



TUOLUMNE UTILITIES DISTRICT

18885 NUGGET BLVD • SONORA, CA 95370
(209) 532-5536 • Fax (209) 536-6485

Committee Chair: J. Kerns

Member: B. Balen

Finance Committee Agenda Wednesday, February 10, 2021 - 9:00 a.m. 18885 Nugget Blvd., Sonora, California

In order to protect public health and the safety of our Tuolumne Utilities District ratepayers and members of the public against the COVID-19 pandemic, the TUD office, Board and Committee Meetings are physically closed to the public. Please see paragraphs below for additional information.

Notice: This meeting will be held in accordance with Executive Order N-29-20, issued by California Governor Gavin Newsom on March 17, 2020, the Ralph M. Brown Act (California Government Code Section 54950, et seq.), and the Federal Americans with Disabilities Act. No physical public meeting location will be provided for this meeting. Instead, the Committee will hold this meeting telephonically using Zoom. All members of the public may observe and participate in the meeting:

- Via video conferencing at:
<https://us02web.zoom.us/j/89409892251?pwd=R3FnWk5jY1daTlpJUJFWRG9xVytTQT09>
- Via teleconference by calling (253) 215-8782 or (301) 715-8592
- US Meeting ID: 894 0989 2251
- Password: 327061
- Public may also observe and listen to this meeting through the District's website at <https://tudwater.com/board-of-directors/meeting-agenda-minutes-video/>

Discussion Items:

1. Finance Committee Purpose
2. Tuolumne Public Power Agency (TPPA) Joint Powers Agreement Amendments
3. FY 2021 Mid-Year Budget Review
4. Leak Adjustment Policy Amendments

Note: Committee Agenda Material can be inspected at the District Office located at 18885 Nugget Blvd., Sonora, CA and on our website at www.tudwater.com.

In accordance with the Americans with Disabilities Act, if you need special assistance (i.e. auxiliary aids or services) in order to participate in this public meeting, please contact the Clerk of the Board, Melissa McMullen, and (209) 532-5536 ext. 510. Notifications 48 hours prior to the start of the meeting will enable the Clerk to make reasonable accommodations to ensure accessibility to this public meeting.

**TUD Finance Committee
Meeting of February 10th, 2021
Item #1**

Finance Committee Purpose

TUD Finance Committee

Meeting of February 10th, 2021

Item #2

Tuolumne Public Power Agency Joint Powers Agreement Amendments

Recommendation: Consider and recommend to the Board to approve Tuolumne Public Power Agency (TPPA) Joint Powers Agreement Amendments

Background: Tuolumne Utilities District (TUD) is a member of the TPPA which was formed to purchase and provide electrical service for member's own use at reduced rates. TUD is the second highest power user under Tuolumne County.

Discussion: Member agencies entered into the original Joint Powers Agreement on May 19th, 1982; and last amended the Agreement on January 1, 2013. The Amendments proposed by the TPPA Board of Directors are mainly to redefine the Tiers along with some other updates. The Amended Agreement has been reviewed and approved as presented by TUD's legal counsel.

Attachments:

- Amended and Restated Tuolumne Public Power Agency Joint Powers Agreement
- 2020 Final TPPA JPA Update Tracked Changes

Amended and Restated
TUOLUMNE PUBLIC POWER AGENCY
JOINT POWERS AGREEMENT

This Amended and Restated Joint Powers Agreement (“Agreement”) is made and entered into this 1st day of January, 2021, by and between the public agencies listed in Section III(A) (collectively, “Parties” or “Member Agencies”) within Tuolumne County, California who become signatories hereto, witnesseth:

Preamble

Whereas, Member Agencies entered into the original Agreement, dated May 19, 1982, forming the Tuolumne County Public Power Agency (“Original Agreement”), with other Tuolumne County public agencies joining in the intervening years; and

Whereas, the Member Agencies desire to amend and restate the Original Agreement; and

Whereas, this Agreement was further amended on the 1st day of January, 2013; and

Whereas, the Member Agencies desire to further amend this Agreement; and

Whereas, each of the signatory agencies to this Agreement and Tuolumne Public Power Agency is operating “for public benefit” as a “public agency” as defined by Section 6500 of the Government Code of the State of California, and further interpreted as a “preference agency” under Section 9(c) of the Reclamation Act of 1939, 43 U.S.C. § 485h(c); and

Whereas, Public Law 87-784, enacted in 1962 by the U.S. Congress, provided that 25 percent of the power generation produced at New Melones Dam be offered for sale to preference customers located within Calaveras and Tuolumne Counties; and

