



UTICA WATER AND POWER AUTHORITY

UWPA Office Building
1168 Booster Way
Angels Camp, CA 95222
(209) 736-9419

Minutes of the March 22, 2022 Regular Board Meeting

The Board of Directors of the Utica Water and Power Authority met in Regular Session via remote access at the UWPA office in Angels Camp, California.

Directors present:

- Ralph Chick (UPUD), Chair
- Alvin Broglio (COA), Vice Chair
- Jennifer Davis-Herndon, (COA), Secretary
- Greg Rasmussen, (UPUD), Director
- Gary Conrado, Community At-Large Member

Staff present:

- Joel Metzger, (UWPA), General Manager
- Lori Karnes (UWPA), Administrative Manager
- Kyle Rasmussen, (UWPA), Conveyance Supervisor
- Frank Fields, (UWPA), O&M Superintendent

Others Present:

- Public at Large

Item 1: CALL TO ORDER / PLEDGE OF ALLIEGIANCE

- The meeting was called to order at 5:30 p.m. by Director Chick

Item 2: ROLL CALL

- Directors Present
 - Director Chick, Director Broglio, Director Rasmussen, Director Conrado.
- Directors Absent
 - Director Davis-Herndon

Item 3: APPROVAL OF AGENDA

- **Motion to approve:** Director Rasmussen
- **Second:** Director Broglio
- **Board Discussion:** None
- **Public Comment:** None
- **Vote:** 4-0-0
- **Ayes:** Directors Chick, Broglio, Rasmussen, Conrado
- **Noes:** None
- **Abstain:** None
- **Absent:** Director Davis-Herndon

Item 4: PUBLIC COMMENT

There was no public comment.

Item 5: CONSENT CALENDAR

- A. Approval of minutes of the regular meeting dated 2/22/22
- B. General Manager's report (Metzger)
- C. Financial reports 2/1/22 – 2/28/22 (Karnes)
- D. Generation report for January (Fields/Karnes)
- E. Operations report (Fields)
- F. Conveyance report (Rasmussen)
- G. Water Supply Conditions Report (Metzger)
- H. Resolution No. 22-04, COVID-19 State of Emergency Dec. (Metzger)

Director Broglio made a motion to approve the Consent Calendar.

- **Motion to approve:** Director Broglio
- **Second:** Director Conrado

- **Board Discussion:** None
- **Public Comment:** None
- **Vote:** 4-0-0
- **Ayes:** Directors Chick, Broglio, Quincy, Conrado
- **Noes:** None
- **Abstain:** None
- **Absent:** Director Davis-Herndon

Director Davis-Herndon joined the meeting at 5:34 p.m.

Item 6: CLOSED SESSION

The Board adjourned to closed session at 5:34 _____ p.m.

- A. Conference with Real Property Negotiator Government Code section 54956.8 Property: Agency's water conveyance system above Murphys Powerhouse Agency negotiator: Joel Metzger, General Manager Negotiating party: Calaveras County Water District Under negotiations: Terms and conditions of use.

The Board resumed open session at 6:45 _____ p.m.

No reportable action from closed session.

Item 7: REGULAR AGENDA

Discussion and possible action on all items

- A. GIS Mapping Presentation from Websoft Developers (Metzger)

Metzger introduced Sean Dingman from Websoft Developers. Utica has been working with this company exploring Geographic Information System (GIS) and Computerized Maintenance Management System (CMMS). The GIS mapping could be a useful tool to share with emergency responders and other agencies during a fire or other emergency. The map would have a detailed view of the conveyance system providing specific locations of Utica's critical infrastructure. Maintenance of the flume system could be documented to track when maintenance is done and develop a more comprehensive maintenance schedule for the future. There is also the potential of working with the Union Public Utility District (UPUD) and City of Angels (COA), Joint Powers Authority (JPA) members, to partner on this GIS effort and map the UPUD and COA's infrastructure that is served by Utica's system.

Websoft specializes in GIS mapping and database professional services and has a strong focus on water, wastewater, and public works. The company has worked with local agencies as well as others in Southern California, the Bay Area and the Central Valley.

Over the past few months, Mr. Dingman performed a pilot project for Utica as a proof of concept at no charge. Beginning at Hunter Reservoir, all assets of Utica's system were mapped, which included gaging stations, valves, and animal crossings for a 1.7-mile stretch. If Utica secures Websoft's services, Mr. Dingman would map all of Utica's key assets using GIS and create a map book for field personnel that could be accessed on any device, with or without an Internet connection. The powerhouses could also be integrated into the computerized maintenance management system where institutional knowledge and maintenance schedules could be documented and tracked.

