

UTICA WATER AND POWER AUTHORITY

UWPA Office Building

1168 Booster Way

Angels Camp, CA 95222

(209)736-9419

Minutes of the

July 28, 2020

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:

Amanda Folendorf, COA

Chair

Greg Rasmussen, UPUD

Vice Chair

Ralph Chick, UPUD

Secretary

Joe Oliveira, COA

Director

Scott Behiel, Community

Director

Also present:

Joel Metzger

General Manager

Lori Karnes

Administrative Manager

Dave Andres

IMS Consulting

Frank Fields

O & M Superintendent

Kyle Rasmussen

Water Conveyance Supervisor

Larry Thompson

UWPA Community Alternate

Public At Large

The meeting was called to order at 5:34 pm by Chair Folendorf.

Item 1: Roll Call

Director Folendorf, Director Rasmussen, Director Chick, Director Oliveira, and Director Behiel.

5-0 none absent all present said aye.

Item 2: Approval of Agenda

Director Rasmussen moved to approve the agenda; seconded by Director Chick and

adopted 5-0-0. Ayes: Oliveira, Rasmussen, Chick, Behiel, Folendorf; Noes: none;
Absent: none.

Item 3: Opportunity for Public Comments:

Limited to 5 minutes per person. Members of the public may address the board on items not agendized. The public is encouraged to work through staff members to put items on the agenda to be considered by the Board. No action will be taken unless an item is agendized.

- No Public Comment

Item 4: Consent Calendar and Staff Reports - Approval of all items

Director Oliveira asked to pull items B and E for discussion.

Director Behiel moved to approve items A, C, D, and F; seconded by Director Chick and adopted 5-0-0. Ayes: Oliveira, Rasmussen, Chick, Behiel, Folendorf; Noes: none;
Absent: none.

Director Oliveria moved to approve items B and E; seconded by Director Behiel and adopted 5-0-0. Ayes: Oliveira, Rasmussen, Chick, Behiel, Folendorf; Noes: none;
Absent: none.

- A. Minutes of the Regular Meeting dated 6/23/20
- B. Financials 6/1/20-6/30-20 – L. Karnes

Director Oliveira asked about the deficit remaining in the budget to be covered by cash contributions from operating cash and a transfer from the water balance fund. Oliveira asked if the operating cash will be adequate to cover the remainder of the deficit. Andres explained that there are additional funds that will be adequate to be able to cover the deficit, assuming that we stay on budget.

- C. General Manager's report – J. Metzger.
- D. Administrative Report – L. Karnes
- E. Generation and O&M Report for June - F. Fields

Director Oliveira asked if there is a link between the revenues shown between the operations spreadsheet and what is shown monthly on the bank activity report. Administrative Manager Karnes explained that often there is revenue shown on the generation report that will be different from what is shown on the bank report. Director Behiel asked for more clarification on the subject. Karnes continued by stating that the payment for Murphy's Powerhouse was not received at the time of the report, therefore the financials will not always match the generation report. Director Behiel mentioned that the June invoices should be shown as receivables on the budget sheet. Karnes responded that the financial report is done by the accountant, and that it will be brought up for discussion with the accountant at their meeting. General Manager Metzger asked to come back at the next meeting after their appointment with Doug Tribble with additional clarification on the subject.

- F. Water Conveyance – K. Rasmussen - No Report

Item 5: Regular Agenda – Discussion and possible action

Director Chick moved to adopt Resolution #20-07; seconded by Director Oliveira and adopted 4-1-0; Ayes: Oliveira, Chick, Folendorf, Rasmussen; Noes: Behiel; Absent: none.

A. Adoption of Res. #20-07 Approving the Capital Improvement Plan for Fiscal Years 2021-2025 – D. Andres

Dave Andres explained the new basis of the Capital Improvement Plan. Director Behiel asked if the cost of maintenance is a part of general maintenance or Capital Improvement Plan. Andres explained that it could be classified as either, but based on the levels of spending that it falls more under the Capital Improvement Plan. Behiel asked what the projected cost might be without the power plants, and how much do the powerplants currently offset those costs. Director Rasmussen mentioned that he agrees regarding costs of the powerplants versus the costs without them. Behiel would like to see more solid numbers prior to approving the Capital Improvement Plan. Andres explained that there is still information that needs to be studied to be able to solidify those costs. Behiel asked for the costs in terms of water conveyance, with hopes that it is lower than the overall cash flow. Andres explained that if the powerplants were not operating, the member contributions would be around \$500,000 each, which is higher than the current amount of \$405,000. Behiel would like more clarification on the costs of the powerplants based on the contributions from member entities. Andres mentioned that there can be more clarification brought to the subject in the next meeting. General Manager Joel Metzger explained that he understands Behiel's concern, and that the result of the CPUC decision on ReMAT will have a significant impact on future power plant revenues. Behiel continued by asking for a simplified answer about the costs of water conveyance without the variables included, and he suggested waiting to approve the CIP until additional information could be provided and analyzed. Metzger offered to provide more information to the Board at the next meeting. Director Chick stated that he would like to move forward with the CIP approval at this meeting. He continued by stating that the purpose of the two years of increased funding was fund studies that will result in much more exact costs. Behiel responded by stating that he is still seeking more clarification in order to obtain the information needed to approve the CIP. Andres said the power houses are currently saving JPA members money by offsetting costs.