Whereas, the Joint Exercise of Powers Act (Government Code §§ 6500 *et seq.*) under which the Tuolumne Public Power Agency is organized, permits two or more public agencies by agreement, to jointly exercise any power common to the contracting parties; and

Whereas, the Parties hereto possess in common the power, among other things, to purchase and provide electrical service for their own use and to serve as aggregators under the State’s Direct Access and Community Choice Aggregation laws to serve other electrical loads within the County of Tuolumne; and

Whereas, the Member Agencies find that it is to their mutual advantage and public benefit to coordinate their use of energy, within the extent permitted by laws and regulations governing their respective authorities; and

Whereas, this Agreement supersedes and repeals the Original and First Amended Agreements.

NOW, therefore, in consideration of the mutual terms, covenants and conditions herein agreed, the Parties hereto agree as follows:

I. Purpose of Agreement

It is the purpose of this Agreement to establish an agency to be recognized as the TUOLUMNE PUBLIC POWER AGENCY (“TPPA” or “Agency”), formerly known as the Tuolumne County Public Power Agency, for the purpose of:

- 1) Establishing its membership as a means of governance.
- 2) Acquiring electrical capacity and energy (herein collectively, “power”) for Member Agencies’ use and for the use of other customers.
- 3) Obtaining services for the delivery of such power to Member Agencies’ and customers’ places of use.
- 4) Contracting for short term “in county” retail electrical services to augment public benefit through enhanced economic development to fully utilize Tuolumne County’s New Melones power entitlement until such time that TPPA membership requires this power for its own public use.
- 5) Conducting studies relating to the acquisition, use and conservation of power supplies.
- 6) Exercising all other powers necessary and incidental to accomplish the purposes set forth herein.

II. Powers of Agency

TPPA shall have the power, in its own name to: make and enter into contracts; employ agents and employees; establish committees, as necessary, and provide general directives for the work of such committees; explore and act upon ways of securing additional sources of power and means of making it available to member agencies and other customers; acquire, hold and dispose of property; take appropriate measures to meet all financial obligations of the Agency through assessments and other contributions, as hereinafter provided for; to adopt rules and regulations and to incur only those debts, liabilities or obligations necessary for the accomplishment of the purposes of this Agreement. The Agency shall have all powers common to Member Agencies, including powers set forth elsewhere in this Agreement. Without limiting the generality of the foregoing and in furtherance of Section I, TPPA shall have the power (a) to establish and operate a program for the acquisition and delivery of power under the terms of that certain “Agreement Relating to Service to Calaveras Public Power Agency and Tuolumne Public Power Agency Under Western Area Power Administration-PG&E Wholesale Distribution Tariff Service Agreement (Appendix B),” or any successor or replacement agreement and (b) establish and operate a program(s) for the acquisition and delivery of power (i) as a public agency under Public Utilities Code section 218.3(b) pursuant to the State’s Direct Access program and (ii) as or for a Community Choice Aggregator under Public Utilities Code section 331.1 pursuant to the State’s Community Choice Aggregation program. At the discretion of the TPPA Board of Directors, TPPA may jointly or separately operate the above-described programs, in whole or part.

III. Membership

A) Current Members: As of the effective date of this Agreement, the Parties to this Agreement are as follows:

- 1) County of Tuolumne
- 2) City of Sonora
- 3) Tuolumne Utilities District
- 4) Groveland Community Services District
- 5) Twain Harte Community Services District
- 6) Columbia Community College - YCCD
- 7) Belleview School District
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- 21) Jamestown Fire District
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- 23) Tuolumne Fire District
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- 26) Central Sierra Child Support Agency
- 27) Motherlode Fairgrounds
- 28) Jamestown Mine Trustee
- 29) Area 12 Agency on Aging
- 30) Amador-Tuolumne Community Action Agency
- 31) Motherlode Job Training
- 32) Chicken Ranch Rancheria of Me-Wuk Indians
- 33) Tuolumne Band of Me-Wuk Indians

B) Membership Qualifications

1) Any purchaser and user of electrical power which (i) is considered a public agency pursuant to Government Code section 6500 and that qualifies as a Preference Customer under Federal Reclamation law and (ii) has electrical load within the County of Tuolumne may become a Member Agency, as long as its electrical load meets the minimum required criteria under TPPA's current arrangements for wholesale distribution service, direct-access service, community choice aggregation service, or other applicable distribution service.