Cost is estimated at \$21,120 initially to map the Utica's system on GIS and \$2,500 annually for hosting.

Metzger informed the Board that Utica is facing a budget deficit for FY 2022-23 and may not have adequate funds for GIS and CMMS services, but he said the Federal Energy Regulatory Commission (FERC) is requiring succession planning and grant applications are requiring more detailed GIS mapping. Tracking institutional knowledge is key to Utica's future success and regulatory compliance.

Mr. Metzger said a phased approach might be the most cost effective. The first phase could include GIS mapping of the system to use for emergency response and grant applications. A later phase could include CMMS services.

The Board directed Utica's staff to continue to research grant funding that could help pay for GIS and CMMS services and put this item on the for the next Board meeting.

B. Irrigation Water Contractor Annual Rate Adjustments (Metzger)

Metzger reviewed the Utica Resources Committee's recommendation to increase water contractor irrigation usage fees between 3 – 5%. In 2021, the Board approved rates above Murphys Powerhouse of \$63.29/acre foot (AF) and rates below Murphys Powerhouse of \$26.59/AF.

Irrigation fees are tied to power prices and with both of Utica's powerhouses in the Renewable Market Adjusting Tariff (ReMAT) program, the irrigation fees are very close to potential lost power revenues per ReMAT contracts. The Board agreed that it wouldn't be prudent to increase the rates more than 5% given that last year the administration fee and operation and maintenance fee

increased substantially. After discussion, the Board agreed to fees for irrigators above and below the Murphys Powerhouse by 3%.

Director Conrado made the motion to increase the water usage fee by 3% for all water contractors.

- **Motion to approve:** Director Conrado
- **Second:** Director Broglio
- **Board Discussion:** None
- **Public Comment:** None
- **Vote:** 5-0-0
- **Ayes:** Directors Chick, Broglio, Davis-Herndon, Rasmussen, Conrado
- **Noes:** None
- **Abstain:** None
- **Absent:** None

C. Consideration of Letter of Opposition to AB 1717 (Metzger)

Metzger explained this bill would affect Utica directly by requiring fuel-reduction work – paid for in part or whole by public funds –to be classified as a “public works” project, which requires prevailing wages to be paid. Staff recommended opposing this bill because it would increase the cost of crucial fuel-reduction projects protecting communities and critical infrastructure”, thus reducing the pace and scale of vegetation treatment projects on the ground, due to increased costs.

After discussion, the Board agreed to direct staff to send a letter of opposition to the bill unless it is amended.

Director Davis-Herndon made a motion to approve the Letter of Opposition to AB 1717.

- **Motion to approve:** Director Davis-Herndon
- **Second:** Director Broglio
- **Board Discussion:** None
- **Public Comment:** None
- **Vote:** 5-0-0
- **Ayes:** Directors Chick, Broglio, Davis-Herndon, Rasmussen, Conrado
- **Noes:** None
- **Abstain:** None
- **Absent:** None

D. Consideration of Letter of Opposition Unless Amended to SB 1157
(Metzger)

Metzger informed the board this letter was drafted by the Association of California Water Agencies (ACWA) in opposition to the imposition of stringent indoor water use limitations. Legislation passed in 2016 would reduce the current indoor residential water use from 48 gallons per capita daily (GPCD) to 42 (GPCD) by 2030, which is significantly lower than current water use restrictions. This will have substantial negative impacts to water providers, sanitation agencies, and recycled water providers and make water much less affordable. The substantial financial investment that public water agencies will have to make to reduce residential indoor use will only save approximately half a percent of statewide consumptive water use.

Metzger recommended the Board sign on to the joint letter opposing SB 1157 unless amended.

Director Rasmussen made a motion to approve the Letter of Opposition Unless Amended to SB 1157.

- **Motion to approve:** Director Rasmussen
- **Second:** Director Broglio
- **Board Discussion:** None
- **Public Comment:** None
- **Vote:** 5-0-0
- **Ayes:** Directors Chick, Broglio, Davis-Herndon, Rasmussen, Conrado
- **Noes:** None
- **Abstain:** None
- **Absent:** None

E. FY 2022-23 Budget Development Update (Metzger)*

Metzger explained the potential revenue from Utica's ReMAT contracts based on water year tier. Projections for net increase in revenue, with both powerhouses under ReMAT contracts, ranges from \$484,000 in a Water Year 1 to \$185,000 in Water Year 6. In a Water Year 4, the projected net revenue increase is \$309,000.

