



UTICA WATER AND POWER AUTHORITY

Regular Board Meeting Minutes April 25, 2023

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

- Chair 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
- Lori Karnes, Utica Administrative Technician
- Stacie Walker, Utica Administrative Specialist

- Frank Fields, Utica O&M Superintendent
- Kyle Rasmussen, Utica Conveyance Supervisor

Others present:

- Larry Thompson, Utica Community At-Large, Alternate
- Emily Dondero, Freedom Energy Corporation

Chair Broglio adjourned the meeting to closed session.

Item 3: CLOSED SESSION (5 p.m.)

A. Pursuant to Government Code § Section 54957(b)(1): Public Employee Performance Evaluations – Titles: General Manager, Conveyance Supervisor, Operations and Maintenance Superintendent, Hydroelectric Operator, Conveyance Operator

- The Board adjourned to closed session at 5:03 p.m.

B. Report out on closed session

- The Board reconvened open session at 5:46 p.m.
- The Board revised the General Manager’s contract, which will be considered for approval later in the meeting, and direction was given to staff.

Item 4: APPROVAL OF AGENDA

Director Chick made a motion to approve the agenda.

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

Item 5: PUBLIC COMMENT

- There was no public comment.

Item 6: CONSENT CALENDAR

- A. Approval of minutes of the regular meeting dated March 2023 (Karnes)
- B. Financial reports March 2023 (Karnes)
- C. Generation Report March 2023 (Fields / Karnes)
- D. Operations Report: March-April 2023 (Fields)
- E. Conveyance Report: March-April 2023 (Rasmussen)
- F. Water Supply Conditions Report (Metzger)
- G. Authorization of Joel Metzger to be Utica's JPIA alternate (Metzger)

Director Chick made a motion to approve the consent calendar.

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

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

Director Broglio moved Item 7H before Item 7A.

H. Annual report from Utica's Chief Dam Safety Engineer (Metzger) (Kessler)

Mr. Metzger introduced John Kessler, Utica's Chief Dam Safety Engineer (CDSE). Mr. Kessler reviewed Utica's Dam Safety Program, 2023 Part 12 Safety Inspection Reports, spillway capacity rating, Probable Maximum Flood updates, operating level restriction, Emergency Action Plan rewrite, 2022 Dam Safety Surveillance Monitoring Reports, and future maintenance needs. Mr. Kessler also reviewed the responsibilities of Utica staff, the CDSE, and Utica Board members. Utica is responsible for ensuring the safety of all dams within the Utica and Angels Hydroelectric Projects and to maintain comprehensive Dam Safety Program. Safety is accomplished by maintaining dams and keeping them in good operating condition, regular monitoring of the dams, and complying with all applicable federal and state dam safety regulations. All Utica employees and consultants responsible for dam safety shall be familiar with, and carry out their respective roles and

responsibilities in the Dam Safety Program. Mr. Metzger thanked Mr. Kessler for his good work and being an advocate for Utica to ensure that the funds spent on regulatory compliance and dam safety are necessary and appropriate.

A. Utica annual Grants Program update (Metzger / Dondero)

Mr. Metzger introduced Emily Dondero, co-owner of Freedom Energy Corporation. Ms. Dondero is an outside consultant for Utica, researching grant opportunities, writing grant applications, coordinating volunteers, and submitting grant applications on Utica's behalf. Mr. Metzger gave a presentation to the Board recapping Utica's Grants Program in FY 2022-2023, and looking ahead to FY 2023-2024.

Utica was approved for a grant from the United States Bureau of Reclamation (USBR) – WaterSMART Small Scale Water Efficiency Project for \$83,029. This grant will help fund the installation of automated waste gates that can be controlled remotely, gaging stations to more accurately measure water, and shotcrete lining for the canals to reduce water leakage. The total project cost is estimated to be \$171,300.

Utica is waiting to hear if a grant application submitted to the CAL FIRE Wildfire Prevention Grants Program in early 2023 will be approved. The Darby Apple Fuel Reduction Project grant application is for \$1,274,790. The project would treat about 400 acres and connect existing fuel breaks in the area, which will help reduce wildfire risk.

