

**Trinity Public Utilities District
MINUTES OF THE REGULAR MEETING OF THE BOARD
December 14, 2023**

Location: Trinity Public Utilities District Community Room
26 Ponderosa Lane, Weaverville, California

Board Present: Amanda Barragar, Alex Cousins, Nicholas Goulette, Andrew Johnson,
Michael Rourke

Board Absent: None

Others Present: Paul Hauser, Jim Underwood, Mike Garcia, Julie Catanese, Sarah
Sheetz, David DeLange, James Aven, Jill Cox and Tom Walz

1. President Rourke called the meeting to order at 2:00 p.m.

2. Approval of the Agenda Order

Director Cousins made a motion to approve the Agenda Order. Director Barragar seconded the motion. The motion passed with the following voice vote:

Ayes: Amanda Barragar, Alex Cousins, Nick Goulette, Andy Johnson,
Mike Rourke

Noes: None

Absent: None

Abstain: None

3. Public Input

None

4. Consent Calendar

Director Goulette requested that Item 4d – Approve Financial Reports for October, 2023 be pulled. Director Johnson made a motion to approve the Consent Calendar as amended. Director Cousins seconded the motion. The Consent Calendar included:

- a. Approve Minutes of the Regular Meeting November 9, 2023
- b. Accept Minutes of the Safety Meeting November 7, 2023
- c. Validate Bills of November, 2023
- d. ~~Approve Financial Reports for October, 2023~~
- e. Approve Electric Service Contract in the amount of \$19,679.72 for additional service at 241 Jennings Road in Weaverville.

The motion passed with the following voice vote:

Ayes: Amanda Barragar, Alex Cousins, Nick Goulette, Andy Johnson,
Mike Rourke

Noes: None

Absent: None

Abstain: None

5. Action Items

a. Items Pulled from Consent Calendar

4d. Approve Financial Reports for October, 2023

Director Goulette inquired about the possibility of establishing a sweep account for the District. Ms. Catanese advised that she would research the possibility. Director Johnson inquired about the unrestricted reserves ratio as compared to the 6 month Operations and Materials expenses which is currently at .49 and

inquired of a formal policy should be implemented to insure the ratio is maintained. Mr. Hauser advised that staff concurs with Director Johnson's assessment, and that perhaps this topic could be more fully addressed during the Rate Discussion agenda item for later in this meeting. Director Johnson made a motion to Approve the Financial Reports for October, 2023. Director Goulette seconded the motion. The motion passed with the following voice vote:

Ayes: Amanda Barragar, Alex Cousins, Nick Goulette, Andy Johnson,
Mike Rourke
Noes: None
Absent: None
Abstain: None

b. Amend the Inventory and Capital Asset Policy

Mr. Hauser reviewed the report with the Board. Following a discussion, Director Goulette made a motion to Amend the Inventory and Capital Asset Policy as presented. Director Cousins seconded the motion. The motion passed with the following voice vote:

Ayes: Amanda Barragar, Alex Cousins, Nick Goulette, Andy Johnson,
Mike Rourke
Noes: None
Absent: None
Abstain: None

c. Accept Auditors' Report for the Year Ended June 30, 2023, as prepared by Baker Tilly US, LLP

Bethany Ryers, Managing Partner with Baker Tilly US, LLP provided a presentation on the District's 2023 Audit. Ms. Ryers shared that the Audit revealed no material weaknesses, an outstanding achievement considering the many Governmental Accounting and Financial Reporting Standards required. Ms. Ryers thanked staff for their prompt responses to the Auditors questions during the Audit. Following a discussion, Director Goulette made a motion to accept the Auditors' Report for the Year Ended June 30, 2023, as prepared by Baker Tilly US, LLP. Director Cousins seconded the motion. The motion passed with the following voice vote:

Ayes: Amanda Barragar, Alex Cousins, Nick Goulette, Andy Johnson,
Mike Rourke
Noes: None
Absent: None
Abstain: None

d. Ratify No Change to Rate Schedule 10 – Public Benefit Discount

Mr. Hauser reviewed the report with the Board. Following a discussion, Director Johnson made a motion to ratify No Change to Rate Schedule 10 – Public Benefit Discount. Director Barragar seconded the motion. The motion passed with the following voice vote:

Ayes: Amanda Barragar, Alex Cousins, Nick Goulette, Andy Johnson,
Mike Rourke
Noes: None
Absent: None
Abstain: None

e. Amend the Energy Net Policy

Mr. Hauser reviewed the report with the Board. Following a discussion regarding the District's process and agreement with Trinity County to administer the program, Director Cousins made a motion to amend the Energy Net Policy as presented. Director Barragar seconded the motion. The motion passed with the following voice vote:

Ayes: Amanda Barragar, Alex Cousins, Nick Goulette, Andy Johnson,
Mike Rourke
Noes: None
Absent: None
Abstain: None

f. Adopt Resolution regarding Cal Fire Grant Application

Mr. Hauser reviewed the report with the Board. Mr. DeLange provided additional detail about the proposed project and recent discussions about the types of projects Cal Fire may be looking to award for this grant cycle. Director Barragar advised that the District should make contact with Cal Fire prior to submission of the grant. Following a discussion, Director Cousins made a motion to Adopt Resolution 23-06, approving a Grant Application to CAL FIRE for hazardous fuels reduction projects. Director Goulette seconded the motion. The motion passed with the following roll call vote:

Amanda Barragar -Aye
Alex Cousins -Aye
Nick Goulette -Aye
Andy Johnson -Aye
Mike Rourke -Aye

g. Approve Contract with Evergreen Job & Safety Training in the amount of \$29,060 for Calendar Year 2024

Mr. Hauser reviewed the report with the Board. Following a discussion, Director Cousins made a motion to approve the Contract with Evergreen Job & Safety Training in the amount of \$29,060 for Calendar Year 2024. Director Goulette seconded the motion. The motion passed with the following voice vote:

Ayes: Amanda Barragar, Alex Cousins, Nick Goulette, Andy Johnson,
Mike Rourke
Noes: None
Absent: None
Abstain: None

h. Approve Pricing Update to Agreement with ATS Communications for Information Technology Services

Mr. Hauser reviewed the report with the Board. Following a discussion regarding the services ATS provides and potentially soliciting Requests for Proposals in the future, Director Cousins made a motion to approve the updated pricing with ATS Communications for Information Technology services at a monthly rate of \$5,599.50 and a billing rate of \$165 per hour. Director Barragar seconded the motion. The motion passed with the following voice vote:

Ayes: Amanda Barragar, Alex Cousins, Nick Goulette, Andy Johnson,
Mike Rourke
Noes: None
Absent: None

Abstain: None

i. Election of Officers of the Trinity Public Utilities District Board of Directors for Calendar Year 2024

Director Goulette nominated the following slate of Officers for Calendar Year 2024:

President – Mike Rourke
Vice- President – Alex Cousins
Clerk – Andy Johnson

Director Cousins seconded the motion, the nominees accepted the nominations.

The motion passed with the following voice vote:

Ayes: Amanda Barragar, Alex Cousins, Nick Goulette, Andy Johnson,
Mike Rourke
Noes: None
Absent: None
Abstain: None

6. Reports:

a. Wildfire Mitigation Plan (WMP) Reporting Metrics Update

Mr. Delange reviewed the report with the Board. Inspection progress was tremendous in 2023. Plans for 2024 will focus on tracking legacy attachments and continuing with fault tamer installations and visual inspections.

b. General Managers Reports:

i. Land Exchange

Mr. Hauser advised that Bender Rosenthal Incorporated has submitted appraisals for both the Airport Parcel and the Sky Ranch parcel to the review appraiser with the Forest Service. A completion date in Spring of 2024 is anticipated.

ii. Right-of-Way Project Update

Mr. Hauser advised that the Right-of-Way Project is still moving forward. No issues to report at this time.

iii. Balancing Authority of Northern California (BANC)

Mr. Hauser reported that BANC continues to move forward with the Energy Day Ahead Market, but that the process seems have slowed down.

iv. Power Outage Summary – November 2023

Mr. Hauser reviewed the outage summary with the Board. Maintenance was the largest contributor to outages in November, noting that the District's Vegetation Management efforts in 2023 are resulting in fewer tree caused outages.

v. Re-initiation of Consultation on the Long-Term Operation (ROC on LTO) of the Central Valley Project

Mr. Hauser advised that the Bureau of Reclamation has not yet scheduled a Trinity Meeting. He suspects a new Record of Decision will be necessary for Trinity Operations, and that the Western Area Power Administration has proposed a low emissions alternative, which maximizes hydro generation.

vi. 2024 Meeting Calendar

Mr. Hauser advised that staff has provided the 2024 Meeting Calendar for the Board's convenience.

vii. Field Technology/Board Field Trips

Mr. Hauser inquired with Directors Barragar and Johnson regarding the recent Field Visit provided by staff. Director Johnson advised that he enjoyed spending time with the field staff, who provided a lot of information, and that it was helpful to see the challenges staff faces in the field. Director Barragar thanked staff and was appreciative of the visual perspective and of having the time for discussion and questions.

