

REGULAR MEETING MINUTES
March 7, 2018

1. CALL TO ORDER The meeting of the Board of Directors of the Truckee Donner Public Utility District was called to order at 6:00 p.m. in the TDPUD Boardroom by President Laliotis.

2. ROLL CALL Directors: Jeff Bender, Joe Aguera, Bob Ellis, and Vice President Paul Warmerdam, and President Tony Laliotis.

EMPLOYEES PRESENT: Regina Wise, Steve Hollabaugh, Joe Horvath, Ian Fitzgerald, Steven Poncelet, Kim Harris, Lisa Hall, Regina Wise, Sanna Schlosser, Melissa Kleffman, Kathy Neus, Michael Holley, and Shanna Kuhlemier.

CONSULTANTS PRESENT – Steve Gross, District Counsel

OTHERS PRESENT –

3. PLEDGE OF ALLEGIANCE

Director Bender led the Pledge of Allegiance.

4. CHANGES TO THE AGENDA – Staff pulled Item number 8, in order to change the recommendation.

5. PUBLIC INPUT

President Laliotis called for public comment.

Peter Greenberger, Contractors Association of Truckee Tahoe, wanted to comment on the increase in fees. President Laliotis requested comments be provided when the item was heard by the Board.

President Laliotis closed public comment.

6. DIRECTOR UPDATE – none

CONSENT CALENDAR

7. Consideration of a Contract with InterWest Insurance Services, LLC., (Minute Order 2018-05).

- Authorize the General Manager to execute a one-year contract for insurance brokerage services in an amount not to exceed \$44,000 annually with InterWest Insurance Services, LLC, renewable for two additional one-year periods, in a form acceptable to the District's Counsel.

9. Consideration to Approve a Contract with ESRI for the District's GIS Software Maintenance (Minute Order 2018-07).

- Authorize the General Manager to execute the ESRI maintenance contract for three years in an amount not to exceed \$81,750 plus sales tax.

President Laliotis called for public comment, there were none.

Director Ellis moved, and Director Bender seconded, that the Board approves the consent calendar. The motion passed unanimously (5-0), by a roll call vote.

ACTION

8. Consideration to Reject All Bids for the Service Truck 2018 Purchase (Minute Order 2018-06).

Joe Horvath provided a presentation available upon request.

Staff recommendation was changed to:

- 1) Reject all bids and authorize the General Manager to request quotes and negotiate with vendors for the purchase of three, ¾ ton service trucks, for a total amount not to exceed \$180,000 plus tax and fees
- 2) Declare Units 350 and Unit 204 surplus and apply the sales proceeds to the Electric Vehicle Reserve Fund

President Laliotis called for public comment, there were none.

Director Ellis moved, and Vice President Warmerdam seconded, that the Board approves the revised staff recommendation. The motion passed unanimously (5-0), by a roll call vote.

10. Board Consideration of Appointing an NCPA Commissioner and Two Alternate Commissioners (Minute Order 2018-08)

Joe Horvath provided a presentation which is available upon request.

President Laliotis called for public comment, there were none.

Board Comments:

- Board discussion and conclusion that Director Ellis will represent the Board on NCPA.

Vice President Warmerdam moved, and Director Bender seconded, that the Board approves the staff recommendation. The motion passed unanimously (5-0), by a roll call vote.

11. Consideration to Award the Contract to REM Construction Incorporated for the District Administration Building Improvement Project Minute Order 2018-09

Kathy Neus provided a presentation which is available upon request.

President Laliotis called for public comment, there were none.

Board Comments:

- The Board noted, there were not any local bidders.
- Staff did not have any calls regarding prevailing wage, nor the state requirements.

- The perception was the contractors in Town did more residential units and not so many commercial.
- Stated this project is long overdue.
- The Board supported the safety culture and improvements of the project.

Vice President Warmerdam moved, and Director Aguera seconded, that the Board approves the staff recommendation. The motion passed unanimously (5-0), by a roll call vote.

12. End-of-Cycle and End-of-Year Budget Review. Minute Order 2018-10

Regina Wise and Lisa Hall provided a presentation which is available upon request.

President Lalotitis called for public comment, there were none.

Board Comments:

- Discussions on reserves, policies, standards, and goals.
- In the summer staff will review Board policies related to reserves.
- CalPers is continually changing.
- Stabilize the unfunded liability for future budgeting years. Appreciated staff being proactive.
- Supported staff stabilizing and isolating our customers for future rate increases to items we don't have control over.

Director Bender moved, and Vice President Warmerdam seconded, that the Board approves the staff recommendation. The motion passed unanimously (5-0), by a roll call vote.

WORKSHOPS

12. Discussion of 2017 Purchase Power Load, Resources, Peaks, and Comparison to 2017 Budget Forecast.

Stephen Hollabaugh and Joe Horvath provided a presentation which is available upon request.

