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# UTICA WATER AND POWER AUTHORITY

## MINUTES OF THE MAY 30, 2023 REGULAR BOARD MEETING

### UTICA BOARD OF DIRECTORS

Alvin Broglio, City of Angels – Utica Board Chair  
Ralph “Rocky” Chick, Union Public Utility District – Utica Board Vice Chair  
Jennifer Davis-Herndon, City of Angels – Utica Board Secretary  
Greg Rasmussen, Union Public Utility District – Utica Director  
Gary Conrado – Utica Community At-Large Member

The Board of Directors of the Utica Water and Power Authority met in regular session at the Utica Headquarters, 1168 Booster Way, Angels Camp, CA 95222

**Item 1: CALL TO ORDER / PLEDGE OF ALLEGIANCE**

Director Broglio called the meeting to order at 5:02 p.m. and led the pledge of allegiance.

**Item 2: ROLL CALL**

**Directors Present:**

- Director Broglio
- Director Chick
- Director Davis-Herndon
- Director Conrado
- Director Rasmussen

**Directors Absent:**

- None

**Staff Present:**

- Joel Metzger, Utica General Manager
- Stacie Walker, Utica Administrative Specialist

- Frank Fields, Utica O&M Superintendent
- Kyle Rasmussen, Utica Conveyance Supervisor
- Ryan Heryford, Hydroelectric and Conveyance Relief Operator
- Sebastian Martz, Senior Conveyance Operator

**Others Present:**

- Jessica Self, UPUD General Manager
- Kaylee Dillashaw, Utica Grants Program

**Item 3: APPROVAL OF AGENDA**

- **Motion:** Director Davis-Herndon made a motion to approve the agenda.
- **Second:** Director Chick
- **Board Discussion:** None
- **Public Comment:** None
- **Vote:** 5-0-0
- **Ayes:** Director Davis-Herndon, Director Chick, Director Rasmussen, Director Conrado, and Director Broglio
- **Noes:** None
- **Abstain:** None
- **Absent:** None

**Item 4: PUBLIC COMMENT**

There was no public comment.

**Item 5: CONSENT CALENDAR**

- A. Approval of minutes from April 25, 2023, Regular Board Meeting
- B. Financial reports April 2023 (Walker)
- C. Generation Report October – December 2022 (Walker / Fields)
- D. Operations Report (Fields)
- E. Conveyance Report (Rasmussen)
- F. Water Supply Conditions Report (Metzger)

- **Motion:** Director Chick made a motion to approve the consent calendar.
- **Second:** Director Broglio
- **Board Discussion:** None
- **Public Comment:** None
- **Vote:** 5-0-0

- **Ayes:** Director Davis-Herndon, Director Chick, Director Rasmussen, Director Conrado, and Director Broglio
- **Noes:** None
- **Abstain:** None
- **Absent:** None

**Item 6: CLOSED SESSION (5 p.m.)**

- A. Pursuant to Government Code § Section 54957(b)(1): Public Employee Performance Evaluations – Titles: General Manager, Administrative Technician.
- The Board adjourned to a closed session at 5:05 p.m.
  - The Board reconvened public session at 6:10 p.m.
  - **Report from Closed Session:** Director Broglio reported from Closed Session that direction was given to staff.

**Item 7: REGULAR AGENDA (5:30 p.m.)**

Discussion and possible action on all items

- C. Consideration of approval of Hunter Fuel Reduction Project CEQA (Metzger)

In 2022, the Authority was awarded \$1.2 million in grant funding for the Hunter Fuel Reduction Project. Phase 1 of this project is the environmental review process, which was completed by Utica’s registered professional forester (RPO). Utica’s RPO concluded that the project qualifies for a categorical exemption from the California Environmental Quality Act (CEQA). To complete the CEQA exemption process, the Utica Board must authorize the general manager to file and post CEQA docs with the Calaveras County Clerk Recorder’s Office for 30 days, notice the exemption in a newspaper of record, and have environmental documents available for review in the front office. Mr. Metzger reviewed the project timeline and highlighted the 2026 project completion deadline. Ms. Dillashaw manages this project and was present for the discussion.