Mr. Garcia provided information on recloser controllers, drones and the District's Outage Management System.

viii. Cooperative Family Fund

Mr. Hauser advised that staff provided information on the Cooperative Family Fund following the Board's request at the November 9, 2023 meeting. He advised that there is a possibility of field personnel participating and the information would be shared at the next Safety meeting. Director Cousins wondered if the District could do something similar completely in-house.

c. Committee Reports

- Ad-hoc Forestry Committee
None

d. Board Member Reports

Director Johnson reported on the Field trip he and Director Barragar recently attended with staff.

Director Barragar reported that she has reached out to the Cal Poly professor heading the forest health study being conducted for PG&E requesting additional information.

The Board took a brief recess at 3:33 p.m. and return to Open Session at 3:41 p.m.

7. Discussion Items

• Rate Discussion

Mr. Hauser provided a spreadsheet presenting an alternative to the Drought Relief Surcharge as requested at the November Board meeting. He advised that power costs have varied over the past 13 years, from a low of 1.24 cents per kilowatt hour to a high of 3.94 cents per kilowatt hour. The current budget is being impacted significantly by power costs, which are in excess of \$4 million dollars for Fiscal Years 21/22 through 23/24. He stated that the 2022 Rate Restructuring has Revenue increasing, but not quickly enough. While the Drought Relief Surcharge has been removed for customers, resulting in a decrease in revenue of approximately \$1.8 million, the District has not yet seen any relief on the power cost side.

He advised that there are many unknowns in the budget forecast, including inflationary pressure that is not letting up and supply chain issues which persist. One example is the cost of transformers, a 167 kVA pole mounted transformer that cost approximately \$1,500 in 2019 now costs \$10,000.

Mr. Hauser advised that a Wholesale Power Cost Pass-through is appealing because the District would not have to carry excess reserves to cover the time lag for power cost changes as it does with the Drought Relief Surcharge. The downside is that rates could potentially change twice per year, but that the changes would be dramatically less than with the Drought Relief Surcharge. The adjustment would be made any time the Western Area Power Administration makes an adjustment to power costs, which is typically in April and October each year.

Director Johnson inquired if the proposed rate restructuring is enough to cover the District's expenses, referring to the budget forecast which still appears short.

Director Rourke expressed concern that the implementation of the Right of Way Project is still not included in the District's budget forecast, although he surmised that once the District's \$9 million loan is paid off there is more capacity for the Right of Way Project.

~~Director Cousins agreed that the District is going to have increased expenses and that the proposed rate restructuring provided seems inadequate.~~

Director Cousins inquired about the timeline. Mr. Hauser suggested the Board may want to consider a proposal at the January 2024 meeting, and make a decision at the February 2024 meeting.

Director Goulette recommended an evening meeting with a virtual option for the public.

Director Johnson inquired about the potential for decreasing expenses, wondering if the District still needed three crews. Mr. Hauser responded that the District could potentially return to two line crews through retirements/attrition.

Director Goulette suggested that the change to a Wholesale Power Cost Adjustment may provide the benefit of added transparency to customers.

Director Rourke requested staff bring back a proposal as well as an alternate with increased rates to the January Board meeting for consideration.

8. Communications Received

None

9. Meetings and/or Workshops

- a. California Municipal Utilities Association, Capitol Day
The Sheraton Grand Hotel, Sacramento, CA
February 5, 2024

Director Barragar, Mr. Hauser and Ms. Sheetz plan to attend.

- b. American Public Power Association – 2024 Legislative Rally
Mayflower Hotel, Washington DC
February 26-28, 2024
Director Barragar, Mr. Hauser and Ms. Sheetz plan to attend.
- c. California Municipal Utilities Association Annual Conference
Monterey Marriott, Monterey, CA
April 7-9, 2024
- d. Northwest Public Power Association – Annual Conference
Salt Lake City, UT
May 12-15, 2024
Director Cousins and Mr. Hauser plan to attend.
- e. Northern California Power Agency Annual Conference
Napa, CA
September 24-27, 2024

10. Public Input

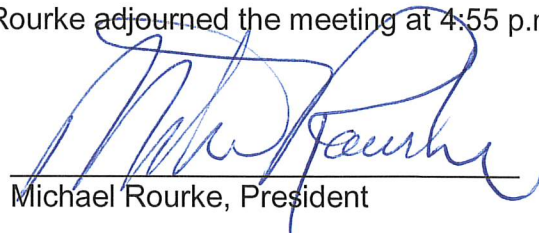
Tom Walz shared, for perspective relative to the rate restructuring discussion, his monthly Trinity PUD bill is currently half of what his communications bill is.