Public comment, seeing none.

Board Comments:

- Great job on finding the different recs.
- Thank you from the Board for all staffs work.
- Future for Stampede Dam ends in 2023, WAPA contracts drop off, approaching WAPA for the new contract. We receive energy from Stampeded but Fallon's on the project.
- Find extra recs when we can.
- Initiative at Town Council with 100% renewal, is not apples to apples with the District's portfolio, but more aspirational.
 - The Town uses the CEC definitions and the District will report the 78.8% renewable for 2017.

- Discussed the State of California has not updated its renewable definition to include new power that is renewable and carbon-free. An example is heat recovery, this does not meet the State definition but the industry definition of renewable.
- Lobbyist in California only want wind and solar, but do not pay attention to reliable base load.
- Board requested more information about the Town's resolution, state requirements, and the District's goals.

13. Discussion of Carbon Free Power Project (CFPP) Regarding Small Modular Reactor (SMR) Project.

Stephen Hollabaugh provided a presentation which is available upon request.

President Laliotis called for public comment.

Erin de Lafontaine stated:

- People do not need physics to understand radioactive waste is detrimental.
- Response from NuScale, long-term storage was Federal Government is irresponsible and unacceptable.
- Questioned how the Board finds is acceptable.
- Stated our children make us try and better the environment.
- Understands more technology that fits the bill of the three-legged stool.
- Spoke with Direct Bender on Facebook regarding this item.
- Worked for Sierra Pacific Power for 5 years. A financial analyst has a good understanding of the power industry.
- The PUD does not have solar in the portfolio, requests the Board to look at solar options.

Amanda Wiebush stated:

- Opposition to the project.
- Stated it was irresponsible to move forward with this project without seeing a financial and cost-benefit analysis compared to solar or biomass.
- Request the PUD look under every last rock to conserve energy.
- Requested the Board look to the future not make a decision for this item.
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Patricia Reber, stated:

- Stated she has not been at the last meeting but received a recap.
- As a Civil and Structural engineer and there is not a waste removal program for nuclear.
- This is not proven technology, nuclear is but not this project.
- Without a prototype in the field, the District could be open to liability with a failed project.
- Talked about failed nuclear plants such as Moffatt Field and New Jersey.
- Stated this is a problem project for Truckee.

Chrissy Fin (sp, did not sign in), stated:

- Stated she agreed with public comments prior to her.
- The PUD has done a great job on renewable to date.
- She served on the conservation committee at the PUD

- Society does not know what to do with this waste, even the Federal Government.
- This is not safe.

Dedra Henderson, Truckee resident, stated:

- Desired to reiterate her sediments from the last workshop.
- Appreciates the PUD's record on renewable.
- Respects desire to have low carbon baseload to meet needs. However, questions if the SMR is the right low carbon approach.
- Likes the off ramps in the project.
- Fears the more the PUD is invested, the harder it becomes to take an off-ramp.
- As a product of the post-WWII era, ratepayers pay for issues with nuclear plant overruns.
- Nuclear waste is a major issue.
- This is irresponsible.
- As a mother and grandmother to leave this to the future generation is problematic
- Reliable energy can be a hard job, but questions alternatives to this project.
- Experts suggest we don't need baseload generation for our criteria.
- The District should consider future discussions on base load and a different way to look at it.
- Requested the Board to look at the future.

President Lalotis closed public comment.

Director Comments

- Thanked all the public who participated. This is not an easy issue. All Board members have reservation, an example if something goes wrong down the road and our risk and liability.

Steve Gross, District Counsel stated the contract is a "take or pay contract. We either take power or pay for it, regardless if we use it. We are much more similar to an owner than a purchaser, however, the benefit is cost of the power. UAMPS owns the project and we participate, the risks are the owners. Risk and liability goes into decommissioning of the project, including risk for ultimate disposal of waste. Participant will have risk with potential problems of the operation of the plant and disposal. This can be mitigated through insurance but could have exposure to the cost of insurance.

- Has staff investigated other projects as opposed to this project?

Steve Hollabaugh stated staff looks at all proposals provided to UAMPS members. Such as solar others. The issue is baseload power with the summer and winter demands. Solar has pros and cons and is similar to hydro which the District has in the portfolio. To date, solar projects have not panned out. This project would be compared to natural gas, however, natural gas is not a hedge against cost and greenhouse gas. Currently, staff is looking at another wind project. The District has an opportunity to participate in this project and the project costs are not first of a kind project costs.

- What about solar?

Steve Hollabaugh answered that years ago solar was extremely expensive and has dropped in price. The downfall has been the contracts with solar. The current contracts are "back-loaded" so they look good for the first couple of years but as the contract progresses the expense does also.

- Has staff seen anything like the solar plant and solar thermal plant in southern California that?

Steve Hollabaugh explained the workings of the thermal plant and storage and answered there have not been projects like that yet. UAMPS is looking at a heat recovery project with solar attached which could be down the road.

