



UTICA WATER AND POWER AUTHORITY

UWPA Office Building
1168 Booster Way
Angels Camp, CA 95222
(209) 736-9419

Minutes of the June 3, 2021 Special 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

- Rocky Chick (UPUD), Chair
- Jennifer Davis-Herndon (COA), Secretary
- Greg Rasmussen (UPUD), Director
- Larry Thompson, (UWPA) Community Member Alternate

Also Present:

- Joel Metzger, (UWPA) General Manager
- Lori Karnes, (UWPA) Administrative Manager
- Karlee Karnes, (UWPA) Administrative Assistant
- Frank Fields, (UWPA) O & M Superintendent
- Kyle Rasmussen, (UWPA) Conveyance Supervisor
- Mike Emehiser, (UWPA) Hydroelectric Operator
- Sebastian Martz, (UWPA) Water Conveyance Operator
- Scott Thorner, (JTN Energy) Consultant
- Public at Large

Absent:

- Alvin Broglio, Vice Chair

The meeting was called to order at 5:30 p.m. by Chair Chick.

Item 1: CALL TO ORDER / PLEDGE OF ALLEGIANCE

Item 2: ROLL CALL

- Director Chick, Director Rasmussen, Director Thompson, Director Davis-Herndon. 4-0-1. All present said aye; Absent: Director Broglio

Item 3: PUBLIC COMMENTS

- There was no public comment.

Item 4: NEW BUSINESS

Chair Chick requested to move Item B above Item A. The Board approved the request.

B. Discussion/direction regarding the Murphys Powerhouse ReMAT application (Metzger)

Metzger gave an overview of the history of ReMAT for the Board.

Todd Thorner from JTN Energy discussed a new approach to the ReMAT contracting process. He presented new options and pricing that could potentially produce more revenue at a lower risk to UWPA. After an additional review and analysis of the Guaranteed Energy Production (GEP) and penalty appendices of the ReMAT tariff on Wednesday June 2, JTN and Utica have determined there may be a path forward to contract at Baseload pricing, while minimizing the risk of fees for under/over performance. This pathway involves reducing Utica's *contract quantity* to a lower amount than previously submitted in hopes of securing the \$73.50/MWhr price.

Metzger requested the Board approve moving ahead with this new approach and giving the general manager authority to continue to researching the best case scenario.

Director Rasmussen made a motion to direct staff to move forward with the baseload contract, with a contract quantify between 12,000 – 14,000 MWhr, to be determined by the general manager, and submit changes to PG&E in a revised application.

- **Motion:** Director Rasmussen
- **Second:** Director Thompson
- **Board discussion:** None
- **Public comment:** None

- **Vote:** 4-0-1; Ayes: Directors Chick, Rasmussen, Davis-Herndon, Thompson; Noes: None; Absent: Director Broglio; Abstain: None

A. Discussion/action regarding Social Security contributions and the adoption of CalPERS Resolution of Intention (Metzger) (Res. No. 21-03)

Metzger presented a recap of the CalPERS contracting process and timeline for submitting required documentation along with an overview of the CalPERS Pension Plan, CalPERS 457 Deferred Compensation Plan, Social Security benefits, and the five-year vesting schedule pursuant to the CalPERS contract.

Metzger discussed the consideration of a one-time agreement that would allow only current employees to receive all of the contributions made by both employer and employee if separation occurred prior to the five-year vesting schedule. Going forward new employees would lose the employer contributions if leaving prior to completing five years. Metzger further explained that some employees are nearing the end of their working years and may leave prior to being fully vested and would lose a large portion of their retirement depending on circumstances. The current 457 Plan has no vesting schedule and allows employees to take the full contributions upon leaving. With the new CalPERS Pension Plan, current employees would lose the contributions made to the plan upon separation.

Director Thompson made a motion to move forward with preparing contractual agreements with only the present employees to give them the employer's contributions in addition to the employee's contributions to the CalPERS pension should they leave prior to becoming fully vested.

The motion was amended to state that all funds received from CalPERS Pension, if someone is not fully vested, is passed on to the employee.

- **Motion:** Director Thompson
- **Second:** Director Rasmussen
- **Board discussion:** Director Davis-Herndon suggested considering modifying the agreement language to state employee can receive 80% rather than 100% of employer contributions if the employee leaves prior to be vested with CalPERS. It would create incentive to stay and prevent turnover. Metzger said it's up to the discretion of the Board. This is not a normal request, but this is a unique agency with unique circumstances. Director Rasmussen and Director Thompson expressed support for providing employees with the full amount of employer contributions prior to full vesting.
- **Public comment:** None
- **Vote:** 4-0-1; Ayes: Directors Chick, Rasmussen, Davis-Herndon, Thompson; Noes: None; Absent: Broglio; Abstain: None.

Metzger gave background on the previous discussion regarding Social Security. In the prior meeting the Board gave direction to stop paying into Social Security once UWPA is contracted with CalPERS. Further research into the benefit brought to light that terminating it could have substantial negative impacts on employees and their beneficiaries, especially those who have paid in for most of their careers.

Director Rasmussen made a motion to move forward with the paperwork for Utica to enter into a 218 agreement and continue paying Social Security.

- **Motion:** Director Rasmussen
- **Second:** Director Thompson
- **Board discussion:** There was an extensive discussion among the Board, input from the staff, and comments from the public who attended the meeting concerning the impacts of opting out of Social Security or continuing to participate.
- **Public comment:** Input was given to the Board
- **Vote:** 4-0-1; Ayes: Directors Chick, Rasmussen, Davis-Herndon, Thompson; Noes: None; Absent: Broglio; Abstain: None.

Director Rasmussen made a motion to adopt Resolution 21-03: CalPERS Resolution of Intention

- **Motion:** Rasmussen
- **Second:** Davis-Herndon
- **Board discussion:** None
- **Public comment:** None
- **Vote:** 4-0-1; The Board was polled. Ayes: Directors Chick, Rasmussen, Davis-Herndon, Thompson; Noes: None; Absent: Broglio; Abstain: None

Item 5: BOARD REPORTS, AND FUTURE AGENDA ITEMS

- Director Chick: None
- Director Rasmussen: None
- Director Thompson: None
- Director Davis-Herndon: None
- Metzger:
- Karnes: None
- Fields: None
- K. Rasmussen: None

Item 6: NEXT BOARD MEETINGS

Tuesday June 23, 2021 at 5:30 p.m.

Item 7: ADJOURNMENT WAS AT 6:57 P.M. BY CHAIR CHICK

Approved at the June 23, 2021 meeting:

Ralph Chick

Chair

Jori Karnes

Clerk to the Board

Signature Certificate

Document Ref.: 7GMIF-R4XRD-6Q367-5SGAQ

Document signed by:

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