of the timeline for the Federal Energy Regulatory Commission (FERC) Conduit Exemption Application process, highlighting the Foothill Yellow-Legged Frog study efforts, which are ongoing. Mr. Metzger said that the Fish Study being presented is expected to be the final study needed to be responsive to all agency study requests that are required at this time. Mr. Metzger reviewed the FERC Committee's recommendations for the Fish Study Plan, advocating a phased approach, starting with the approval of tasks 1a and task 2 before committing to the full study. In response to Director Conrado's inquiry about cost reduction, Mr. Metzger outlined where Stantec reduced costs compared to the initial proposal presented at the FERC Committee meeting. Director Conrado noted that while tasks 1a and 2 have a lower dollar amount, other costs within the same plan had increased. The Board discussed cost management strategies, emphasizing the prioritization of task 2, which involves drafting the plan and submitting it to the California Department of Fish and Wildlife (CDFW) for review. The Board deliberated on the feasibility of managing upcoming studies cost-effectively and the potential impact of going out to bid on the timeline. Director Chick asked if the FERC Committee could make interim decisions, but Mr. Metzger clarified that financial decisions must be approved by the Full Board. The Board directed staff to hold a FERC Committee meeting and determine whether some of the remaining studies would go out to bid to ensure competitive pricing.

Board Discussion: None

Public Comment: None

Motion: Director Herndon made a motion to authorize the General manager to move forward with Stantec on Task Order 6: Subtask 1A and 2, not to exceed \$15,000.

Second: Director Schirato

Vote: 5-0-0

Ayes: Director Herndon, Director Schirato, Director Chick, Director Quincy, Director Conrado

Noes: None

Abstain: None

Absent: None

C. Informational update on FY 2023-2024 budget and projected accruals

(Joel Metzger, General Manager)

- Mr. Metzger reviewed the projections for carryover from FY 23-23 that were used to build the FY 24-25 budget, discussing the outstanding expenses and revenue still expected. Mr. Metzger said staff should have a budget adjustment ready for the August 2024 meeting, and noted that, at this time, staff has identified an estimated \$30,000 of additional carryover, emphasizing this is not the final number and it could change. The Board asked if staff had a recommendation about where the additional funds should be allocated. Mr. Fields, O&M Superintendent for Utica, suggested more funds may be needed for the Relay Protection Project due to the high cost of consultants in that field. Mr. Metzger reviewed options, and stated he would look to reserve contributions, and deferred CIP projects first, which were cut back to balance the budget, and also suggested the Board could consider paying down the CalPERS unfunded liability.
- Mr. Metzger said he would bring the final carryover numbers to the Board at the next Board meeting.

D. Discussion / direction regarding the Highway 4 Corridor Partnership
(Joel Metzger, General Manager)

- Mr. Metzger updated the Board on the efforts of the Highway 4 Corridor Partnership, which includes Utica, Union Public Utility District (UPUD), City of Angels (COA), and Calaveras County Water District (CCWD), and its initiative to assess water supply impacts, explore potential water sources, and identify ways to enhance service efficiency. After the Utica Board passed a resolution in support of the Highway 4 Corridor Partnership in April 2024, CCWD drafted a scope of work (SOW) for a regional water supply study, which includes looking at possible connections to redundant backup supplies, optimization of operations, and addressing gaps in emergency response plans for drought, climate change, and infrastructure failure. The study could include tasks such as data collection, projection of water demands, investigation of existing limitations, and preparation of a technical memorandum that all agencies can utilize in future planning. CCWD also circulated a draft memorandum of understanding (MOU) between the agencies. The next steps in consideration of this study include updating and reviewing the SOW, reviewing the MOU, and preparing these documents to bring back to all elected boards / council, and legal counsel, for consideration. The study itself is effort is expected to cost an estimated \$100,000, that would likely be split between agencies, and the Board would need to determine how much Utica can budget for these efforts. Mr. Metzger noted that any funding would require a budget adjustment by the Board.

Board Discussion: The Board discussed Utica's unique role as the raw water supplier for UPUD, COA, and irrigation contractors. The Board expressed a desire to utilize the Hwy 4 Partnership to enhance emergency preparedness and response planning, identify grant opportunities, and identify and evaluate

infrastructure projects to harden water systems against natural disasters. The Board also discussed what agencies are in the existing partnership and suggested additional agencies, such as Murphys Sanitary, and Blue Lake Springs Water, may be included in the study. The Board felt that the Northern California Power Agency (NCPA) should be included in the group and study, given their key role in operating infrastructure that all parties rely on for water supply. Additionally, the Board raised concerns that the study may be aimed at supporting a consolidation effort. Director Conrado expressed that he was skeptical about CCWD's motives, citing past trust issues between CCWD and other agencies, and questioned why CCWD is willing to pay a larger than equal portion of the study costs. Mr. Metzger said he believes the partnership was formed in good faith for the betterment of the community member along Highway 4, and he said CCWD has said consolidation is not its goal with this study.

Direction from the Board to Utica staff:

- Create a document that will enhance Utica's ability to secure grant funds
- Pre-emergency planning and emergency response planning are high priorities for this study
- Evaluating opportunities for backup water supplies is important
- The Board is not interested in studying consolidation, and this should be made clear in writing
- Given other work efforts, such as the FERC Exemption applications, this study is not a high priority for Utica and should not be rushed
- NCPA should be included in the group, due to its key role in the water supply
- The Lower Tunnel Tap project must be part of this study, and any questions CCWD (or other agencies) have about that project need to be answered as part of this study
- Funding is a concern. The Board would like staff to explore funding options for the study.