- **Motion:** Director Rasmussen made a motion to authorize the General Manager to file a notice of exemption from the California Environmental Quality Act to the Calaveras County Clerk Recorder’s Office and post it in a newspaper of record.
- **Second:** Director Davis-Herndon

- **Board Discussion:** None
- **Public Comment:** None
- **Vote:** 5-0-0
- **Ayes:** Director Davis-Herndon, Director Chick, Director Rasmussen, Director Conrado, and Director Broglio
- **Noes:** None
- **Abstain:** None
- **Absent:** None

A. Review of letters of gratitude to Senators Feinstein and Padilla and authorization for the Board Chair to sign (Metzger)

The Authority submitted two Congressionally Directed Spending (CDS) requests in March 2023 to Senator Padilla and Senator Feinstein to support planning and construction efforts to mitigate natural disaster damage to the Lower Utica Canal, with special focus on Three-Quarter Mile Flume. Both requests were selected for committee consideration. If the committee approves the funding request, and Congress adopts a budget including this funding, Utica expects to receive the funding in Fiscal Year 2024. Staff recommended sending letters thanking Senator Feinstein and Senator Padilla for selecting Utica’s funding requests.

- **Motion:** Director Conrado made a motion to authorize the Board Chair to sign “thank you” letters to Senators Feinstein and Padilla for the Congressionally Directed Spending request they selected.
- **Second:** Director Rasmussen
- **Board Discussion:** None
- **Public Comment:** None
- **Vote:** 5-0-0
- **Ayes:** Director Davis-Herndon, Director Chick, Director Rasmussen, Director Conrado, and Director Broglio
- **Noes:** None
- **Abstain:** None
- **Absent:** None

B. Update on water rights legislation and authorization for General Manager to sign letters representing Utica’s interests (Metzger)

Mr. Metzger informed the Board that five bills in the California State Senate and Assembly are threatening senior water rights holders, including Utica. Outside of a drought emergency, the State Water Board cannot curtail senior water rights. These bills are aimed at giving the

State Water Board more power over senior water rights, which is a major departure from legal precedent over the past 100 years. Staff recommended that the first priority would be to kill the legislation. If that is unsuccessful, efforts should be made to amend the legislation. And as a last resort, water agencies could seek a veto from Governor Newsom. Authority staff is partnering with the Association of California Water Agencies (ACWA), which is a powerful water interest group. Unfortunately, Mr. Metzger said that even ACWA doesn't think the bills can be stopped. The Authority will need to work with water agencies throughout the state to seek to amend the bills, and staff suggested providing testimony at Assembly and Senate Committees at the State Capitol if needed. The community Utica serves relies on senior water rights. If those rights are eroded, the Authority's future will be threatened.

- **Motion:** Director Davis-Herndon made a motion to authorize Mr. Metzger to work with Director Broglio to take an "Oppose" position on AB 676 (Bennett) and continue efforts to protect Utica's senior water rights during this legislative session.
- **Second:** Director Chick
- **Board Discussion:** None
- **Public Comment:** None
- **Vote:** 5-0-0
- **Ayes:** Director Davis-Herndon, Director Chick, Director Rasmussen, Director Conrado, and Director Broglio
- **Noes:** None
- **Abstain:** None
- **Absent:** None

#### D. Consideration of approval of additional legal counsel (Metzger)

Authority staff requested authorization from the Board to add an additional attorney Utica's legal team. Mr. David Cameron is the attorney staff would like to add. He does work for other water districts in the region, including Calaveras County Water District (CCWD). He has experience with the Stanislaus River water rights, federal, state, and local regulatory compliance, agreements, and long-term planning. Staff believes Mr. Cameron provides a unique skill set that will round out the Authority's legal team. The Board questioned if there would be a conflict of interest with CCWD if Utica brings on Mr. Cameron. Staff has discussed this issue with CCWD leadership, and there is a path forward to working with Mr. Cameron in such a way that does not cause CCWD concerns about conflicts. This involves a signed waiver that protects the interests of both agencies. Staff believes Mr. Cameron will be useful in

many aspects of Utica's business operations. Mr. Cameron's hourly rates are in the middle of the Authority's existing legal counsel. Staff will work within the Fiscal Year 2023-2024 budgeted amount for legal support. Mr. Metzger would like to retain Mr. Cameron, providing objections are not raised by the CCWD Board of Directors.

- **Motion:** Director Rasmussen made a motion to authorize General Manager to enter into an agreement with David Cameron to provide legal services to the Authority provided CCWD's board of directors does not raise objections.
- **Second:** Director Broglio
- **Board Discussion:** Director Conrado asked if there is a retainer fee. Mr. Metzger said there is no retainer, the rates would be charged hourly, and there are no additional budget implications in the coming fiscal year.
- **Public Comment:** None
- **Vote:** 5-0-0
- **Ayes:** Director Davis-Herndon, Director Chick, Director Rasmussen, Director Conrado, and Director Broglio
- **Noes:** None
- **Abstain:** None
- **Absent:** None

