

Regular Meeting

5:00 pm

DIRECTORS PRESENT: Jack Tressler  
J.W. Dell’Orto  
Brady McCartney  
Kevin Sparks

MEMBERS ABSENT: Richard Blood

STAFF PRESENT: Travis Small, General Manager  
Mathew Roberts, Water System Superintendent  
Adam Brown, District Legal Counsel (5:24pm)  
Carissa Bear, Clerk of the Board  
John Cunningham, Calaveras Public Utility District (Remote)

OTHERS PRESENT: Joel Metzger, Utica Water and Power Authority

1. CALL THE MEETING TO ORDER: The special meeting was called to order by President Tressler at 5:03 P.M.
2. ROLL CALL OF DIRECTORS: Directors Tressler, Dell’Orto, McCartney, and Sparks were present. Director Blood was absent.
3. PLEDGE OF ALLEGIANCE
4. PUBLIC COMMENT (Limit 3 minutes per person/15 minutes per subject): None
5. CONSENT ITEMS
  - a. February 20, 2024, Regular Board Minutes
  - b. Claim Summary

A motion was made by Director Dell’Orto, seconded by Director McCartney, to approve Consent Items a-b. A roll call vote was taken. Directors Dell’Orto, McCartney, Sparks, and Tressler voted yes. Motion carried 4-0.

6. LETTER OF SUPPORT
  - a. Letter of Support for Utica FERC Exemption
  - b. Resolution 2024-03 Supporting The Utica Water And Power Authority’s Federal Energy Regulatory Commission Conduit Exemption Applications For Utica P-2019 And Angels P-2699

Travis Small, General Manager, informed the Board of his recommendation to submit a letter of support for Utica Water and Power Authority’s FERC Exemption. He then asked Joel Metzger, General Manager of Utica Water and Power Authority (UWPA) to explain to the Board the purpose of the letter. Utica Water and Power Authority operates a 27-mile-long water conveyance system consisting of ditches, wooden flumes, penstocks, and five reservoirs to move water from Avery to

Angels Camp. Mr. Metzger explained that UWPA has two small hydros which are due for relicensing. This licensing is required every 30 years. The cost of licensing is approximately \$10 million. UWPA does not want to see their customers impacted by the cost of relicensing. They looked into multiple options; one being decommissioning the hydros which would have ended up costing more than the relicensing. The next option is to apply for a Federal Energy Regulatory Commission (FERC) exemption. This exemption would mean that UWPA's water system will no longer be regulated by the Federal Government, meaning they will no longer need to worry about relicensing. This is the option that they have decided will prove the most beneficial. They are currently in the three-month comment period. FERC has asked for UWPA to provide letters from the community providing their support of this exemption. Mr. Metzger informed the Board that he has already received Letters Of Support from the Calaveras County Board of Supervisors, Murphys Sanitary District, Union Public Utility District, and City of Angels. He is requesting the District's support because the District already has an exemption with FERC. He believes receiving a letter from a District that already has an exemption will help. Mr. Small explained the UWPA will still have inspections and permits to uphold just like the District, but they will now be less. The Board discussed with Mr. Metzger more in depth the process of decommissioning the hydros. Director McCartney recommended reaching out to Mokelumne Hill Sanitary District for support as well. Mr. Metzger thanked the Board for their time and offered a tour of their system in the future. A motion was made by Director Dell'Orto, seconded by Director Sparks, to approve Resolution 2024-03 Supporting The Utica Water And Power Authority's Federal Energy Regulatory Commission Conduit Exemption Applications For Utica P-2019 And Angels P-2699. A roll call vote was taken. Directors Dell'Orto, McCartney, Sparks, and Tressler voted yes. Motion carried 4-0.

\*Mr. Small asked to move ahead to agenda item #8. Adam Brown, District Legal Counsel was enroute to the District office and will present the Board Power Point Workshop On Board Of Directors 101 upon arrival.