Public Comment:

Ms. Jessica Self, General Manager of UPUD, made a public comment stating that UPUD budgeted \$20,000 to pay for its share in the study, and she believes the former City Administrator for COA did the same, as they were looking at equal contributions. Ms. Self said that UPUD believes this is an urgent matter due to SB 552, which she said would require small agencies to have a backup water supply or intertie by January 2027.

Mr. Michael Minkler, General Manager of CCWD, made a public comment emphasizing the importance of optimizing local control over water resources while noting that NCPA is not a suitable partner for this effort, stating they do not have the same goals as local agencies providing municipal water supply to communities along Highway 4. He said the Highway 4 Partnership meetings originated from Utica's efforts to apply for grant funding to build a second tunnel tap for backup water supply, and assessing that project was a big part of why the group was formed. Mr. Minkler said it was concerning that members of the Utica Board

expressed mistrust of CCWD. Mr. Minkler said consolidation is not CCWD's intent with this study; however, he said the scope of work should allow consultants to review all options for the Highway 4 Corridor, and consolidation should be something the consultant could consider. To improve transparency and collaboration, Mr. Minkler suggested holding quarterly 2x2x2 meetings with elected Board/Council members from UPUD, COA, and CCWD, in addition to the meetings staff is having.

7. Correspondence, Board / General Manager Reports, Future Agenda Items

A. Correspondence

- None

B. General Manager Report

- State and federal dam inspections went well. All dams were deemed safe for continued operations.
 - FERC inspections on July 9, 2024
 - DSOD inspections on April 24, 2024
- Staff is looking into medical, vision, and dental insurance plans to identify any advantages or cost savings through different carriers.
 - Once comparisons are complete, an update will be brought back to the Board.
- 5-Year JPA Agreement
 - On Thursday June 13, 2024, the JPA held a joint meeting at the Angels Firehouse to discuss a 5-Year JPA Funding Agreement. At that meeting, it was unanimously decided to move forward with the proposed funding plan and adopt an agreement once legal review was complete.
 - On Wednesday June 26, 2024, Utica circulated a draft 5-year agreement to UPUD and COA for legal review
 - On Wednesday July 10, 2024, the City provided feedback. The redlined version was provided to UPUD the same day.
 - As of July 24, UPUD has not provided feedback from legal counsel on the agreement or indicated a timeline for when comments will be provided.

C. Board reports

- COA
 - Interim COA started – Steve Williams
 - Rate study presentations has started
- UPUD
 - Hired Frank Splendorio as legal counsel
 - Citizens initiative has been pulled from the ballot
 - Legal counsel is reviewing 5-Year JPA Funding Agreement language

D. Future agenda items

8. Upcoming Board Meetings and Calendar Events

- Tuesday, August 27, 2024, at 5:30 p.m.
- Tuesday, September 24, 2024, at 5:30 p.m.
- Wednesday, July 24, 2024: NCPA Annual Commission Dinner, at 6 p.m., Murphys Park
- Wednesday, July 31, 2024: ACWA Program and Tour – Guardians of the Source, at 10 a.m., Roseville
- Thursday, August 8, 2024: Mountain Counties Reception, at 9 a.m., Placerville

9. Adjournment

Board Discussion: None

Public Comment: None

Motion: Director Herndon made a motion to adjourn

Second: Director Conrado

Vote: 5-0-0

Ayes: Director Herndon, Director Schirato, Director Chick, Director Quincy, Director Conrado

Noes: None

Abstain: None

Absent: None

- The meeting was adjourned at 7:20 p.m.

Utica Mission Statement

We are committed to preserving and protecting local control of our water resources through effective fiscal and operational management and assuring a safe and reliable water supply for municipal and agricultural stakeholders, while ensuring the quality and quantity of this precious resource for generations to come.

Americans With Disabilities Act

In compliance with Title II of the Americans with Disabilities Act, 28 CFR Part 36, if you need special assistance to participate in this meeting, please contact the Utica office at (209) 736-9419 or email your request to admin@uticawater.com. Notification in advance of the meeting will enable Utica to make reasonable accommodations to ensure accessibility to this meeting. Any materials distributed to the Board that relate to an item on the agenda are available at the Utica office 72 hours prior to the scheduled meeting.

Questions?

Contact Utica at admin@uticawater.com or (209) 736-9419.

**Indicates no paperwork is included in the agenda packet.*

Approved at the August 27, 2024, regular board meeting:

Ralph Chick

Ralph Chick (Sep 5, 2024 08:29 PDT)

Ralph Chick, Board Chair

Attest:

Stacie Walker

Stacie Walker, Clerk to the Board

07.23.24 Regular Board Meeting Minutes (approved)

Final Audit Report

2024-09-05

Created:	2024-08-28
By:	Utica Water and Power Authority (admin@uticawater.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAj8xivS_b74phRs_VGU7-9wGUmGqk8ZIA

"07.23.24 Regular Board Meeting Minutes (approved)" History

 Document created by Utica Water and Power Authority (admin@uticawater.com)

2024-08-28 - 4:58:15 PM GMT

 Document emailed to Ralph Chick (rchick@upudwater.org) for signature

2024-08-28 - 4:58:23 PM GMT

 Email viewed by Ralph Chick (rchick@upudwater.org)

2024-09-04 - 6:07:08 PM GMT

 Email viewed by Ralph Chick (rchick@upudwater.org)

2024-09-05 - 3:28:18 PM GMT

 Document e-signed by Ralph Chick (rchick@upudwater.org)

Signature Date: 2024-09-05 - 3:29:06 PM GMT - Time Source: server

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2024-09-05 - 3:29:06 PM GMT