

Trinity Public Utilities District
MINUTES OF THE REGULAR BOARD MEETING
June 11, 2020

Location: Trinity Public Utilities District Community Room
26 Ponderosa Lane, Weaverville, California
Board Present: Alex Cousins, Kelli Gant, Richard Morris, Michael Rourke and Thomas Walz
Board Absent: None
Others Present: Paul Hauser, Andy Lethbridge, Julie Catanese, and Sarah Sheetz
Others Present via Teleconference: Jim Aven, Jill Cox and Jeff Morris

1. President Gant called the meeting to order at 2:03 p.m.

2. Approval of the Agenda Order

Director Rourke made a motion to approve the Agenda as with amendments to Items 3i and 5b, attached and incorporated herein. Director Morris seconded the motion. The motion passed with the following voice vote:

Ayes: Alex Cousins, Kelli Gant, Richard Morris, Michael Rourke,
Thomas Walz
Noes: None
Absent: None
Abstain: None

3. Consent Calendar

Director Rourke made a motion to approve the Consent Calendar. Director Cousins seconded the motion. The Consent Calendar included:

- a. Approve Minutes of the Special Meeting/Public Hearing May 14, 2020
- b. Approve Minutes of the Regular Board Meeting May 14, 2020
- c. Accept Minutes of the Safety Meeting April 28, 2020
- d. Validate Bills of May, 2020
- e. Validate Bills of April, 2020
- f. Approve Financial Reports for April, 2020
- g. Award Bid 20-B2, Utility Class Wood Poles to Stella-Jones Corporation for a one-year period beginning June 15, 2020, with a one year option to extend.
- h. Approve purchase of 2020 Altec AM55E Bucket Truck in the amount of \$217,121 plus tax and license fee, through the cooperative purchasing agreement with Sourcewell.
- i. Approve purchase of 2020 Altec Line Truck with Digger Derrick Assembly in the amount of \$223,750 plus tax and license fee, through the cooperative purchasing agreement with Sourcewell.

The motion passed with the following voice vote:

Ayes: Alex Cousins, Kelli Gant, Richard Morris, Michael Rourke,
Thomas Walz
Noes: None
Absent: None
Abstain: None

4. Public Input

There were no comments from the Public.

5. Action Items

a. Items Pulled from Consent Calendar
None

b. Adopt Proposed Fiscal Year 20/21 Mission Statement and Goals, Budget, and Five-Year Financial Forecast

Mr. Hauser advised that the approach to the budget is conservative. He highlighted the topics of load growth, drought surcharge, wildfire mitigation costs, material purchases, equipment purchases, and personnel expenses, all resulting in significantly declining reserves.

Director Walz inquired about Capital Expenditures attributed to transmission and distribution. He stated he would like to be able to differentiate the Wildfire Mitigation work from typical maintenance or other capital expenses

Ms. Catanese advised that labor expenses in those categories have been directed towards capital. The O & M budget includes expenses for vendors, including Aspen Consulting. Director Walz inquired if the Wildfire Mitigation expenses are unfunded mandates from the State. Mr. Hauser advised that we are tracking those expenses independently so that we can report on them.

Director Walz inquired about Debt Service, stating that the District just paid off \$1.2 million, but the interest expense in Fiscal Year 20/21 is almost the same as Fiscal Year 19/20. Ms. Catanese advised that the bonds that were paid off we were paying more principal and interest at the end of the term.

President Gant inquired about receipts by Revenue type, in particular the High Impact Loads, and requested that each category be identified. She also suggested that possibly prevailing wage and pole replacement costs should be quantified.

President Gant stated that the Budget is forecasting purchased power to decrease three percent, and inquired if that was enough to meet the mandated threshold. Mr. Hauser explained the true-up mechanisms. President Gant inquired when the next adjustment to the power allocation would be. Mr. Hauser advised it would be in 2024, and while it doesn't affect how much the District pays for power, it affects how much power the District has access to. The District's allocation was reduced by 16% in the most recent adjustment.

Director Morris inquired about the Revenue figures, Ms. Catanese explained that the operating receipts include items such as County payments and Line Extensions. Mr. Hauser advised that right now the projection is no load growth. The District has seen some growth recently, but the sustainability of that growth remains to be determined.

Director Rourke inquired about commercial and/or agricultural accounts, and if the District's rates reflect the cost for the type of service a customer is requesting. Mr. Hauser stated that the District tries to align rates with its costs for the type of service.