7. BOARD POWER POINT WORKSHOP ON BOARD OF DIRECTORS 101
  - a. Board/Staff Communication; Policy 1020
  - b. Duties of the President; Policy 4110
  - c. Board Meetings; 4200-4230

Mr. Brown gave a Power Point presentation on Board 101. He explained the importance of confidentiality on closed session items. He went over the responsibilities of the Board and management; explaining that management handles details while the Board handles the big picture. If Board Members have any questions regarding their role, Mr. Brown asked that they reach out to him for clarification. If the Board Members have any questions regarding the District they should reach out to management for clarification. The Board Members should be using their District email for all District business and only District business. They should make it a priority to keep District business and personal business separate. Mr. Brown went over the Brown Act and explained that the Board cannot take action on any item that does not state that it is an action item other than during emergencies as authorized by statute. At that time, the minutes will need to be noticeably clear on what the emergency was, and the action taken. Mr. Brown educated the Board on avoiding serial meetings; one Board member cannot speak to multiple Board members separately to come to a consensus before a meeting. No more than two Board members can discuss an agenda item together outside of a properly noticed and public meeting. Mr. Brown discussed the importance of not commenting on social media posts that are related to the District, explaining that if more than two Board members comment on it in a manner that can be considered an effort to reach a consensus on an item that is before the Board, it can be in violation of the Brown Act.

8. CONSIDERATION AND ACCEPTANCE OF FINANCIAL STATEMENTS FOR FISCAL YEAR ENDING JUNE 30, 2023

Mr. Small presented the Board with a confidential Managers' report. He informed the Board that there were a couple of findings in this audit. The District had to make some corrective journal entries. The auditors informed the District that an accounts payable general ledger should have been in place for retention on capital projects. A check for ERS Industrial Services, Inc. was paid in July but should have been paid in June. A payroll correction was done for a payroll that was split between the two fiscal years. A correction was made on lease liability for the sales tax of the backhoe. The final comment, like every year, the auditors would like to see more segregation of duties. The District continues to work on improving the segregation of duties. Director Dell'Orto feels that the overall report was good and that some of the comments made by the auditors were too critical. He believes the District has really improved. A motion was made by Director Dell'Orto, seconded by Director Sparks, to accept Financial Statements For Fiscal Year Ending June 30, 2023. A roll call vote was taken. Directors Dell'Orto, McCartney, Sparks, and Tressler voted yes. Motion carried 4-0.

9. BUDGET UPDATE 2023/24

Mr. Small went over the budget update. Director Sparks asked for clarification on the loan covenant ratio; Mr. Small explained. The current loan covenant ratio is at 5.85. This budget report has been updated to reflect the corrective journal entries requested by the auditors. Mr. Small informed the Board that the District has started on preparing the 2024/2025 Fiscal Year Budget. The Finance Committee and staff met on March 7<sup>th</sup> to discuss the proposed budget. The District is on track with the current fiscal year budget. Mr. Small noted that staff has done well on keeping the Schaads hydros running. Mathew Roberts, Water System Superintendent, confirmed that the units have been running pretty well since the repairs. Mr. Small believes that the District will break even with expenses and production from Schaads. The District is continuing to plug away on training. The crew just completed asbestos training and will be doing trenching and shoring training next. Director McCartney asked if the crew participate in weekly tailgates; Mr. Roberts confirmed that they do. At the last meeting, Director Dell'Orto asked the contract amount for the Master Plan. Mr. Small informed the Board the original contract amount was for \$160,171. The total amount will be \$187,093 after the change order for additional tank inspections. The staff did more fire flow testing and provided the data to Peterson Brustad, Inc. Mr. Small is hopeful this data will improve the water model. Mr. Mathews explained that the District is unique due to there being over 50 pressure zones throughout the District. The Board will see increased electricity bills in the coming months due to the District pumping again. Director Dell'Orto asked how the process of delinquent accounts are going since the District sent the delinquencies to the County tax roll. Mr. Small believes that it is going well. The District just received a check from the county, though he has not been able to view the breakdown yet. The Board and staff discussed the process of journalizing those payments in the future.

10. RESOLUTION 2024-04 UPDATE POLICY 4130 – DIRECTOR COMPENSATION, BENEFITS AND REIMBURSEMENT OF EXPENSES

This agenda item has been a long ongoing discussion. This has been brought back to the Board multiples times with the Board seeing it for the first time in 2021. A partial policy adoption was done back in 2021 to increase the Board compensation each meeting, but the Board requested more information on the benefits portion of the policy. During a committee meeting in 2023, a recommendation of dental and vision was proposed but was later withdrawn after Board members had received some questions from members of the public. President Tressler asked that this be brought back to the Board one final time so it can be removed from the list of pending items. Mr.