- Why doesn't the United States recycle the nuclear fuel?

Steve Hollabaugh provided historical information on the law that does not allow the United States the opportunity to recycle nuclear fuel. Also, stated the price to pay for new pellets is cheaper than out of country recycling.

- Board direction was to watch costs for all power.
- No decision has been made in the process or on the project.
- Questioned the rates, reliability, and renewable.
- We are paying 70-77 MW this one will be max 65.
- Waste generation is a concern. The concept of recycling creates product that is just as harmful.
- Other countries don't have the resources to mine uranium.
 - Government finds this acceptable, but not necessarily responsible.
- Financial liability perspective from now until March, what is the anticipation?

Steve Hollabaugh stated 20,000 in the first phase and 25,000 in this phase to get to a decision point in March to either go with the project or not. Getting to the March time frame will allow the District to know and understand actual costs and product approval.

- The risk could be losing the funds to date, but another owner could buy our portion.
- If UAMPS terminates the contract, the District loses some money.
- What is staff's opinion of looking at solar projects outside of UAMPS?

Steve Hollabaugh stated rather the District looks outside of UAMPS or not, the issue is getting enough members or owners to build a plant large enough to receive a good rate. Collectively all of UAMPS members together could accomplish this if there was a viable project.

Board Direction included hearing more from the public. Staff to research more options other than this project. Looking at cost, reliability, and renewables. Directed staff to look beyond UAMPS.

President Lalotis convened for a break at 8:27 p.m.

President Lalotis reconvened the meeting at 8:36 p.m.

14. Electric Meter Replacement Project – Consideration of Policy Changes.

Joe Horvath provided a presentation which is available upon request.

President Lalotis called for public comment.

Peter Greenberger, CATT Member, and Director;

- Congratulated the District on achieving platinum level service in our mountainous area.
- Concerned about a large amount of the increase in one package.
- Construction budgets are a problem with inflation and impacts of outside control.
- Each fee or cost increase is incorporated and trying to keep local contractors working is getting harder.
- Fees are easier to manage if incremental increases can be achieved.

- Requests the PUD anticipate and structure regular fee increases.
- Requested the Board to consider a step approach to this large increase over a number of years.
- Announced a meeting for the next week with staff.

President Laliotis closed the public comment.

Director Comments:

- The last rate increase ten years ago, why did staff wait so long. Is an incremental increase feasible?

Michael Holley, General Manager stated that the incremental fee increase is the Board's pre-vue. Staff looked at the rates in 2014 and 2015, but they were not substantial enough to implement. The increased was in the last couple years. The Board could look at escalation increases like was implemented on the water utility rates.

- That would be more gradual and methodical.
- Existing submitted applications would not have the rate increase.
- Possibly do this increase in a three-year level, will work out on the staff level.
- Also, include an inflationary factor in the increases.

Joe Horvath stated if the District commits to step increases, the ratepayers are subsidizing contractors.

- There was a desire to not subsidize to long, but not hit construction industry too hard.

Board consensus was to work out a plan with staff for a term not to exceed three years with a phased approach and inflationary like the water side.

ROUTINE BUSINESS

14. Treasurers Report: February 28, 2018

a) Approval of the Treasurer's report of fund balances as of January 31, 2018.

President Laliotis called for public comment, there were none.

Director Bender moved, and Director Aguera seconded, that the Board approves the Treasurer's Report. The motion passed unanimously (5-0).

b) Approval of disbursements for February 2018.

President Laliotis called for public comment, there were none.

Director Bender moved, and Director Aguera seconded, that the Board approves the Treasurer's Report. The motion passed unanimously (5-0).

15. Approval of Minutes February 7, 2018.

President Laliotis called for public comment, there were none.

Director Bender moved, and Director Aguera seconded, that the Board approves the Minutes. The motion passed unanimously (5-0).

CLOSED SESSION – 8:32 p.m.

16. Closed Session Pursuant to Government Code Section 54957, Public Employee Performance Evaluation – General Manager’s Performance Plan Review. No Reportable Action.

19 Closed Session Pursuant to Government Code Section 54956.9(d)(4), Deciding Whether to Initiate Litigation, one case, Nevada County LAFCo. Reportable Action: Do not initiate litigation at this time.

ADJOURNMENT - 10:10 p.m.

Director Ellis moved, and Director Bender seconded, that the Board adjourns the meeting at 9:45 p.m. The motion passed unanimously (5-0).

There being no further business before the Board, the meeting was adjourned at 10:10 p.m. to the next scheduled meeting of the Truckee Donner Public Utility District on April 4, 2018, at 6:00 p.m.

TRUCKEE DONNER PUBLIC UTILITY DISTRICT



Tony Laliotis, President



Prepared by Shanna D. Kuhlemier, CMC, District Clerk