There being no further comments, Director Walz made a motion to adopt the Proposed Fiscal Year 20/21 Mission Statement and Goals, Budget, and Five-Year Financial Forecast. Director Cousins seconded the motion. The motion passed with the following voice vote:

Ayes:	Alex Cousins, Kelli Gant, Richard Morris, Michael Rourke, Thomas Walz
Noes:	None
Absent:	None
Abstain:	None

- c. Approve Task Order Number 5 with Aspen Environmental Group (Aspen) in the amount of \$744,077 to perform biological surveys and reports for the Wildfire Risk Reduction, Reliability and Asset Protection Project.

Mr. Hauser reviewed the Report with the Board. Director Cousins inquired if there were a timeline to complete the National Environmental Policy Act (NEPA) work. Mr. Hauser advised he expects a Draft NEPA as early as January 2021, and that he is very pleased with the progress being made by Aspen and the cooperation the District is receiving from the United States Forest Service and the Bureau of Land Management.

After a brief discussion, Director Rourke made a motion to approve Task Order Number 5 with Aspen Environmental Group in the amount of \$744,077 to perform biological surveys and reports for the Wildfire Risk Reduction, Reliability and Asset Protection Project. Director Morris seconded the motion. The motion passed with the following voice vote:

Ayes:	Alex Cousins, Kelli Gant, Richard Morris, Michael Rourke, Thomas Walz
Noes:	None
Absent:	None
Abstain:	None

- d. Amend Contract with Silver Top Tree Services, Inc. for Vegetation Pruning and Removal

Mr. Hauser reviewed the Report with the Board, advising that the State of California made some significant changes to the prevailing wage for tree trimmers, and Contractors have no choice but to comply. After a brief discussion, Director Cousins made a motion to amend the Contract with Silver Top tree Services, Inc. for Vegetation Pruning and removal as presented. Director Rourke seconded the motion. The motion passed with the following voice vote:

Ayes:	Alex Cousins, Kelli Gant, Richard Morris, Michael Rourke, Thomas Walz
Noes:	None
Absent:	None
Abstain:	None

e. Amend the Conflict of Interest Policy

Mr. Hauser reviewed the Report with the Board. After a brief discussion, Director Morris made a motion to Amend the Conflict of Interest Policy. Director Walz seconded the motion. The motion passed with the following voice vote:

Ayes: Alex Cousins, Kelli Gant, Richard Morris, Michael Rourke,
Thomas Walz
Noes: None
Absent: None
Abstain: None

f. Amend the Inventory and Capital Asset Policy

Mr. Hauser reviewed the Report with the Board. After a brief discussion Director Rourke made a motion to amend Inventory and Capital Asset Policy. Director Morris seconded the motion. The motion passed with the following voice vote:

Ayes: Alex Cousins, Kelli Gant, Richard Morris, Michael Rourke,
Thomas Walz
Noes: None
Absent: None
Abstain: None

6. Reports

a. General Manager's Reports

- Land Exchange

Mr. Hauser advised that there has been very little activity on the land exchange. He stated that some of the United States Forest Service employees working on the land exchange are also working on the District's Right-of-Way project, which is taking up a lot of time.

- Power Outages

Mr. Hauser reviewed the Outage Summary, attached and incorporated herein, with the Board. Mr. Lethbridge advised that there are some upcoming planned power outages in the District. On June 14, 2020, PG&E has requested an outage for the Hyampom Substation. The District will take advantage of this opportunity to complete pole replacement work in Hyampom.

On June 30, 2020, the Hayfork Substation and the majority of Douglas City will be de-energized to perform work at the Hayfork Substation and complete pole replacements on the 60 kV line between Weaverville-Douglas City and Hayfork.

- Balancing Authority of Northern California (BANC)

Mr. Hauser advised that there was not a lot to report on BANC.

- Western Area Power Administration (WAPA) Fiber

Mr. Hauser reported that the WAPA fiber project is progressing nicely and that the District may have access to fiber in late Summer 2020.

- Trinity Public Utilities District Financing Corporation – Status Update

Mr. Underwood advised that the Secretary of State has filed a dissolution document and that the Trinity Public Utilities District Financing Corporation is dissolved.