2) To become a Member Agency, the governing body of each new Member Agency shall adopt a resolution approving this Agreement and authorizing membership in TPPA.

- a) Prospective Member Agencies are to complete the Membership Application process which includes providing a completed membership form, a certified copy of the agency's resolution to the Agency administration.
- b) All new memberships require the approval of the TPPA Board of Directors, Western Area Power Administration and PG&E before they can accept power and any membership benefits through the Agency.
- c) New members of the Agency that are dissatisfied with the charges for power established by the TPPA Board of Directors, as described in Section VII, understand and agree that they have, as their sole remedy, the option to withdraw from TPPA membership, as described in Section III(D).

C) Tier 1 and Tier 2 Accounts (Meters)

- 1) Tier 1 accounts shall be any qualifying accounts that meet the minimum required criteria for wholesale distribution service, direct-access service, community choice aggregation service, or other applicable distribution service
- 2) Tier 2 accounts shall be any qualifying accounts as set forth in this section that serve a load or facility that operates for profit.

D) Consumption Rights: In the event that the amount of power from the New Melones entitlement available to the Agency is not sufficient to meet the consumption needs of all Member Agencies and customers, the priority for such power (or for rate preferences reflecting such power) is established in the following order:

- 1) Tier 1 Accounts
- 2) Tier 2 Accounts
- 3) Community choice aggregation or applicable distribution service customers
- 4) Direct access customers

The priority as described in this section may be modified by an amendment to this agreement.

E) Withdrawal from TPPA: Any Member Agency wishing to withdraw from TPPA membership prior to receiving power may do so by delivering a ninety (90) Day Notice of the intention to withdraw to the TPPA Board of Directors.

- 1) Any Member Agency wishing to withdraw from membership after receiving power may do so by delivering a ninety (90) Day Notice of their intention to withdraw to the TPPA Board of Directors.
- 2) Any Member Agency seeking withdrawal shall pay all charges due to the Agency.

3) A withdrawal by any party to this Agreement shall have no impact on the membership status of the remaining Member Agencies.

F) Member Responsibility: All Member Agencies shall abide by all applicable laws, rules and regulations of the State of California and the Federal government with regard to power received through the Agency.

IV. Agency Organization

- A) The Governing Board of TPPA (“TPPA Board of Directors”) shall be the Tuolumne County Board of Supervisors. The TPPA Board of Directors shall receive no additional compensation for their Agency leadership other than the remuneration they receive as Board of Supervisors members.
- B) The Agency Director shall be appointed by the TPPA Board of Directors to oversee all aspects of the Agency administration and operations.
- C) Coordinator may be designated by the Agency Director to manage the Agency’s day-to-day affairs, including, but not limited to, the budget and long-range planning, but the Agency Director retains oversight responsibility.
- D) Agency Administrative Staff may be assigned by the Agency Director to ensure timely billing, payment collection, and other administrative duties as assigned
- E) The Agency Treasurer shall be Tuolumne County’s Tax Collector/Treasurer, who shall be the depository with custody of all Agency funds and shall serve on his/her official bond. The Treasurer shall be responsible for strict accounting responsibilities as outlined in the California Government Code, Sections 6505 and 6505.5.
- F) The Agency Controller shall be Tuolumne County’s Auditor, who shall draw warrants to pay demands against the Agency to meet all of the Agency’s obligations, as authorized by the TPPA Board of Directors. The Agency Controller shall serve on his/her official bond.
- G) The Agency Attorney shall be Tuolumne County’s County Counsel, the legal advisor to the Agency, its Board of Directors and its staff. The Agency Counsel will cooperate with the TPPA Board of Directors when special counsel for the Agency is required.
- H) Meetings for the TPPA Board of Directors shall be called at least once a year to review and adopt the annual budget.

1) Additional meetings of the TPPA Board of Directors may be called by:

- a. The Chair of the TPPA Board of Directors, who is also the Tuolumne County Board of Supervisors Chair for the calendar year.

- b. At least two members of the TPPA Board of Directors who request a meeting in writing to the Agency Board Chair.
 - c. Representatives from at least three Member Agencies who request a meeting in writing to the Agency Board Chair.
 - d. The administrative branch of the Agency (Director and/or Coordinator) for updates, advisements, fiscal issues and all matters requiring TPPA Board of Directors approval.
- 2) Member Agencies shall be given notice at least seventy-two (72) hours prior to any meeting date coming before the TPPA Board of Directors or for any meeting open to all JPA members not going before the TPPA Board of Directors.
 - 3) Meetings called by members of the TPPA Board of Directors or representative Member Agencies shall be conducted in a timely fashion, not to exceed thirty (30) days from the date of the written request.
 - 4) No business may be transacted without a quorum of the TPPA Board of Directors being present. A simple majority is required to approve all matters that come before the TPPA Board of Directors, except amendments to the JPA Agreement, as provided for in Section VI of this Agreement.