Goals for grants in Fiscal Year 2023-2024:

- Complete and submit a Department of Water Resources State of California, Small Community Drought Relief Program grant application to remove sediment from Utica and Union Public Utility District reservoirs.
- Continue to submit WaterSMART grants to USBR.
- Consider submitting applications to California Office of Emergency Services (Cal OES) Hazard Mitigation grants for infrastructure vulnerable to natural disasters.
- Apply for funding from the Department of Energy Section 247 funding for powerhouse and dam safety infrastructure projects.
- Continuing to submit fuels reduction projects to CAL FIRE and other funding agencies, if staff has the resources to manage them.

Mr. Metzger informed the Board that staff will prioritize seeking grants that will help fund capital improvement projects listed on Utica's 10-year Board-adopted Capital Improvement Plan, and target grants of \$100,000 or more, due to the amount of staff time it takes to manage them.

Ms. Dondero mentioned that the relationships established with agencies that provide grant funding will continue to be valuable resources in the future for seeking other grant opportunities. She also mentioned that all the contacts she has made, grant applications, document templates, and boilerplate language are stored on a Google Drive where they can be easily accessed by anyone at Utica.

B. Consideration of approval of contract for general manager services (Metzger) (Resolution 2023-13)

Mr. Metzger asked the Board to consider adopting a resolution that approves the general manager services contract as amended per closed session direction.

Director Davis-Herndon made a motion to adopt Resolution 2023-13 approving the general manager services agreement amended.

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

C. Informational update on FY 2023-2024 Draft Budget (Metzger)

Mr. Metzger informed the Board that the Utica Budget Committee met twice to discuss the FY 2023-2024 Draft Budget. Adjustments were made over the course of the year in order to reduce carryover funds at the end of the fiscal year. The budget shortfall anticipated from the first Budget Committee meeting was \$224,000. Budget adjustments will be refined until the end of the fiscal year. In order to balance the draft budget, staff expects Utica will

need a \$290,000 contribution from each agency, which is down from \$490,000 from each entity in FY 2022-2023. Utica anticipates additional hydropower sale revenue over the next couple of months, due to the large amount of rain and snow this winter. Mr. Metzger advocated for a long-term funding agreement between the Joint Power Authority (JPA) members. In good water years, Utica could deposit funds into reserves that could be used during dry years when water is scarce. The agreement would provide certainty for funding required and avoid annual negotiations that take staff time. Staff recommended updating Utica's five-year budget projections and agreeing on an average year funding amount with Union Public Utility District and City of Angels. Mr. Metzger mentioned that in recent Budget Committee meetings Rebecca Callen, City of Angels Administrative Manager and Jessica Self, Union Public Utility District's General Manager, provided feedback on the draft budget and were supportive of developing a long-term funding agreement.

Utica Budget Committee recommendations from the April 24, 2023 meeting:

- Make a budget adjustment to move all projected carryover into the JPA Member Contribution Reserve prior to the end of FY 2022-2023.
- Increase member contributions from \$250,000 to \$290,000 each for a total of \$580,000
- Update actuals and projected carryover for FY 2022-2023 to inform the next Budget Committee meeting prior to the May 30, 2023, Board meeting.

The projected carryover as of April 25, 2023, is \$412,000, which includes grants and surplus revenue. With this carryover, Utica still has a shortfall of \$78,000. If Utica's hydropower sales continue to exceed projections, the projected shortfall could decrease. All of these numbers are estimated and subject to change.

D. Consideration of adoption of updated 10-year Capital Improvement Plan (Metzger) (Resolution 2023-14)

Mr. Metzger explained that Utica worked with staff and consultants over the last year to develop a 10-year Capital Improvement Plan (CIP) and review high priority projects. The CIP was initially adopted in May 2022.

Reprioritization of CIP projects for FY 2023-2024:

- Trash Rack Project: \$135,000 - Trash rack project was moved up from FY 2028-2029 to FY 2023-2024. The trash rack is old and the

design inefficient. It continuously breaks down and is a safety hazard for employees.