- Appointment of Board Member Tom Walz to Trinity's Local Agency Formation Commission (LAFCo)

Mr. Hauser advised that Director Tom Walz has been appointed to serve on LAFCo following the Board's nomination. Director Walz stated he is looking forward to serving.

b. Board Member Reports

None

c. Committee Reports

None

7. Discussion Items

None

8. Communications Received

None

9. Meetings and/or Workshops

None

The Board took a brief recess at 3:45 p.m. and reconvened in Closed Session at 3:55 p.m. The Board reconvened in Open Session at 4:50 p.m. and reported the following:

10. Closed Session

a. Closed Session Item Under Government Code §54956.9

Conference with Legal Counsel

One Potential Case

No Reportable Action

b. Closed Session Item Under Government Code §54957.6

Conference with Labor Negotiator

Mr. Hauser reviewed the Report with the Board. After discussion, Director Cousins made a motion to approve the proposed language change to Sections 26.2(b) and 26.2(c) of the existing Memorandum of Understanding with the Trinity Public Utilities District Employees' Association effective June 28, 2020. Director Rourke seconded the motion. The motion passed with the following voice vote:

Ayes: Alex Cousins, Kelli Gant, Richard Morris, Michael Rourke,
Thomas Walz

Noes: None

Absent: None

Abstain: None

c. Closed Session Item Under Government Code §54957.6

Conference with Labor Negotiator

No reportable action.

11. Public Input

None

12. Adjournment

There being no further business, President Gant adjourned the meeting at 4:55 p.m.

ATTEST:



Alex Cousins, Clerk



Michael Rourke, Vice-President

REPORT TO THE BOARD OF DIRECTORS

*Revised***APPROVE PURCHASE OF
2020 ALTEC LINE CONSTRUCTION TRUCK WITH A
DIGGER DERRICK ASSEMBLY****Issue:**

Should Trinity Public Utilities District (District) Board of Directors approve the purchase of a "Stock" Altec Line Construction Truck with a Digger Derrick assembly (Line Truck) through Sourcewell, formerly the National Joint Powers Alliance (NJPA)?

Background and Discussion:

The District is a member of the National Joint Powers Alliance (NJPA) which is now called Sourcewell. This agency places different equipment into a bidding process to obtain the best price available for public agencies. This purchase method is similar to the California State Bid process for equipment/vehicle purchases. The District purchased its last bucket truck through the NJPA and found that it saved the District time and money to utilize this method instead of proceeding with its own bid process.

The District's large vehicle fleet is from Altec Industries. In the past, the District purchased a vehicle from both of the other large vehicle vendors and has discovered that Altec Industries is better in comparison. Altec Industries is able to provide a "Stock" Line Truck with a Digger Derrick assembly through the Sourcewell contract with an estimated delivery time of one month. This delivery time for a custom build Bucket Truck is typically one year.

Fiscal Impacts:

The price provided by Altec Industries through the Sourcewell cooperative purchase agreement is \$223,750 excluding sales tax and license fee. Ordering a "Stock" unit will save approximately \$50,000 vs. a custom-built truck. The Fiscal Year 20/21 Budget includes funds for the purchase of the new Line Truck.

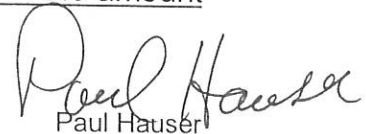
Alternatives:

The Board has the option to:

- 1) Authorize Staff to proceed with purchase; or
- 2) Direct Staff to proceed with the formal bidding process; or
- 3) Delay purchase of the vehicle; or
- 4) Take no action.

Recommendations:

Staff has evaluated Altec Industries proposal utilizing the Sourcewell contract and determined that the vehicle meets all of the District's required specifications. **Therefore, Staff recommends** the Board approve the purchase of a 2020 Line Construction Truck with a Digger Derrick assembly from Altec Industries of Dixon, California, in the amount of \$223,750, plus tax and license fee.


Paul Hauser

Dated: 6/10/2020



Trinity Public Utilities District

56
Revised

Memorandum

To: Trinity P.U.D. Board of Directors
From: Paul Hauser, General Manager
Date: June 11, 2020
Re: Fiscal Year 20/21 Budget

The Fiscal Year 20/21 Budget estimates operating receipts to be ~~\$13,551,641~~ \$13,551,457 or approximately 3.2% greater than last year's operating receipts of \$13,132,067. The Budget also includes ~~\$10,865,893~~ \$10,890,738 for Operating Expenses and ~~\$6,824,780~~ \$6,841,286 for Capital Expenditures. With the County's annual loan repayment of \$150,000 the Budget reflects a ~~\$3,989,032~~ \$4,030,567 decrease to reserves. The primary reason for the increase in revenues is the implementation of the Drought Relief Surcharge in May 2020 (\$1,271,000) offset by the decrease to Other Income (one time OES payment received FY 19/20 \$816,000). The Capital Expenditures include replacing the 2010 Freightliner Line truck (\$245,000), replacing the 2014 Trouble Truck (\$190,000), purchasing an additional Bucket truck (\$275,000), purchasing three pick-up trucks for new Field staff (\$175,000), Radio Repeater Project costs (\$203,000), First of three year Right of Way Widening Project (\$1,012,357) as well as on-going maintenance of the System to comply with the District's Wildfire Mitigation Plan.