V. Full Utilization of New Melones Power Entitlement

Tuolumne County is entitled to power based upon a 20 year rolling average of generation at New Melones, which is shared with Sierra Conservation Center. Accounting for load growth of existing Member Agencies over the next two decades, there is unutilized New Melones power entitlement available for use by a broadened scope of members, and customers of the Agency. Subject to the consumption rights and preferences specified in Section III(C), the TPPA Board of Directors shall seek to maximize the County's utilization of its New Melones entitlement through any means consistent with applicable federal, state and local laws.

VI. Amendments to the Agreement

This Agreement may be amended upon the approval of two-thirds of all Member Agencies. Amendments to this Agreement shall be approved by resolution or equivalent authorizing document of the governing bodies of the Member Agencies.

VII. Charges and Assessments

The TPPA Board of Directors shall establish charges for power used by Member Agencies and any end-use customers served under Direct Access or Community Choice Aggregation programs operated by TPPA. Without limiting the generality of the foregoing and the

discretion accorded governing boards under California law to establish charges for power on such basis as the TPPA Board of Directors shall reasonably determine (i) said charges shall include the cost of power, transmission and distribution, overhead, administrative expenses, legal and professional fees, meter reading charges, application fees, and all other fees and charges including an amount calculated to establish and maintain reasonable reserve accounts and capital improvement project funding and (ii) the TPPA Board of Directors may establish different charges for Member Agencies with Tier 1 or Tier 2 Accounts, and for other customers served by TPPA. The TPPA Board of Directors shall establish uniform charges for power for all Member Agencies.

- A) Billing: The Agency shall bill each Member Agency and customer monthly for power based upon the charges established by the TPPA Board of Directors. Payment shall be made within twenty (20) business days from the billing invoice date. Any bill not paid within thirty (30) business days from the billing invoice date shall be subject to a late fee assessment of ten percent (10%) of the unpaid balance, for every month that the bill remains unpaid.

- B) Delinquent Accounts: Any account in arrears for more than three (3) consecutive months is subject to termination, after receipt of official notice from the Agency Director. An expelled Member Agency may be reinstated only after it has:
 - 1. Paid all amounts due plus the accrued 10% penalties;
 - 2. Deposited an amount equal to the sum of energy costs for six (6) months, averaged over the preceding twelve (12) months; and
 - 3. Fulfilled the requirements of a new member, pursuant to Section III(B).

- C) Withdrawal: Any Member Agency that withdraws from membership shall be obligated to pay its pro-rata share of all encumbrances and indebtedness to the Agency as of the effective date of withdrawal.

- D) Accountability of Funds: TPPA is strictly accountable for all TPPA funds and participates annually in the independent Single Audit process. This audit is conducted by an outside Certified Public Accountancy firm in accordance with auditing standards generally accepted in the United States. Each year's report is available for any member agency representative to review during normal business hours.

VIII. Benefits of Membership

TPPA membership entitles members to benefit in the following ways:

- A) Reduced power charges over standard investor-owned utility rates.

- B) A flat rate for consumption, which means no time of use schedules or accelerated rates for peak use times.

- C) Eligibility to participate in TPPA's Energy Conservation Program.

IX. Resolution of Disputes

If the parties to this Agreement are unable to reach agreement with respect to a matter herein specified to be approved, established, determined or resolved by agreement of the parties, a party may call for submission of such matter or dispute to arbitration in the matter herein set forth. This call of an impasse shall be binding upon the other parties to the dispute. The TPPA Board of Directors shall continue to do all things and make all expenditures necessary in carrying out the duties and responsibilities provided for in this Agreement pending the final decision of the arbitrator.

- A) **Arbitration Notice Requirement:** Any party aggrieved has the right to request arbitration upon thirty (30) days' notice after declaration of impasse, at which time all interested parties shall then proceed to arbitration selection. Arbitration briefs shall be prepared if requested by the arbitrator selected and in the manner so requested.

