



REGULAR BOARD MEETING MINUTES

5:30 p.m. Tuesday February 13, 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 – Vice Chair
Jennifer Herndon – Secretary
Gary Conrado – Director
Caroline Schirato – Director
Tom Quincy – Director

ORDER OF BUSINESS

Agenda Items

1. Call to Order / Pledge of Allegiance

- Meeting Called to Order: 5:30 p.m.

2. Roll Call

- **Directors Present:**
 - Director Herndon
 - Director Broglio (alternate for Schirato)
 - Director Chick
 - Director Conrado
 - Director Quincy
- **Directors Absent:**
 - None
- **Utica Staff Present:**

- Joel Metzger, General Manager
- Stacie Walker, Administrative Specialist
- Frank Fields, O & M Superintendent
- Kyle Rasmussen, Water Conveyance Supervisor
- **Others Present:**
 - Russ Thomas, CCWD Board of Directors
 - Michael Manwaring, Stantec
 - Ryan Jolley, Bryant L. Jolley CPAs

3. Approval of Agenda

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

4. Public Comment

- Russ Thomas, Board Chair of the Calaveras County Water District (CCWD), came to commend Utica and Mr. Metzger for their efforts to work together with the other water agencies in Calaveras County to provide the best service for the local community. He is also pleased to report the recall campaign to remove CCWD directors has failed. Mr. Thomas said he has spent a lot of time trying to do good deeds for the community and is glad to remain on the Board of Directors.

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.

- Approval of minutes from the January 16, 2024, Special Board Meeting
- Financial reports for December 2023 and January 2024 (Walker)
- Generation reports for December 2023 and January 2024 (Walker)
- Hydroelectric Operations Report (Fields)
- Water Conveyance Report (Rasmussen)
- Water Supply Conditions Report (Metzger)

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

6. Regular Agenda

Discussion and possible action on all items.

A. Election of officers, appointment of Community At Large director, committee appointments (Metzger)(Walker)

- Director Broglio **made a motion** to nominate Director Chick as Chair
 - **Second:** Director Herndon
 - **Vote:** 5-0-0
 - **Ayes:** Director Herndon, Director Chick, Director Conrado, Director Quincy, Director Broglio
 - **Noes:** None
 - **Abstain:** None
 - **Absent:** None
-
- Director Conrado **made a motion** to nominate Director Schirato as Vice Chair
 - **Second:** Director Quincy
 - **Vote:** 5-0-0
 - **Ayes:** Director Herndon, Director Chick, Director Conrado, Director Quincy, Director Broglio
 - **Noes:** None
 - **Abstain:** None
 - **Absent:** None
-
- Director Quincy **made a motion** to nominate Director Herndon as Secretary
 - **Second:** Director Conrado
 - **Vote:** 5-0-0
 - **Ayes:** Director Herndon, Director Chick, Director Conrado, Director Quincy, Director Broglio

- **Noes:** None
- **Abstain:** None
- **Absent:** None

- Director Broglio **made a motion** to reappoint Director Gary Conrado as the community-at-large director and Director Larry Thompson as the at-large alternate for an additional two-year term.
- **Second:** Director Quincy
- **Vote:** 5-0-0
- **Ayes:** Director Herndon, Director Chick, Director Conrado, Director Quincy, Director Broglio
- **Noes:** None
- **Abstain:** None
- **Absent:** None

Committee appointments were assigned by Board Chair Chick as follows:

- Budget Committee
 - Director Quincy
 - Director Schirato
 - Director Herndon, alternate

- FERC Committee
 - Director Conrado
 - Director Herndon
 - Director Quincy, alternate

B. Consideration authorizing the General Manager to execute an updated proposal from Stantec to provide continued support of Utica's FERC Exemption applications (Metzger)