The current Fiscal Year is expected to end with reserve balances that are approximately ~~\$1.923~~ \$1.567 million greater than projected in the Fiscal Year 19/20 Budget. The main reason for the better than expected reserve balance is that FY 19/20 revenues have been better than budgeted.

Fiscal Year 20/21 should begin with nearly \$7.3 million in Contingency Reserves. This reserve is forecast to decrease to ~~\$2.5~~ \$2.4 million due to the Capital Projects necessary to comply with the District's Wildfire Mitigation Plan.

The current water year is a critically dry water year due to the return of drought conditions. The Five Year Financial Forecast assumes that the Drought Relief Surcharge will remain for all future years.

The most sensitive aspect of the Budget is the Projected Load Growth. There are many moving pieces driving load growth that are difficult to predict. While the District saw an increase in electric sales over the past year, it remains to be seen whether recent load growth trends are sustainable. The Mill, which represents approximately 10% of the District's load is doing well but is subject to outside market forces and potential regulatory

actions that can impact their operations. Of course weather variations can also have significant year-to-year impacts on electric sales.

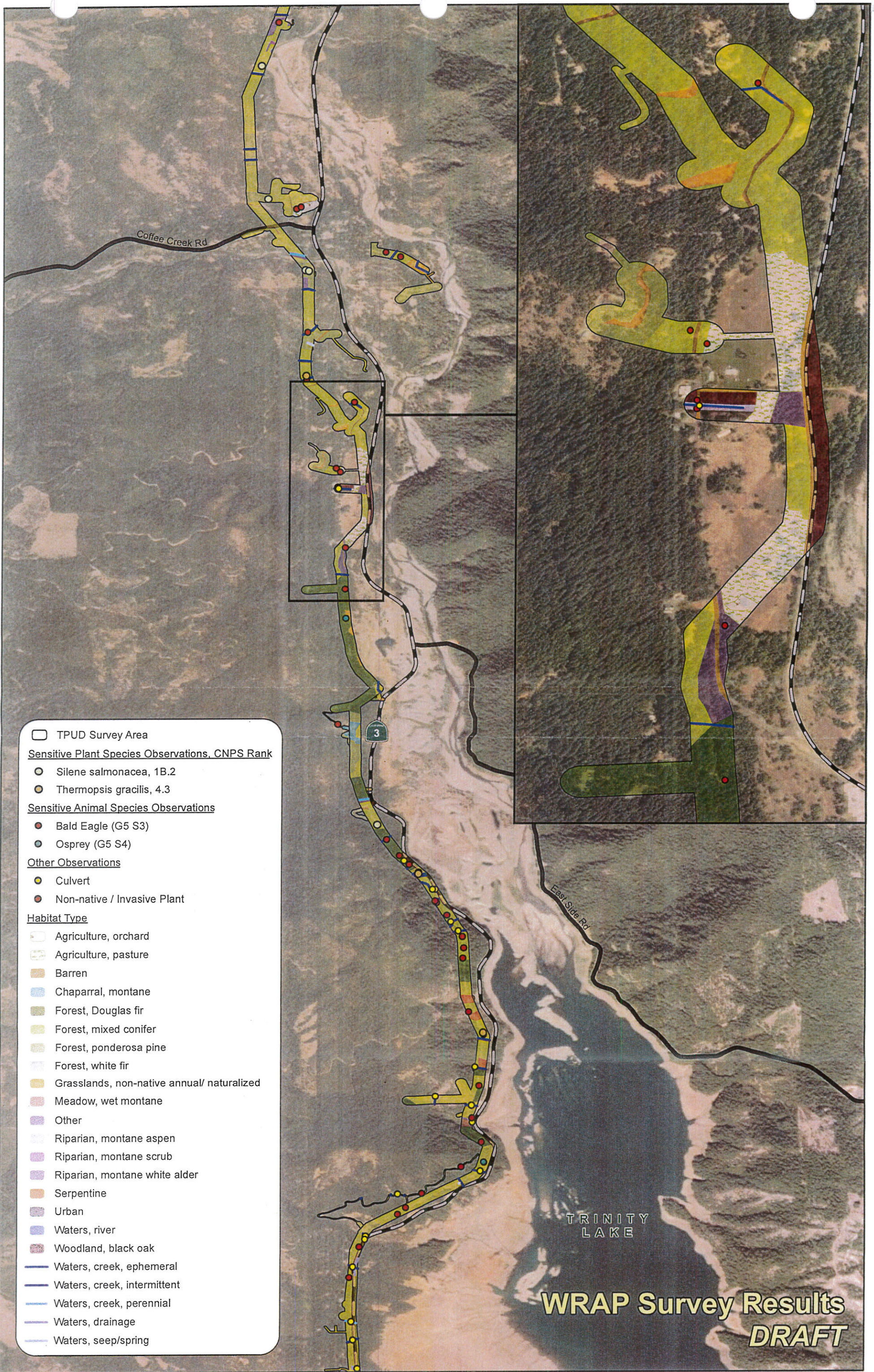
Without some combination of significantly increased load growth and/or permanently reduced power costs, a rate increase will be necessary in order to maintain operations and maintenance of the District's infrastructure.