- Gaging station installation: \$10,000 – For Mill Creek and French Gulch.
- Flume replacement: \$150,000 – Increased from \$100,000. This is to replace a failing section of 3/4 Mile Flume. Scaffolding will need to be rented to keep crews safe while working on that section.
- Shotcrete: \$25,000 – This will fund a shotcrete overlay of 600 feet of canal. There could be grant funding that would match this amount and double the amount canal that could be lined.
- Murphys Powerhouse Governor Retrofit: \$230,000 plus \$70,000 - This was moved up to be completed in FY 2023-2024 (The project was originally to be completed in five years at \$600,000). The Governor is the “brain” of the powerhouse. This project will convert the unit from analog to digital and will allow Supervisory Control and Data Acquisition (SCADA) to be connected to it more effectively so it can be programmed and monitored.
- Murphys Powerhouse Relay Protection Project: \$200,000 – This was moved back to FY 2024-2025 to allow for the Murphys Powerhouse Governor retrofit to be completed. It was previously scheduled for FY 2023-2024.

Director Rasmussen made a motion to adopt Resolution 2023-14, Adopting the Amended 10-year Capital Improvement Plan.

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

E. Discussion and direction regarding new job descriptions for Conveyance, Regulatory Compliance, and Operations positions (Metzger)

Mr. Metzger is working with the management team to create new job descriptions to best utilize an employee's skill set, promote professional growth, and encourage them to remain with Utica through retirement. Final drafts of new job descriptions will be brought to the Board for review in the next month.

F. Informational update on Congressionally Directed Spending requests
(Metzger)

Mr. Metzger reported that the very first Congressionally Directed Spending (CDS) request for \$262,000 submitted by Utica was approved by Senator Alex Padilla's office on March 30, 2023. If approved by committee in Washington D.C. and adopted in the congressional budget, the funding would go toward an alternatives analysis to determine which method of hardening the flumes against wildfire and other natural disasters is preferred. The funding is not guaranteed.

Utica also submitted a CDS request to Senator Diane Feinstein's office for just under \$6 million. If approved by committee and adopted in the congressional budget, the money would be used for the planning design and construction of the Lower Tunnel Tap project. The project would provide an alternate water supply source in the event the flumes and canals are damaged by wildfire or natural disasters. The funding is not guaranteed.

G. Update on the disaster recovery efforts stemming from the 2022-2023 storms (Metzger)

Mr. Metzger gave a report on disaster relief recovery efforts. In talking to Federal Emergency Management Agency (FEMA), if Utica wants to do any repairs and replacements other than "in-kind", it will likely require detailed and lengthy environmental studies. Utica may not move forward with certain projects under the FEMA funding process if they are not in the best interest of the Authority. The plan is to move forward with the road repairs at this point. Mill Creek Crossing on Candy Rock Road needs to be rebuilt, but there could be environmental studies that need to be done prior to construction and Utica may not be prepared to take that on at this time.

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

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

A. General Manager's Report:

- “Water: Our Gold” video premiere at Ironstone, May 4, 2023, and more than 250 people attended. This even was a huge success.
- The Draft FY 2023-2024 Budget development is ongoing.
- Staff is working on the Lower Tunnel Tap feasibility assessment and long-term water sale analysis.
- Utica contracted with Sierra HR Partners, an outside human resources consultant, to provide ongoing support.
- Mr. Metzger will be attending at Water Education Foundation tour of the San Joaquin Valley April 26 – 28.

B. Correspondence

- Nothing to report.

C. Board Reports

- Nothing to report.

Item 9: UPCOMING BOARD MEETINGS AND CALENDAR EVENTS

- Thursday May 4, 2023 “Water: Our Gold” showing at Ironstone
- Tuesday May 30, 2023, at 5:30 p.m.
- Tuesday June 26, 2023, at 5:30 p.m.

Item 10: ADJOURNMENT

- Director Davis-Herndon made a motion to adjourn the meeting, seconded by Director Rasmussen.
- The meeting was adjourned at 7:24 p.m.

Approved at the May 30, 2023 meeting:



ALVIN BROGLIO (Oct 4, 2023 11:25 PDT)

Alvin Broglio, Chair

Attest:



Clerk to the Board







April 2023 Regular Board Meeting (Approved May 23)

Final Audit Report

2023-10-04

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