- Mr. Metzger gave a presentation that reviewed the timeline of Utica's FERC Conduit Exemption applications, explained Stantec Consulting's involvement in stakeholder meetings, and highlighted key points of the Stantec proposal for additional scope and budget. Mr. Metzger said if the scope is approved (Subtasks 2A and 2B) tonight, Utica will secure Stantec's support up to the April Board meeting, at which time Stantec will review stakeholder comments with the Board. Aside from the scope presented, Mr. Metzger asked for additional budget for weekly support meetings. Mr. Manwaring explained that Stantec chose to break the scope into subtasks to make sure the Board is comfortable with every step of the FERC Exemption process. Mr. Manwaring said the cost of subtask 3 is highly dependent on stakeholder comments. Because of this, Stantec anticipates coming back in April – after the comment period – to review the deliverables and present a refined scope for Subtask 3 that will cover

continued work efforts through the 2024 calendar year. Stantec has worked with the General Manager as well as the Utica FERC Committee identify cost savings when possible. Mr. Manwaring said there is potential for saving in many areas and will continue to work with staff to identify potential savings.

- **Board Discussion:** Director Herndon asked what is the RFD charge. Mr. Manwaring said it is Stantec's contract for indirect cost and typically it is 8%. However, Stantec reduced this fee to 6.5% which was another cost savings to Utica. Director Conrado stated that he appreciates Stantec working with the FERC Committee to lower costs. Director Chick asked if it would make sense to authorize a not-to-exceed of \$40,000, to give Utica staff some additional flexibility. Director Broglio confirmed Utica has enough funding in the FERC reserve for the expenses being discussed, and Mr. Metzger confirmed there is about \$1.1 million the FERC Exemption reserve.
- **Public Comment:** None
- Director Conrado **made a motion** to authorize the General Manager to sign Task Order 2, Subtask 2A and 2B of Stantec's proposal dated February 13, 2024, for continued support of UWPA's FERC Exemption applications, not to exceed \$40,000.
- **Second:** Broglio
- **Vote:** 5-0-0
- **Ayes:** Director Herndon, Director Chick, Director Conrado, Director Quincy, Director Broglio
- **Noes:** None
- **Abstain:** None
- **Absent:** None

C. Consideration of acceptance of the FY 23 Annual Audit (Metzger) (Jolley)

- Mr. Metzger is happy to report a clean financial audit. However, due to the transition from outside accounting to Quickbooks Online, some differences needed to be worked out with. Staff identified and problem-solved those differences and confirmed Utica is in a good position moving forward. Mr. Jolley reviewed the financial audit with the Board and highlighted areas of key changes.
- **Board Discussion:** Director Quincy asked about the equipment item line and what it was for. Mr. Metzger said that is both CIP and equipment purchases, which included the cost of a mini-excavator. Director Herndon said the total assets increased by \$866,000 and asked if this was due to increased water and power sales. Mr. Jolley said the total assets are a combination of the increase in cash on hand and the current year addition to capital assets minus current year depreciation on historical assets.

Director Herndon asked if there was a plan in place to pay for the \$127,000 of CalPERS unfunded liability. Mr. Metzger said when Utica joined CalPERS the Board agreed on purchasing 20% of time served for all Utica employees, which cost \$119,000 at the time. The unfunded liability amount has increased by \$8,000 in the past two years. The Board decided to let that liability float and make annual payments rather than paying the lump sum up front. Director Broglio suggested that if surplus funds exist in the future, they could be used to pay that down. Mr. Metzger said the option to pay unfunded liability down has been brought to the Board in the past and will be brought to the Board in the future if there is surplus revenue.

- **Public Comment:** None
- Director Broglio **made a motion** to accept the audit.
- **Second:** Director Conrado
- **Vote:** 5-0-0
- **Ayes:** Director Herndon, Director Chick, Director Conrado, Director Quincy, Director Broglio
- **Noes:** None
- **Abstain:** None
- **Absent:** None