E. Consideration of approval of job descriptions for Conveyance and Compliance Specialist and Operations Technician positions (Metzger)

Over the past couple of months, Mr. Metzger worked with the management team to create new job descriptions for conveyance and operations staff. One staff member in the Operations Department works closely with Mr. Fields and has shown impressive potential to take on more responsibility in the coming years, including high-level project management, in-house maintenance and upgrades, and working toward a smooth succession transition. A second staff member works under Mr. Rasmussen and has demonstrated the ability to make substantial contributions to Utica's responsibilities to comply with the Federal Energy Regulatory Commission (FERC) and Division of Safety of Dams (DSOD). The new descriptions will give both employees the opportunity to be compensated fairly for their high level of performance. Staff recommends that both employees keep their existing job responsibilities and add new, higher-level responsibilities. The Hydroelectric Operations Technician position will utilize all of their skills in programmable logic controllers, hydraulics, and high-voltage electricity. The Conveyance

and Compliance Specialist position is expected to reduce Chief Dam Safety Engineer (CDSE) costs in the future.

**Board Comment** – Director Rasmussen asked to hear from staff on this matter. Mr. Ryan Heryford expressed no concerns about the new title and said he is looking forward to it. Mr. Rasmussen said that compliance is a huge responsibility and Mr. Heryford has displayed an aptitude for this work. Mr. Fields said Mr. Jeremiah Hyde is the first employee who has demonstrated the skills necessary to be considered for taking over the Operations and Maintenance Superintendent when the time comes. Mr. Fields said the Authority is fortunate to find someone who is so well-rounded in electromechanical applications, blueprints, schematics, digital relays, line of site communications, and supervisory control and data acquisition (SCADA). He continued by recommending that the Authority should invest in training Mr. Hyde. Mr. Fields said the Authority is short-staffed, if the Authority does not give these employees a pathway to the future, they may leave.

- **Motion:** Director Davis-Herndon made a motion to approve the Conveyance and Compliance Specialist and Hydroelectric Operations Technician job descriptions.
- **Second:** Director Conrado
- **Board Discussion:** None
- **Public Comment:** None
- **Vote:** 5-0-0
- **Ayes:** Director Davis-Herndon, Director Chick, Director Rasmussen, Director Conrado, and Director Broglio
- **Noes:** None
- **Abstain:** None
- **Absent:** None

F. Authorization to submit letters of intent for Section 247 funding (Metzger)

Authority staff has found funding opportunities for hydroelectric and dam infrastructure improvements. These funds will cover 30% of project costs up to \$5 million. Staff said it would be difficult for the Authority to take advantage of the full \$5 million funding opportunity, due to the 70% required local match. The program provides the opportunity for applicants to seek funding for past projects going back to November 2021. The retroactive aspect of this funding is promising, as it could help pay for 2021 and 2022 maintenance outages. Staff plans to include as many projects from 2021 and 2022 as possible, along with projects

planned for 2023 and 2024. Projects may include the following: Murphys Powerhouse (MPH) governor retrofit, MPH powerhouse relays and transformers, and MPH powerhouse rewinding. There is a limited opportunity to apply for this funding, and Pacific Gas and Electric (PG&E), Northern California Power Agency (NCPA) and others will also be competing for these funds. Mr. Metzger outlined the timeline for submitting letters of intent and application submission. Even though there will be a consulting cost to complete these submittals, Mr. Metzger believes the Authority can work within the existing budget for consultant costs, and will come to the Board if more funds are needed to complete this process. There is no commitment to projects until October 2023 when full applications are due. Utica staff are working on a number of grant projects and 30% is much less than other grants offer – many of which provide 100% funding. Staff will carefully consider what projects align with Authority goals.

**Board Comment:** Director Davis-Herndon asked if the Authority could submit more than one application. Mr. Metzger said multiple applications are acceptable. Director Broglio asked if the Authority could use this funding for reservoir de-sedimentation and how much that project might cost. Mr. Metzger said an estimate for \$1.5 million was provided in 2020. Director Conrado pointed out soil could be contaminated and the de-sedimentation process may take a long time. He pointed to the Phoenix Lake Project as an example and said it might be a good idea to talk to the Tuolumne Utilities District (TUD) about the de-sedimentation process. Mr. Metzger said he plans to talk to consultants and contractors about pricing on various projects. The Board advised writing a letter of intent that with a broad scope that could be refined at a later date.