- B) **Selection of Arbitrator:** Within ten (10) days following the submission of request for arbitration, the parties shall meet for the purpose of selecting one arbitrator. In the event the parties shall fail to select such arbitrator as herein provided, then they shall request the American Arbitration Association (or a similar organization if the American Arbitration Association should not at that time exist) to provide a list of arbitrators, the number of which shall be one more than there are sides to the dispute. The arbitrator selected above, if any, and all arbitrators on such list shall be available to serve and shall be skilled and experienced in the field which gives rise to the dispute and no person shall be eligible for appointment as an arbitrator who is an officer, employee or shareholder of any of the parties to the dispute or is otherwise interested in the matter to be arbitrated. Within thirty (30) days after the date of receipt of such list, the parties shall take turns striking names from said list. The last name remaining on said list shall be the selected arbitrator. Within ten (10) days after such selection, the parties shall submit to such arbitrator the written notices prepared pursuant to Section A. hereof.

- C) **Governed Arbitration:** Except as otherwise provided in this Section IX, the arbitration shall be governed by the rules of the American Arbitration Association (or a similar organization if the American Arbitration Association should not at that time exist) from time to time in force, except that, if such rules and practices as herein modified shall conflict with the laws of the State of California then in force, such laws shall govern. Arbitration (and the Arbitrator) shall be governed under the laws of the State of California. This submission and agreement to arbitrate shall be specifically enforceable. The findings, decision and award of the arbitrator upon any question submitted to it hereunder shall be final and binding upon the parties to the extent and in the manner provided by the laws of the State of California.

- D) **The Right to Arbitrate:** Included in the issues which may be submitted to arbitration pursuant to this Section is the issue of whether the right to arbitrate a particular dispute is permitted under this Agreement.

- E) Arbitrator's Request for Additional Information: The arbitrator shall hear evidence submitted by the parties and may call for additional information. Such additional information shall be furnished by the party or parties having such information. The arbitrator shall have no authority to call for additional information or determine issues not included in the submittal statement.
- F) Arbitrator's Award: The award of the arbitrator shall contain findings with respect to the issues involved in the dispute, including the merits of the respective positions of the parties, the materiality of any default and the remedy or relief which shall be required to resolve the dispute. The arbitrator may not grant any remedy or relief which is inconsistent with this Agreement. The arbitrator shall also specify the time within which the party shall comply with the arbitrator's award. In no event shall the award of the arbitrator contain findings on issues not contained in, or grant a remedy beyond that sought.
- G) Arbitrator's Award Regarding Default: If the arbitrator determines that a default exists, the award of the arbitrator shall contain findings relative to the period within which the defaulting party must remedy the default (or commence remedial action), and the remedies which may be exercised by the non-defaulting parties in the event the default is not remedied within such period.
- H) Arbitration Fees and Expenses: The fees and expenses of the arbitrator shall be shared equally among the parties involved in the arbitration, unless the decision of the arbitrator shall specify some other apportionment of such fees and expenses. All other expenses and costs of the arbitration shall be borne by the party incurring the same.

X. General Provisions

- A) Assumption of Debts: Pursuant to Government Code section 6508.1, none of the debts, liabilities or obligations of the Agency shall be the debts, liabilities or obligations of any of the members of TPPA unless assumed in a particular case by resolution of the governing body of the member to be charged.
- B) Dissolution – Property: Any property acquired by the Agency shall remain the property of TPPA until dissolution of the Agency as a legal entity. Upon such dissolution, said property, whether real or personal, shall be divided among and distributed to all of the parties who at any time during the existence of the Agency were parties to this Agreement in proportion to the non-reimbursable contributions made by each such party to the Agency during its legal existence.
- C) Dissolution - Surplus Money: Any surplus money on hand upon dissolution of the Agency shall be returned to participating public agencies in proportion to the contributions made by each thereof.
- D) Insurance: The TPPA Board of Directors shall procure public liability and other insurance from a California admitted insurer in good standing (or through

another established public sector self insurance or excess program) to protect TPPA and each of the parties hereto, charging the cost thereof to the operating costs of the Agency. The TPPA Board of Directors shall take no other formal action until insurance has been procured.