D. Consideration of adopting Resolution 2024-01 approving the 2nd adjustment to the FY 2023-2024 Budget (Metzger)

- Mr. Metzger reviewed the proposed 2nd budget adjustment with the Board. He explained how the amount of rain and the water year determination will affect the ability to generate revenue for the rest of the year. Due to the 2022-2023 winter being so wet, water sales revenue was lower than anticipated due to low water purchase offers. Mr. Metzger said staff is considering looking at water sales differently to avoid budget deficits in the future. The Utica Budget Committee met and reviewed the budget adjustment proposal with the exception of the targeted cuts, which staff identified following the Budget Committee meeting. Additionally, further adjustments to the FERC Reserve income and expense will be needed to capture the additional funds approved on Item 6B.
- **Board Discussion:** Director Conrado asked if the next set of automated cross gates/ wastegates can be installed during the spring maintenance outage. Mr. Rasmussen said one gate can be installed but additional gates for new locations won't arrive in time. Director Broglio asked if the proposed \$50,000 for the new "FERC (Exemption General Expenses)" GL is enough to cover costs that have already been incurred. Mr. Metzger said he can reallocate approximately \$20,000 to that account at this time and expects \$50,000 will be enough funds through the remainder of the fiscal year. However, if more funding is needed staff would present an additional adjustment to the full Board.
- **Public Comment:** Mr. Rasmussen spoke about the wastegate project cost. He said the costs were higher than expected due to

because of the concrete work done by an outside contractor that had to be done at the first location. He said the cost of the next gates will be much less because they will be placed in wooden flumes, which may require a crane, but no concrete work.

- Director Broglio **made a motion** to adopt Resolution 2024-01 approving the Fiscal Year 2023-2024 Budget Adjustment 2, with a not to exceed \$40,000 Stantec task authorization, per Board direction on item 6B.
- **Second:** Director Conrado
- **Poll:**
 - **Director Broglio:** Aye
 - **Director Herndon:** Aye
 - **Director Chick:** Aye
 - **Director Quincy:** Aye
 - **Director Conrado:** Aye
- **Vote:** 5-0-0

Resolution 2024-01

E. Consideration of letters of support for federal legislation and authorization of Director Schirato to take meetings on behalf of UWPA in Washington D.C. (Metzger)

- Mr. Metzger said Director Schirato will be in Washington D.C. on other business and has agreed to accept meetings on behalf of Utica and attend an ACWA conference. Mr. Metzger and consultants have been creating leave-behind materials and setting up appointments to meet with D.C. staff and advocate for Utica's FERC Exemption efforts. Mr. Metzger talked about the Federal acts he believes Utica should support and asked the Board to consider having them hand-delivered by Director Schirato. Additionally, Mr. Metzger requested authorization to support select bills recommended by David French to support Utica's exemption efforts
- **Board Discussion:** Director Chick suggested getting business cards for Board Directors, he said it might be impactful for leave-behinds, especially with Director Schirato's D.C. trip.
- **Public Comment:** Mr. Thomas commented about how the property tax fund affected agencies back when it was passed and how it has affected CCWD.
- Director Herndon **made a motion to** authorize Mr. Metzger and Director Chick (Chair) to sign letters of support on federal legislation and authorize Director Schirato to represent and advocate on behalf of Utica in D.C., and to authorize support letters for Padilla's LIHWAP Act and Bennett's the Watershed Protection and Forest Recovery Act.
- **Second:** Director Broglio
- **Vote:** 5-0-0
- **Ayes:** Director Herndon, Director Chick, Director Conrado, Director Quincy, Director Broglio
- **Noes:** None

- **Abstain:** None
- **Absent:** None

F. Discussion / direction regarding January 31, 2024, Joint Powers Authority Joint Member Entities meeting (Metzger)

- Mr. Metzger recapped the January 31, 2024, Joint Powers Authority Joint Meeting held at the Native Sons Hall to the Board and asked for clear direction on the following topics:
- Joint JPA Meeting Frequency
 - Discussion
 - The Board believes that an annual meeting is a good idea
 - Director Conrado suggested meeting (or holding individual briefings) when there is a turnover of elected officials
 - Moving forward, the annual meetings are expected to be less technical than what was presented at the January meeting.
 - JPA managers should decide if business requires additional meetings, managers can poll the board via email.
 - Direction
 - The Board directed the General Manager to coordinate with COA and UPUD managers to hold one joint JPA meeting per year.
- Utica GM providing updates to member agencies
 - Discussion
 - Any time there is a major milestone
 - Twice a year reports as information only speaking at the beginning of the meeting. The length of the presentation would be determined by the General Manager based on the amount of information that needs to be presented.
 - Meetings should be in October for Maintenance Outage plans and in May during budget development.
 - Direction
 - The Board directed the General Manager to coordinate with COA and UPUD managers to make two reports to COA and UPUD per year. Generally, one should be in October and one in May.
- What will Utica Board Members report back and what do they need from staff
 - Discussion
 - Monthly meetings with GM right before the UPUD Meeting
 - The City of Angels is going to continue bringing notes and reporting on their standing Utica item.