**Public Comment:** Mr. Fields asked the Board to consider a long-term loan to maximize this funding opportunity, specifically for the de-sedimentation of reservoirs. No specific direction was given by the Board regarding a loan. Staff said all Authority reservoirs have a reduced capacity due to sedimentation with Murphys Afterbay being one of the most impacted. Mr. Fields suggests putting funding packages together to reduce the financial burden. Mr. Metzger agreed that there may be an opportunity to pair state funding with this federal opportunity. Mr. Metzger also pointed out that there would need to be environmental studies to move de-sedimentation projects forward.

- **Motion:** Director Rasmussen made a motion to authorize the General Manager to submit letters of intent for the Department of Energy Section 247 funding opportunity.
- **Second:** Director Chick
- **Board Discussion:** None
- **Public Comment:** None
- **Vote:** 5-0-0
- **Ayes:** Director Davis-Herndon, Director Chick, Director Rasmussen, Director Conrado, and Director Broglio
- **Noes:** None
- **Abstain:** None
- **Absent:** None

G. Consideration of adoption of FY 2023-2024 Budget (Metzger)

Authority staff works each year to forecast revenues, expenses, and reserves. The Fiscal Year (FY) 2023-2024 Draft Budget has increased compared to prior years, due to federally declared disaster funding that is projected to come from the Federal Emergency Management Agency (FEMA) and grant expenses for the Hunter Reservoir Fuels Reduction Project grant. Without these two major expenses (equaling about \$1 million) the FY 2023-2023 Budget looks much like FY 2022-2023. Mr. Metzger reviewed the draft budget noting the Utica Budget Committee recommended that all FY 2022-2023 surplus will be infused into the FY 2023-2024 budget. Director Broglio commended the Conveyance and Operations Departments for being so successful with water and power sales in FY 2022-2023 despite bad weather and PG&E power outages. Director Davis-Herndon asked what the timeline is for FEMA reimbursements. Mr. Metzger explained that exact timing is unknown, and reimbursements will depend on when projects are completed and approved by FEMA staff.

**Cost of Living Increase (COLA) discussion** – The Budget Committee recommended bringing a range of proposed COLA percentages to the full Board for discussion. Mr. Metzger and Authority staff recommended a 6% COLA. Mr. Metzger said inflation was around 7% in spring 2022 and a 2.5% COLA was given to Utica staff. Inflation is at 4.2% as of May 2023. Mr. Metzger said it is important to keep skilled staff members, and paying competitive wages is critical to that goal. Mr. Metzger said many agencies in the region are making wage adjustments due to inflation – both in FY 2022-2023 and FY 2023-2024. Director Conrado said this year is a good water year, and it is a good opportunity to increase wages. Director Rasmussen deferred to the Union Public Utility District (UPUD)

General Manager, Jessica Self. Ms. Self said she expects to create a structured plan for UPUD that will give 3% COLA increases each year for three-to-five years. Per Ms. Self, in FY 2022-2023, UPUD has a 5% step increase for good performance, but half of UPUD's staff will not receive step increases this year as they are at the top of their wage range. Ms. Self said UPUD has not decided on a COLA for FY 2023-2024, and she suggested examining possible wage disparities before giving COLAs. Director Rasmussen said that higher-paid employees would get higher COLAs, and noted that he is not generally in favor of COLAs and prefers increasing salary ranges on an individual basis. Director Davis-Herndon said the City of Angels is unionized with a 5% step increase and no COLAs are being offered for the next two years. Director Davis-Herndon expressed concern that City staff could feel undervalued if Authority staff receive a 6% COLA. Director Conrado strongly expressed his view that the job duties performed by Authority staff are not the same as those performed by City of Angels and UPUD staff. He said that while Joint Powers Authority wages should be considered, they are not the same. Director Davis-Herndon said the Board had taken action within the past few months to offer longevity pay, incentive pay for special skills, and approved new job descriptions. She asked where the Authority stands when it comes to wages using the salary survey as a guide. Mr. Metzger explained that, according to the survey, Authority management positions are low, and entry level positions were closer to targets. Mr. Metzger reiterated his concern about losing key employees to other agencies that pay higher wages and emphasized the damage turnover does to the Authority. For the future, Director Broglio said he would like to take a closer look at the salary survey for better comparison and understanding. Director Chick said the total cost of a 6% COLA is acceptable to him, and if it's not a COLA, he also supports equity adjustments. Mr. Metzger reminded the Board that the Authority budget must be approved by the end of May in order to provide JPA members with enough time to complete their respective budgets. Director Davis-Herndon asked if any staff members had completed the special certificates offered that would result in a 1% – 2% wage increase. Mr. Metzger said no staff members have completed the requirements to earn the incentive pay increase. Director Conrado said he supported a 6% COLA and believes the Authority staff deserves this increase. Director Broglio expressed concern about the future implications of a 6% COLA. Mr. Metzger said the Utica team is worth it, and reiterated the staff recommendation to move forward with a 6% COLA.