Small believes the pushback the District was receiving from the public was coming at the same time as a neighboring district was going through a highly contentious rate increase. He does not anticipate any opposition now to the scaled down package. President Tressler questioned how Director McCartney was feeling now about the proposed dental and vision benefits as he was one of the committee members who originally recommended dental and vision back in 2023. In response to President Tressler's question a motion was made by Director McCartney, seconded by Director Sparks, to approve Resolution 2024-04 Update Policy 4130 – Director Compensation, Benefits And Reimbursement Of Expenses. A roll call vote was taken. Directors Dell'Orto, McCartney, Sparks, and Tressler voted yes. Motion carried 4-0.

## 11. REPORTS

### a. Legal Counsel's Report

Mr. Brown's report has already been covered.

### b. Water System Superintendent's Report

Mr. Roberts went over the monthly maintenance report, stating that this month's water sales are really consistent with last year's. Jeff Davis Reservoir is 10 feet below spill. The dam vegetation maintenance has been complete. The septic tank at the Water Treatment Plant needed to be pumped due to the system failing. The South Fork Pump Station was 10 inches over spill at the time of the report being prepared. It is now at about six inches over spill. As of March 18, 2024, Schaads was eight inches above spill with both hydros running. The Board and the staff discussed the water usage for the Schaads' customer. Mr. Roberts feels that the Schaads' customer's water usage is benefit as of now. Their water usage shows the state that the District does have a use for Schaads' water. Mr. Roberts reported that it was a pretty quiet month for leaks. There was a 4" A.C. Pipe (Blow-off) leak in Mokelumne Hill that the crew repaired. A transmission ARV was replaced in Glencoe. The District has CalFire assisting with brushing on the main line in Mokelumne Hill. The crew completed 121 USA tags which is a lot for a small district.

### c. District Engineer Report

Mr. Small notified the Board that the District has the funds from the Drinking Water State Revolving Fund (DWSRF) Planning Grant to start on the backwash reclaim project. WGA is currently working to bring on an environmental and electrical consultant. Mr. Small informed the Board that there will be a progress meeting tomorrow, March 20, 2024, for the Water Master Plan. After the meeting, he will reach out to the Board to discuss dates and times for a workshop on the Water Master Plan.

### d. General Manager's Report

Carissa Bear, Clerk of the Board, reminded the Board of their required training and Annual Form 700s being due. Director Dell'Orto inquired about the deadline for the upcoming election. Mr. Small responded that it will be brought back to the Board at the next meeting. East Bay Municipal Utility District (EBMUD) is working on a 15-year Voluntary Agreement (VA) on the Mokelumne River. The VA is an alternative path to the Bay Delta Plan Update. The Bay Delta Plan scientific report wants much larger unimpaired flow out to the Bay and Delta. Current scientific report would remove almost the entire cold-water pool on the Mokelumne River (Camanche and Pardee). The VA would continue the Joint Settlement Agreement which has shown to be highly successful. The Moke River has already accomplished the goal of doubling the salmon population of the river. All flow measures are currently going to come from EBMUD, Amador Water Agency(AWA), and North San Joaquin Water Conservation District(NSJWCD). AWA and NSJWCD are giving up thousands of acre feet per year for a single payment. Non-flow contributions for signatories appear to be \$10 per acre foot diverted. Currently the VAs are for below the rim dams, EBMUD is working on getting guarantees for diverters above the rim dams, however there is a push back from the state water contractors wanting no districts to "get a free ride." The next update from EBMUD on the VA is Monday, March

25, 2024. Mr. Small will work on getting a representative from EBMUD to speak at a District meeting.

e. Director's Comments:

Director Dell'Orto attended the Calaveras-Amador Mokelumne River Authority (CAMRA) meeting in February. There is not a lot to update the Board on. Calaveras County Water District (CCWD) did provide an update on upcoming legislative items.

\*\*The Board entered closed session at 6:51 pm.

12. CLOSED SESSION

The Board met in closed session to conduct the General Manager's evaluation. No action was taken.

\*\*The Board Reconvened in open session at 7:05 pm.

13. RESOLUTION 2024-05 APPROVING THE SECOND AMENDMENT TO EMPLOYMENT AGREEMENT FOR GENERAL MANAGER

The President tabled this item for consideration at the next regular Board meeting.

14. ADJOURNMENT

There being no further business to come before the Board, President Tressler adjourned the meeting at 7:06 pm.

Respectfully Submitted,



Carissa Bear, Secretary/Clerk of the Board