- Direction
 - The Board committed to providing comprehensive reports about Utica at COA and UPUD Regular Meetings and directed staff to coordinate with and support Board Members in preparation of these reports as needed.
- JPA Agreement Ad-hoc committee
 - Discussion
 - Leave it as is.
 - Some things could be updated, but it is not a priority right now.
 - This should be agenized and reviewed by the Utica Budget Committee for the FY 24-25 and/or FY 25-26 budget cycle.
 - Directors will report back to their respective agencies for opinions about this matter
 - Mr. Metzger will be engaging with rate specialists and within the next month or so will have an in-depth financial analysis.
 - Direction
 - The Board directed the General Manager to communicate with managers of COA and UPUD that creating an ad-hoc committee to review and propose amendments to the Joint Powers Agreement was not a priority at this time and will not occur in FY 2023-24. The Board directed the General Manager to discuss this further at upcoming Budget Committee meetings and bring it back to the full Board when deemed appropriate.
- JPA Contributions
 - Discussion
 - The Board said it was clear during the joint member entity meeting that member agencies supported the idea of a fixed contribution.
 - The Board believes a fixed contribution would address many of the concerns raised by member entities, especially concerning communication and finances, but it is unclear what the amount of the fixed contribution would be.

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

7. Board / General Manager Reports, Future Agenda Items

- Correspondence

- a. A thank you letter will be going out to the Native Sons for the donation of their facility.
- General Manager report
 - a. Mr. Metzger reviewed highlights from January 2024
- Board Reports
 - a. Director Herndon gave a report about the City's current projects.
 - i. The City was successful in securing the easement rights to Foundry Lane which will aid in new development and reduce traffic congestion.
 - ii. Utica Park is showing progress, construction is to start in late March 2024
 - iii. COA contributed \$35,000 to the Frog Bucks buy-one-get-one credit cards aimed at boosting the local economy.
 - iv. Mark Twain Elementary will install no parking signs and additional stop signs to improve safety.
 - v. Caltrans will attend the February 20, 2024, City Council Meeting and present on the mobility project. There will be an open house at the High School on March 7 to discuss the progress.
 - vi. Prop 218 will begin soon.
 - b. Tom Quincy reported about UPUD's legal challenges
 - i. The judge sided with UPUD recently, but there could be an appeal.
 - ii. Work on the Monge Ranch Road Project will begin on May 1, 2024. KW Emerson is the contractor. Work is going to take time because they will need to redirect the stream and move two water lines.
 - c. Director Conrado said he is impressed by Utica staff and wanted to commend them for their hard work and professionalism.

8. Upcoming Board Meetings and Calendar Events

- Tuesday, March 26, 2024, at 5:30 p.m.
- Tuesday, April 23, 2024, at 5:30 p.m.

9. Adjournment

- **Board Discussion:** None
- **Public Comment:** Mr. Thomas cautioned the Board to look closely at contractor licensing and insurance coverages during the selection process. Recently at a CCWD facility contractors were performing maintenance with cutting torches and a fire erupted due to the pipe having plastic in it. Mr. Thomas also said he enjoyed attending the Utica Board meeting and can see that Utica staff is a well-oiled machine.
- Director Herndon **made a motion** to adjourn
- **Second:** Director Quincy
- **Vote:** 5-0-0

- **Ayes:** Director Herndon, Director Chick, Director Conrado, Director Quincy, Director Broglio
 - **Noes:** None
 - **Abstain:** None
 - **Absent:** None
-
- **Meeting Adjourned:** 7:42 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.

Approved at the March 26 2024, meeting:


Ralph Chick (Mar 27, 2024 15:29 PDT)
Ralph Chick, Board Chair

Attest:


Stacie Walker, Board Clerk