- E) Immunities: All of the privileges and immunities from liabilities, exemptions from laws, ordinances and rules, all pension, relief, disability, worker's compensation, and other benefits which apply to the activity of officers' agents or employees of any such public agency when performing their respective functions within the territorial limits of their respective public agencies, shall apply to them in the same degree and extent while engaged in the performance of any of their functions or duties extraterritorially under the provisions of Article 1 of Chapter 5, Division 7 of Title 1 of the Government Code of the State of California and as provided by law.
- F) Severability: It is hereby declared to be the intention of the signatories to this Agreement that the paragraphs, sentences, clauses and phrases of this Agreement are severable, and if any phrase, clause, sentence, paragraph or article of this Agreement shall be declared unconstitutional or invalid for any reason by the valid judgment or decree of a Court of competent jurisdiction, such unconstitutionality or invalidity shall not affect any of the remaining paragraphs, clauses, phrases, sentences and articles of this Agreement.
- G) Notices: All notices required or given pursuant to this Agreement shall be deemed properly served when deposited, postage prepaid, certified or registered, in the United States mail, addressed to each signatory party at the address indicated on this Agreement, adjacent to the signature line of each party.
- H) Agency Designation: Pursuant to Government Code section 6509, TPPA's exercise of power is subject to the restrictions upon the manner of exercising the power of Tuolumne County.
- I) Repeal: This Agreement supersedes and repeals the Original Agreement dated May 19, 1982 and the first Amended Agreement dated January 1, 2013.
- J) Policy Discrepancy: If any conflict exists between the terms of this Agreement and the "Rules and Regulations for Tuolumne Public Power Agency Members," the terms of this Agreement shall control."

XI. Effective Date

This Agreement shall become effective upon the approval of two-thirds of all existing Member Agencies. This Agreement shall be signed by an authorized agent from each Member Agency that has adopted a resolution as noted above.

Signatories to this Agreement

Seal	X _____
	Type Full Name (here)/Title (here)

	Name of Agency (above)

	Mailing Address

City, State, Zip	

email	
Date	

Attest: _____
Type Name / Title Date

Attachment:
Member Agency Governing Body Resolution

Amended and Restated
TUOLUMNE PUBLIC POWER AGENCY
JOINT POWERS AGREEMENT

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 - 33) Tuolumne Band of Me-Wuk Indians

B) Membership Qualifications

- 1) Any purchaser and user of electrical power which (i) is considered a public agency pursuant to Government Code section 6500 and that qualifies as a Preference Customer under Federal Reclamation law and (ii) has electrical load within the County of Tuolumne may become a Member Agency, as long as its electrical load meets the minimum required criteria under TPPA's current arrangements for wholesale distribution service, direct-access service, community choice aggregation service, or other applicable distribution service. ~~All public entities listed in Section III(A) are deemed Tier 1 Member Agencies. All Member Agencies whose jurisdiction is wholly located within the County of Tuolumne shall be henceforth recognized as Tier 1 members. All other members (e.g., tribal entities or public agencies that operate for the public benefit within~~

~~Tuolumne County but may have other locations outside the County) shall be recognized as Tier 2 members.~~

2) To become a Member Agency, the governing body of each new Member Agency ~~(Tier 1 or Tier 2)~~ shall adopt a resolution approving this Agreement and authorizing membership in TPPA.

- a) Prospective Member Agencies are to complete the Membership Application process which includes providing a completed membership form, a certified copy of the agency's resolution ~~and the submission of a one-time initiation fee~~ to the Agency administration.
- b) All new memberships require the approval of the TPPA Board of Directors, Western Area Power Administration and PG&E before they can accept power and any membership benefits through the Agency.
- c) New members of the Agency that are dissatisfied with the charges for power established by the TPPA Board of Directors, as described in Section VII, understand and agree that they have, as their sole remedy, the option to withdraw from TPPA membership, as described in Section III(D).

C) Tier 1 and Tier 2 Accounts (Meters)

- a) Tier 1 accounts shall be any qualifying accounts that meet the minimum required criteria for wholesale distribution service, direct-access service, community choice aggregation service, or other applicable distribution service
- b) Tier 2 accounts shall be any qualifying accounts as set forth in this section that serve a load or facility that operates for profit.

~~C~~D) Consumption Rights: In the event that the amount of power from the New Melones entitlement available to the Agency is not sufficient to meet the consumption needs of all Member Agencies and customers, the priority for such power (or for rate preferences reflecting such power) is established in the following order:

- 1) Tier 1 Member AgenciesAccounts;
- 2) Tier 2 Accounts
~~Direct access customers;~~
- 3) Community choice aggregation or applicable distribution service customers Tier 2 Member Agencies; and
- 4) Direct access customers;
~~Community choice aggregation or applicable distribution service customers.~~

The priority as described in this section may be modified by an amendment to this agreement. between Tier 2 Member Agencies Accounts and other customers as set forth in this Section may be modified by vote of the TPPA Board of Directors. The first priority of Tier 1 Member AgenciesAccounts may only be modified by an amendment to this Agreement.