B. Discussion/Direction – New GM Priorities Regarding UWPA – D. Andres

Dave Andres discussed a list of goals and priorities for the new general manager. Director Rasmussen mentioned that the priorities are accurate in terms of what he expects from the position. Director Behiel commented that he is not a fan of CalPERS, and he would like some more information in order to understand whether CalPERS is going to be helpful for the entity. General Manager Metzger responded by stating that this is an ongoing process to see whether or not UWPA would be able to be accepted into the pension plan. Director Folendorf said she agreed with Director Rasmussen that the goals and priorities for the new general manager align with what she would like the general manager to achieve. The consensus of the Board is to approve the tentative goals and priorities of the new general manager and for Joel to proceed with work on the list.

C. Discussion/Direction Regarding ReMAT Rulemaking – J. Metzger

Joel Metzger gave a presentation about the history of ReMAT, recent updates and future.

Director Oliveria asked for clarification that the contract for Angels will not be threatened. Metzger responded that there is no apparent threat at this time, but that can't be ruled out down the road. Oliveira asked if there had already been a deposit made. Metzger said the deposit for the Murphys Powerhouse ReMAT contract had not been made. He informed the Board that while the money for a deposit had been included in the budget for the past couple years, it was not added to the budget in FY 2020-'21, due to diminishing hope that the ReMAT program would ever reopen. Director Behiel asked if there is a negotiation process on the approximately \$57/MWH rate for hydropower under the California Public Utilities Commission (CPUC) proposal to reopen ReMAT. Metzger responded that the ReMAT Coalition is trying to negotiate the rate back up to \$89.23/MWH, as it was in 2017 when the program was suspended. Behiel continued by asking if there is an issue for competition for the remainder of the MW to reach the state's small renewable energy goal. Metzger expressed concern that UWPA could apply for ReMAT along with several other organizations, which could drive the contract price down. However, Metzger said there is a good chance that UWPA will be able to get into the program, even if it is not within the first round of applications. Metzger recommended that the Board give staff direction to contribute \$1,500 to JTN Energy to help cover the legal costs of hiring a legal firm to draft comments responding to the CPUC's rulemaking. The consensus of the Board was to contribute \$1,500 to JTN energy legal fees and the Board gave direction to the general manager to continuing devoting time to ReMAT.

Item 6: Staff/Directors' Reports, Comments and Future Agenda Items (if any)

General Manager Metzger mentioned that there is a Hazard Mitigation Planning kickoff meeting on Thursday at 9 a.m.

Director Oliveira commended Metzger regarding the quality of his presentation on ReMAT.

Director Rasmussen agreed with Oliveira in applauding Metzger on his ReMAT presentation.

Director Oliveira asked if the mitigation plan includes Metzger working with City of Angels and UPUD as well. Metzger responded stating that the plan is for the JPA as a whole, therefore UPUD, COA, and UWPA will all be included in a stand-alone plan for the JPA. Once that plan is complete, it will be incorporated into a multi-jurisdictional hazard mitigation plan for the county as a whole.

Director Behiel had no report.

Director Chick had no report.

Director Folendorf mentioned that she attended a meeting regarding CalPERS, which was helpful in getting more educated about CalPERS and concerns the Board may have. She also thanked Metzger for his efforts in working with COA City Administrator, Melissa Eads, on communications regarding a recent boil water alert.

Item 7: Calendar – L. Karnes

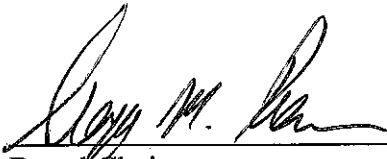
Karnes mentioned the Hazard Mitigation Planning kickoff meeting, that had been mentioned in Item 6 by Metzger.

Director Rasmussen moved to adjourn the meeting; seconded by Director Oliveira and adjourned 5-0-0. Ayes: Folendorf, Oliveira, Chick, Behiel, Rasmussen; Noes: None; Absent: None.

Adjournment: 7:35 pm

Next Regular Meeting: Tuesday, August 25, 2020 at 5:30 pm

Approved at the Regular Board Meeting August 25, 2020



Board Chair



Secretary