The Board took a brief recess at 4:30 p.m. and entered into Closed Session at 4:35 p.m.

11. Closed Session

- a. Closed Session Item Under Government Code Section 54956.8
Conference with Real Property Negotiator
Property: APN 018-090-07-00, Van Duzen Dump Road, Van Duzen, CA
No Reportable Action
- b. Closed Session Item Under Government Code Section 54956.9
Conference with Legal Counsel – Existing Litigation
Claimant: Jean and Alfred Baldocchi
No Reportable Action

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



Michael Rourke, President

ATTEST: 

Andrew Johnson, Clerk

Trinity PUD
Rate Restructure - Year 3 impact
kWh Usage and Meter Count as of June 30, 2023
Increase Equal to DRS added Back - Zone A

			# of Meters and YTD kWh at June 2023	DRS as % of current rates	Revenue Generated by rate change
Proposed Residential Rates (Zone A) - Rate Schedule No. 1					
Rate Component	2/11/2023	2/11/2024			
System Access Charge (\$/Meter)	\$ 31.00	\$ 38.00	2523	\$	211,932
Energy Charge (\$/kWh)	\$ 0.05983	\$ 0.07683	33,170,520	28%	\$ 563,899
Proposed Residential Rates (Zone B) - Rate Schedule No. 1					
Rate Component	2/11/2023	2/11/2024			
System Access Charge (\$/Meter)	\$ 31.00	\$ 38.00	3,247	\$	272,748
Energy Charge (\$/kWh)	\$ 0.07122	\$ 0.07683	33,356,281	24%	\$ 187,129
Proposed Commercial Rates (Zone A) - Rate Schedule No. 3					
Rate Component	2/11/2023	2/11/2024			
System Access Charge (\$/Meter)	\$ 46.50	\$ 57.00	705	\$	88,830
Energy Charge (\$/kWh)	\$ 0.07758	\$ 0.09930	19,700,046	28%	\$ 427,932
Proposed Commercial Rates (Zone B) - Rate Schedule No. 3					
Rate Component	2/11/2023	2/11/2024			
System Access Charge (\$/Meter)	\$ 46.50	\$ 57.00	436	\$	54,936
Energy Charge (\$/kWh)	\$ 0.08761	\$ 0.09930	6,581,109	19%	\$ 76,949
Proposed High Impact Rates (Zone A) - Rate Schedule No. 20					
Rate Component	2/11/2023	2/11/2024			
System Access Charge (\$/Meter)	\$ 82.50	\$ 120.00	43	\$	19,350
Energy Charge (\$/kWh)	\$ 0.11656	\$ 0.14920	2,975,347	28%	\$ 97,106
Proposed High Impact Rates (Zone B) - Rate Schedule No. 20					
Rate Component	2/11/2023	2/11/2024			
System Access Charge (\$/Meter)	\$ 82.50	\$ 120.00	221	\$	99,450
Energy Charge (\$/kWh)	\$ 0.12857	\$ 0.14920	14,273,819	13%	\$ 294,423
Proposed Industrial Rates - Rate Schedule No. 5					
Rate Component	2/11/2023	2/11/2024			
System Access Charge (\$/Meter)	\$ -	\$ -	-	\$	-
Energy Charge (\$/kWh)	\$ 0.03452	\$ 0.04419	10,873,276	28%	\$ 105,097
Proposed State Rates (Zone A) - Rate Schedule No. 19					
Rate Component	2/11/2023	2/11/2024			
System Access Charge (\$/Meter)	\$ 46.50	\$ 57.00	16	\$	2,016
Energy Charge (\$/kWh)	\$ 0.10040	\$ 0.12851	355,758	28%	\$ 10,001
Proposed State Rates (Zone B) - Rate Schedule No. 19					
Rate Component	2/11/2023	2/11/2024			
System Access Charge (\$/Meter)	\$ 46.50	\$ 57.00	18	\$	2,268
Energy Charge (\$/kWh)	\$ 0.11406	\$ 0.12851	598,433	15%	\$ 8,649
Total Potential Increase to Revenue FY 24/25					\$ 2,522,714