DE) Withdrawal from TPPA: Any Member Agency wishing to withdraw from TPPA membership prior to receiving power may do so by delivering a ninety (90) Day Notice of the intention to withdraw to the TPPA Board of Directors.

- 1) Any Member Agency wishing to withdraw from membership after receiving power may do so by delivering a ninety (90) Day Notice of their intention to withdraw to the TPPA Board of Directors.
- 2) Any Member Agency seeking withdrawal shall pay all charges due to the Agency.
- 3) A withdrawal by any party to this Agreement shall have no impact on the membership status of the remaining Member Agencies.

EF) Member Responsibility: All Member Agencies shall abide by all applicable laws, rules and regulations of the State of California and the Federal government with regard to power received through the Agency.

IV. Agency Organization

- A) The Governing Board of TPPA (“TPPA Board of Directors”) shall be the Tuolumne County Board of Supervisors. The TPPA Board of Directors shall receive no additional compensation for their Agency leadership other than the remuneration they receive as Board of Supervisors members.
- B) The Agency Director shall be appointed by the TPPA Board of Directors to oversee all aspects of the Agency administration and operations.
- C) A Deputy Director Coordinator may be designated by the Agency Director to manage the Agency’s day-to-day affairs, including, but not limited to, the budget and long-range planning, but the Agency Director retains oversight responsibility.
- D) Agency Administrative Staff may be assigned by the Agency Director to ensure timely billing, payment collection, and other administrative duties as assigned
- E) The Agency Treasurer shall be Tuolumne County’s Tax Collector/Treasurer, who shall be the depository with custody of all Agency funds and shall serve on his/her official bond. The Treasurer shall be responsible for strict accounting responsibilities as outlined in the California Government Code, Sections 6505 and 6505.5.
- F) The Agency Controller shall be Tuolumne County’s Auditor, who shall draw warrants to pay demands against the Agency to meet all of the Agency’s obligations, as authorized by the TPPA Board of Directors. The Agency Controller shall serve on his/her official bond.
- G) The Agency Attorney shall be Tuolumne County’s County Counsel, the legal advisor to the Agency, its Board of Directors and its staff. The Agency Counsel

will cooperate with the TPPA Board of Directors when special counsel for the Agency is required.

- H) Meetings for the TPPA Board of Directors shall be called at least once a year to review and adopt the annual budget.
- 1) Additional meetings of the TPPA Board of Directors may be called by:
 - a. The Chair of the TPPA Board of Directors, who is also the Tuolumne County Board of Supervisors Chair for the calendar year.
 - b. At least two members of the TPPA Board of Directors who request a meeting in writing to the Agency Board Chair.
 - c. Representatives from at least three Member Agencies who request a meeting in writing to the Agency Board Chair.
 - d. The administrative branch of the Agency (Director and/or ~~Deputy Director~~ Coordinator) for updates, advisements, fiscal issues and all matters requiring TPPA Board of Directors approval.
 - 2) Member Agencies shall be given notice at least ~~ten (10) business days~~ seventy-two (72) hours prior to any meeting date coming before the TPPA Board of Directors or for any meeting open to all JPA members not going before the TPPA Board of Directors.
 - 3) Meetings called by members of the TPPA Board of Directors or representative Member Agencies shall be conducted in a timely fashion, not to exceed thirty (30) days from the date of the written request.
 - 4) No business may be transacted without a quorum of the TPPA Board of Directors being present. A simple majority is required to approve all matters that come before the TPPA Board of Directors, except amendments to the JPA Agreement, as provided for in Section VI of this Agreement.

V. Full Utilization of New Melones Power Entitlement

~~In accordance with the TPPA Board of Directors directives issued in July 2012, the Agency is to pursue full utilization of the Flood Control Act of 1962 (New Melones power) entitlement.~~ Tuolumne County is entitled to power based upon a 20 year rolling average of generation at New Melones, which is shared with Sierra Conservation Center. Accounting for load growth of existing Member Agencies over the next two decades, there is unutilized New Melones power entitlement available for use by a broadened scope of members, and customers of the Agency. Subject to the consumption rights and preferences specified in Section III(C), the TPPA Board of Directors shall seek to maximize the County's utilization of its New Melones entitlement through any means consistent with applicable federal, state and local laws.

VI. Amendments to the Agreement

This Agreement may be amended upon the approval of two-thirds of all ~~Tier 1~~ Member Agencies ~~who also consumed at least two-thirds of the Agency's total delivered power during the previous twelve (12) month period.~~ Amendments to this Agreement shall be approved by resolution or equivalent authorizing document of the governing bodies of the Member Agencies.