**Public Comment** – Mr. Sebastian Martz said that his bills continue to go up – utilities, property taxes, and trash tax. Mr. Fields said he expects Authority revenues to continue to exceed budget expectations, and he believes these surplus funds could be used to pay for wage increases. He continued by saying he believes the Authority serves as a training ground for the Department of Water Resources (DWR) and other large entities which offer higher wages.

**Continued Board Discussion:**

Director Broglio asked Board members to state their positions.

- Director Chick said it is time to invest and supports a 6% COLA.
- Director Rasmussen said working people deserve to get paid more, and the people at the bottom need this and deserve a 6% COLA.
- Director Conrado said he supported a 6% COLA.
- Director Broglio said he supported a 4%-to-6% COLA.
- Director Davis-Herndon said he supported a 3% COLA and suggested equity adjustments in the future.

- **Motion:** Director Davis-Herndon made a motion to adopt a 3% COLA for the FY 2023-2024 Budget.

- **Second:** No second

Motion died for lack of a second.

- **Motion:** Director Chick made a motion to adopt a 6% COLA for the FY 2023-2024 Budget.

- **Second:** Director Conrado

- **Board Discussion:** None

- **Public Comment:** None

- **Vote:** 2-3-0

- **Ayes:** Director Chick and Director Conrado

- **Nays:** Director Herndon-Davis, Director Broglio, and Director Rasmussen

- **Absent:** None

- **Abstain:** None

Motion Fails

- **Motion:** Director Rasmussen made a motion to adopt a 5% COLA for the 2023-2024 Budget.

- **Second:** Director Conrado

- **Board Discussion:** None

- **Public Comment:** None
  - **Vote:** 3-2-0
  - **Ayes:** Director Rasmussen, Director Chick, and Director Conrado
  - **Nayes:** Director Davis-Herndon and Director Broglio
  - **Absent:** None
  - **Abstain:** None
- Motion passes

**Direction From the Board** – Form a salary committee to study and recommend equity adjustments and long-term wage plans.

The Board proceeded to take action on Item 7G, consideration of adoption of the FY 2023-2024 Budget.

- **Motion:** Director Davis-Herndon made a motion to adopt Resolution 2023-15, adopting the Fiscal Year 2023-2024 Budget for Utica Water and Power Authority.
- **Second:** Director Broglio
- **Board Discussion:** None
- **Public Comment:** None

**Poll:**

- Director Davis-Herndon: Aye
  - Director Conrado: Aye
  - Director Rasmussen: Aye
  - Director Chick: Aye
  - Director Broglio: Aye
  - **Vote:** 5-0-0
- Motion passes

**Item 8: BOARD / GENERAL MANAGER REPORTS, FUTURE AGENDA ITEMS**

- A. General Manager’s Report
  - None
- B. Correspondence
  - None
- C. Board Reports
  - None

**Item 9: UPCOMING BOARD MEETINGS AND CALENDAR EVENTS**

- Tuesday, June 26, 2023, at 5:30 p.m.
- Tuesday, July 25, 2023, at 5:30 p.m.

**Item 10: ADJOURNMENT**

The meeting was adjourned at 7:35 p.m.

- **Motion:** Director Rasmussen made a motion to adjourn.
- **Second:** Director Chick
- **Board Discussion:** None
- **Public Comment:** None
- **Vote:** 5-0-0
- **Ayes:** Director Davis-Herndon, Director Chick, Director Rasmussen, Director Conrado, and Director Broglio
- **Noes:** None
- **Abstain:** None
- **Absent:** None

**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](mailto: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](mailto:admin@uticawater.com) or (209) 736-9419.

Approved at the July 25, 2023 meeting:



ALVIN BROGLIO (Oct 4, 2023 11:28 PDT)

Alvin Broglio, Chair

Attest:



Clerk to the Board

# May 2023 Regular Board Meeting (Approved July 25)

Final Audit Report

2023-10-04

Created:	2023-10-04
By:	Utica Water and Power Authority (admin@uticawater.com)
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## "May 2023 Regular Board Meeting (Approved July 25)" History

-  Document created by Utica Water and Power Authority (admin@uticawater.com)  
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-  Signer alvinbroglio@angelscamp.gov entered name at signing as ALVIN BROGLIO  
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-  Document e-signed by ALVIN BROGLIO (alvinbroglio@angelscamp.gov)  
Signature Date: 2023-10-04 - 6:28:20 PM GMT - Time Source: server
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