The District also has to self-insure for wildfire liability risk since no carrier will write a policy for us given the current strict liability standard in California and our recent experience with the Helena fire. This is uncharted territory for the District and will require us to take significant steps to protect from fire danger in order to preserve the financial viability of the utility.

The District should be able to maintain its Standard and Poor's rating of A- and Moody's Baa1 rating. However, it should be noted that any number of events, particularly legislative or regulatory mandates can alter the financial outlook. Nevertheless, the District is in little danger of losing its favorable comparison of rates with other California utilities. Staff expects that the total price the District's customers pay for their electric service will remain among the lowest, if not be the lowest, in California for many years into the future.

OUTAGE SUMMARY
MAY 12, 2020 - JUNE 10, 2020

Outage	Time Off	Time On	Substation	# Out	Duration	Map Location	Cause Desc	Equip Desc
199500	5/12/2020 1:14	5/12/2020 4:38	WAPA Trinity	26	3:24	F15129	Rain	Fuse
199552	5/18/2020 17:57	5/18/2020 21:30	Hayfork	70	3:33	F8836	Material or Equipment Fault/Failure	Fuse
199740	5/27/2020 10:13	5/27/2020 23:12	Forest Glen	24	12:58		Material or Equipment Fault/Failure	UG Primary Cable
199792	5/28/2020 15:15	5/28/2020 16:07	Mill Street	91	0:52	F11790	Tree	OH Conductor
199840	5/29/2020 23:55	5/30/2020 4:58	Hayfork	13	5:03	F8692	Tree	OH Conductor
199852	5/30/2020 3:49	5/30/2020 3:49	Hayfork	6459	:02	50401478	WAPA Outage	WAPA Outage
199862	5/30/2020 9:08	5/30/2020 9:08	Hayfork	6459	:02	40100371	WAPA Outage	WAPA Outage
199891	6/2/2020 8:00	6/2/2020 9:51	Hayfork	36	1:51	F9155	Unknown Cause	Fuse
199892	6/3/2020 8:00	6/3/2020 12:12	Douglas City	214	4:12	R6862 - Readings Creek	Maintenance	Maintenance
199990	6/5/2020 18:58	6/5/2020 23:30	Hayfork	10	4:32	F8157	Tree	Fuse
199999	6/7/2020 15:40	6/7/2020 18:14	Big Bar	38	2:34	F11192	Tree	Fuse



- ☐ TPUD Survey Area
- Sensitive Plant Species Observations, CNPS Rank**
- *Silene salmonacea*, 1B.2
- *Thermopsis gracilis*, 4.3
- Sensitive Animal Species Observations**
- Bald Eagle (G5 S3)
- Osprey (G5 S4)
- Other Observations**
- Culvert
- Non-native / Invasive Plant
- Habitat Type**
- Agriculture, orchard
- Agriculture, pasture
- Barren
- Chaparral, montane
- Forest, Douglas fir
- Forest, mixed conifer
- Forest, ponderosa pine
- Forest, white fir
- Grasslands, non-native annual/ naturalized
- Meadow, wet montane
- Other
- Riparian, montane aspen
- Riparian, montane scrub
- Riparian, montane white alder
- Serpentine
- Urban
- Waters, river
- Woodland, black oak
- Waters, creek, ephemeral
- Waters, creek, intermittent
- Waters, creek, perennial
- Waters, drainage
- Waters, seep/spring

WRAP Survey Results
DRAFT