Per a two-year agreement, each JPA member contributed \$405,000 in FY 2019-20 and \$417,000 in FY 2021-22. Per Utica's five-year budget projections, \$651,000 from each JPA member will be needed to balance Utica's budget in

FY 2022-23. In 2021-22, Utica's projected revenue was \$2,401,329 and expenses were 3,232,013, which created a deficit of \$830,684. Staff balanced the budget using carryover of \$632,918, \$80,000 from the Water Balance Fund, and \$117,766 from the Member Contribution Reserve Fund. In April 2021, the Board directed Utica staff to target reducing the carryover to 5% of overall budget.

Utica's draft budget for FY 2022-23 currently has a deficit of \$185,000. This includes new ReMAT revenue from Murphys Powerhouse and contributions of \$651,000 from each JPA member agency, per the full funding option listed in Utica's five-year budget projection.. This is important because staff is not projecting a large carryover will be available cover the deficit in the FY 2022-23 budget.

Primary impacts to the need for member contributions are the revenue from the Murphys and Angels Powerhouses, grants, leases, and water sales. Some of the grants Utica has received have not been for planned or budgeted projects. Although the grants have provided necessary equipment to reduce the impacts of Public Safety Power Shutoffs (PSPS) and power outages, they do not necessarily reduce budgeted expenses. The Wooden Flume Grant would assist in reducing expenses, because it would help fund a planned and budgeted project. However, it does require a local match of 25%. Water sales will likely be reduced compared to prior years because of the Guaranteed Energy Production (GEP) requirement in the Murphys ReMAT contract. Increasing irrigation connections will add additional revenue, and revisiting the idea of adding a new small hydropower project could also increase revenues. Reducing regulatory costs would also provide long-term savings. The CIP is not complete and staff is working to add key projects that are not currently included, which will likely increase costs. In addition, the water year will have a substantial impact on the FY 2022-23 budget.

Metzger reiterated that necessary contributions from JPA members, for FY 2022-23 is be \$651,000 from each agency. The Board discussed long-term United States Department of Agriculture (USDA) loans and obtaining grants to relieve the burden on the JPA members in the short term. This option would spread the cost of capital improvements over multiple generations rather than relying so heavily on the JPA contributions in the next few years.. Grants can assist with CIP projects, but there are local matching requirements that Utica will have to meet to qualify for many grants, which can be a substantial amount of money.

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

A. General Manager's Report

Metzger gave a report on a grant-funded fuels reduction project the Calaveras Resource Conservation District (RCD) obtained. The project starts near the Murphys Afterbay and continues up the hill where it connects to Forest Meadows. This project will substantially reduce the risk of catastrophic wildfire in the area.

Mr. Kyle Rasmussen is working on clearing vegetation along the canal and spill course above and below Murphys Forebay, making repairs and preparing for upcoming Division of Safety of Dams (DSOD) and Part 12 dam inspections.

Utica received \$115,000 worth of California Conservation Corps (CCC) crew labor through Cal Fire to clear Utica's canal road between the Murphys Forebay and Darby gaging station.

B. Board Reports

Item 9: UPCOMING BOARD MEETINGS AND CALENDAR EVENTS

- Tuesday, April 26, 2022 at 5:30 p.m. – Regular Board Meeting
- Tuesday, May 24, 2022 at 5:30 p.m. – Regular Board Meeting

Item 10: ADJOURNMENT

The meeting was adjourned at 8:24 p.m.

Approved at the April 26, 2022 meeting:

Ralph Chick

Chair

Attest:

Lori Karnes

Clerk to the Board

Signature Certificate

Reference number: TQECA-QFKES-ANWVS-RXSOE

Signer	Timestamp	Signature
Lori Karnes Email: admin@uticapower.net Sent: 03 Jun 2022 17:50:30 UTC Signed: 03 Jun 2022 17:50:30 UTC	03 Jun 2022 17:50:30 UTC 03 Jun 2022 17:50:30 UTC	 IP address: 96.92.110.142 Location: Stockton, United States
Rocky Chick Email: rockyc@uticawater.com Sent: 03 Jun 2022 17:50:30 UTC Viewed: 20 Jun 2022 14:58:11 UTC Signed: 20 Jun 2022 14:58:21 UTC	03 Jun 2022 17:50:30 UTC 20 Jun 2022 14:58:11 UTC 20 Jun 2022 14:58:21 UTC	 IP address: 66.178.169.181 Location: Rogue River, United States
Recipient Verification: ✓ Email verified	20 Jun 2022 14:58:11 UTC	

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