Trinity Public Utilities District
Forecast Summary

	20/21 (Actual)	21/22 (Actual)	22/23 (Preliminary)	21-23 % Growth	23/24 (Budgeted)	24/25 (Projected)	25/26 (Projected)	26/27 (Projected)	27/28 (Projected)
Revenues									
Energy sales	11,865,205	12,167,458	12,102,650	1.0%	13,342,733	15,865,447	15,865,447	15,865,447	15,865,447
Surcharge receipts	1,525,030	1,673,534	1,639,727	3.8%	4,356,526	2,136,348	2,160,230	2,190,317	2,221,091
Other receipts	2,373,454	1,979,544	3,960,542	33.4%	17,699,259	18,001,795	18,025,677	18,055,764	18,086,538
Total	15,763,689	15,820,536	17,702,919	6.2%	34,398,518	36,000,000	36,011,354	36,011,354	36,011,354
Expenses									
Power acquisition	3,221,280	5,152,873	4,218,848	15.5%	4,365,770	4,788,712	4,794,462	4,800,384	4,806,484
Operations & maintenance	4,407,884	4,495,731	5,162,445	8.6%	5,038,126	5,118,957	5,201,159	5,284,757	5,369,776
Customer accounts	925,935	718,497	745,553	-9.7%	824,238	836,601	849,150	861,887	874,816
Administrative & general	1,258,362	1,672,324	2,091,967	33.1%	2,097,985	2,141,714	2,166,519	2,212,428	2,259,471
Debt & financing	1,629,058	2,486,462	2,549,585	28.3%	2,572,224	2,488,665	2,492,016	2,493,416	2,398,016
Total	11,442,519	14,525,887	14,768,398	14.5%	14,896,342	15,374,650	15,503,306	15,652,872	15,708,562
Available for capital	4,321,169	1,294,649	2,934,521	-16.0%	2,800,917	2,627,145	2,522,371	2,402,892	2,377,976
Capital outlay	6,324,646	5,710,088	7,817,194	11.8%	6,470,780	5,144,727	5,713,423	5,383,149	5,153,921
Bond/Loan proceeds	-	8,940,400	-	-	-	-	-	-	-
County/MCMS funding	-	-	-	-	-	-	-	-	-
County/MCMS repayments	143,638	168,227	97,931	-15.9%	-	-	-	-	-
Change in total reserves	(1,859,839)	4,693,188	(4,784,742)	76.6%	(3,669,863)	(2,517,582)	(3,191,052)	(2,980,257)	(2,775,945)
Reserves balances (end of year)									
Encumbered	1,185,720	690,400	390,045	-33.6%	1,404,492	1,446,627	1,466,011	1,489,710	1,511,730
Restricted Reserves	55,247	8,719,967	5,083,384	4550.6%	66,179	12,341	12,635	12,935	13,243
Customer funds	1,167,026	916,130	913,991	-10.8%	892,195	872,542	861,216	852,889	844,562
Dedicated	386,667	75,000	-	-50.0%	-	-	-	-	-
Total other reserves	2,794,660	10,401,497	6,387,420	64.3%	2,362,866	2,331,510	2,341,861	2,355,534	2,369,536
Contingency fund	2,557,352	(356,297)	(1,126,962)	-72.0%	(772,271)	(3,502,835)	(6,954,238)	(9,698,168)	(12,238,115)
Total reserves	5,352,012	10,045,200	5,260,458	-0.9%	1,590,595	(1,171,325)	(4,612,377)	(7,342,634)	(9,868,580)

① Includes 2.0 million of FEMA/oes reimbursement
 ② Updated to reflect lower power costs offset by \$2.2 million True-up Adjustment
 ③ Includes the potential increase to revenue year 3 impact

TRINITY PUD
POWER COSTS

FISCAL YEAR	KWH USAGE	ANNUAL POWER	
		ACQUISITION COSTS	COST PER KWH
11/12	98,245,472	\$ 2,131,005	\$ 0.0217
12/13	98,046,742	\$ 2,479,917	\$ 0.0253
13/14	98,181,828	\$ 2,425,626	\$ 0.0247
14/15	94,241,352	\$ 3,318,858	\$ 0.0352
15/16	101,034,659	\$ 3,979,409	\$ 0.0394
16/17	108,676,572	\$ 3,020,017	\$ 0.0278
17/18	109,676,241	\$ 1,360,867	\$ 0.0124
18/19	107,665,663	\$ 2,420,621	\$ 0.0225
19/20	114,245,057	\$ 2,936,470	\$ 0.0257
20/21	127,947,935	\$ 3,020,571	\$ 0.0236
21/22	127,316,866	\$ 4,948,466	\$ 0.0389
22/23	122,273,970	\$ 4,012,327	\$ 0.0328
23/24	122,273,970	\$ 4,130,944	\$ 0.0338