TUOLUMNE UTILITIES DISTRICT
SPECIAL MEETING MINUTES
JUNE 14, 2023

A special meeting of the Board of Directors of Tuolumne Utilities District convened at 9:00 a.m. at the District Office, 18885 Nugget Blvd., Sonora, California.

Members of the public were able to provide oral comments in-person or telephonically using Zoom during the meeting.

The following Directors and staff were present:

Director Kerns, President
Director Ringen, Vice President
Director Balen
Director Boatright
Director Jacobs

Don Perkins, General Manager
Steve Sheffield, Finance Director
Abby Parcon, Administrative Services Director
Eric Hall, Operations Director
Melissa McMullen, Executive Secretary/Board Clerk
Emily Long, Administrative and External Affairs Specialist
Jesse Barton, District Counsel

Call to Order

Pledge of Allegiance

I. Public Forum

No public comment was heard.

II. Regular Business

1. Public Hearing: To Consider Adoption of Revised Water and Sewer Rates for the period of August 1, 2023 thru July 1, 2027, and Approval of the Final Draft Rate Study for FY 2024-2028

President Kerns opened the Public Hearing at 9:03 a.m.

Don Perkins and Steve Sheffield presented the draft rate study report that detailed the rate analysis and five years of proposed Water and Sewer Rates effective August 1, 2023. The rates developed in this study are designed to meet the revenue needs that are necessary and required to fund the operating and maintenance expenses, debt service, capital improvements, and reserves of the Water and Sewer funds of the District. Mr. Perkins and Mr. Sheffield responded to questions from the Board.

Melissa McMullen, Board Clerk, stated as of the start of the Public Hearing 828 protests related to the proposed water rates, and 423 protests related to the proposed sewer rates have been filed with the District.

Public comments:
Support of Increase: None (0)

Neutral of Increase: One (1)

Opposition of Increase: Twenty-two (22)

President Kerns called for a "last call" for written protest.

President Kerns closed the Public Hearing at 10:51 a.m.

A ten minute recess was taken for the Board Clerk to count the protest letters submitted during the

meeting.

President Kerns requested that the Board Clerk please announce the final number of protests and whether a majority protest exist.

Melissa McMullen, Board Clerk, stated that 874 protests related to the proposed Water Rates, and 455 protests related to the proposed Sewer Rates have been received. For a majority to exist the District would have had to receive 7,192 protest from water customers and 3,080 protests from sewer customers. Therefore, a majority protest does not exist.

President Kerns stated that since there is not a majority protest, the Board may consider an action regarding the proposed rate increase.

Director Ringen moved to adopt Resolutions approving amendments to Water Rules and Regulations and Wastewater Ordinance establishing new Water and Sewer Rates; respectively, as well as approving the Final Draft Rate Study for Fiscal Year 2024-2028. Director Jacobs seconded the motion. The motion failed (2-3)
Ayes: Director Ringen, Vice President, Director Jacobs
Noes: Director Kerns, President, Director Balen, Director Boatright

Director Balen made a motion for the Board to hold an additional meeting to review the rate structure for treated water and consider the affordability with the cost of service. After further discussion Director Balen withdrew her motion.

Director Boatright made a motion to approve the following rate increase:
Water
1st Year - 14% increase for water
All subsequent years to increase as stated in the proposed Draft Rate Study

Wastewater
1st Year - 1/2 of the proposed rate in the Draft Rate Study
2nd Year - 1/2 of the proposed rate in the Draft Rate Study
All subsequent years to increase as stated in the proposed Draft Rate Study

Director Boatright's motion failed due to a lack of a second.

Director Ringen made a Motion to Reconsider his original motion: to adopt Resolutions approving amendments to Water Rules and Regulations and Wastewater Ordinance establishing new Water and Sewer Rates; respectively, as well as approving the Final Draft Rate Study for Fiscal Year 2024-2028. The motion failed due to a lack of a second.

Director Kerns made a motion to continue the Public Hearing on Wednesday, June 28, 2023 at 9:00 a.m. with direction to staff to bring back additional rate increase options for the Boards consideration. Director Boatright seconded that motion and it was approved unanimously.

Adjournment

The meeting was adjourned at 1:22 p.m.

Date: June 27, 2023

ATTEST:

Jeff Kerns, President
Board of Directors

Melissa McMullen,
Executive Secretary/Board Clerk