VII. Charges and Assessments

The TPPA Board of Directors shall establish charges for power used by Member Agencies and any end-use customers served under Direct Access or Community Choice Aggregation programs operated by TPPA. Without limiting the generality of the foregoing and the discretion accorded governing boards under California law to establish charges for power on such basis as the TPPA Board of Directors shall reasonably determine (i) said charges shall include the cost of power, transmission and distribution, overhead, administrative expenses, legal and professional fees, meter reading charges, application fees, and all other fees and charges including an amount calculated to establish and maintain reasonable reserve accounts and capital improvement project funding and (ii) the TPPA Board of Directors may establish different charges for ~~Tier 1 and Tier 2~~ Member Agencies with Tier 1 or Tier 2 Accounts, and for other customers served by TPPA. The TPPA Board of Directors shall establish uniform charges for power for all ~~Tier 1~~ Member Agencies.

- A) Billing: The Agency shall bill each Member Agency and customer monthly for power based upon the charges established by the TPPA Board of Directors. Payment shall be made within twenty (20) business days from the billing invoice date. Any bill not paid within thirty (30) business days from the billing invoice date shall be subject to a late fee assessment of ten percent (10%) of the unpaid balance, for every month that the bill remains unpaid.
- B) Delinquent Accounts: Any account in arrears for more than three (3) consecutive months is subject to termination, after receipt of official notice from the Agency Director. An expelled Member Agency may be reinstated only after it has:
 - 1. Paid all amounts due plus the accrued 10% penalties;
 - 2. Deposited an amount equal to the sum of energy costs for six (6) months, averaged over the preceding twelve (12) months; and
 - 3. Fulfilled the requirements of a new member, pursuant to Section III(B).
- C) Withdrawal: Any Member Agency that withdraws from membership shall be obligated to pay its pro-rata share of all encumbrances and indebtedness to the Agency as of the effective date of withdrawal.
- D) Accountability of Funds: TPPA is strictly accountable for all TPPA funds and participates annually in the independent Single Audit process. This audit is

conducted by an outside Certified Public Accountancy firm in accordance with auditing standards generally accepted in the United States. Each year's report is available for any member agency representative to review during normal business hours.

VIII. Benefits of Membership

TPPA membership entitles ~~Tier 1 and Tier 2~~ members to benefit in the following ways:

- A) Reduced power charges over standard investor-owned utility rates.
- B) A flat rate for consumption, which means no time of use schedules or accelerated rates for peak use times.
- C) Eligibility to participate in TPPA's Energy Conservation Program.

IX. Resolution of Disputes

If the parties to this Agreement are unable to reach agreement with respect to a matter herein specified to be approved, established, determined or resolved by agreement of the parties, a party may call for submission of such matter or dispute to arbitration in the matter herein set forth. This call of an impasse shall be binding upon the other parties to the dispute. The TPPA Board of Directors shall continue to do all things and make all expenditures necessary in carrying out the duties and responsibilities provided for in this Agreement pending the final decision of the arbitrator.

- A) Arbitration Notice Requirement: Any party aggrieved has the right to request arbitration upon thirty (30) days' notice after declaration of impasse, at which time all interested parties shall then proceed to arbitration selection. Arbitration briefs shall be prepared if requested by the arbitrator selected and in the manner so requested.
- B) Selection of Arbitrator: Within ten (10) days following the submission of request for arbitration, the parties shall meet for the purpose of selecting one arbitrator. In the event the parties shall fail to select such arbitrator as herein provided, then they shall request the American Arbitration Association (or a similar organization if the American Arbitration Association should not at that time exist) to provide a list of arbitrators, the number of which shall be one more than there are sides to the dispute. The arbitrator selected above, if any, and all arbitrators on such list shall be available to serve and shall be skilled and experienced in the field which gives rise to the dispute and no person shall be eligible for appointment as an arbitrator who is an officer, employee or shareholder of any of the parties to the dispute or is otherwise interested in the matter to be arbitrated. Within thirty (30) days after the date of receipt of such list, the parties shall take turns striking names from said list. The last name remaining on said list shall be the selected arbitrator. Within ten (10) days after such selection, the parties shall submit to such arbitrator the written notices prepared pursuant to Section A. hereof.

- C) **Governed Arbitration:** Except as otherwise provided in this Section IX, the arbitration shall be governed by the rules of the American Arbitration Association (or a similar organization if the American Arbitration Association should not at that time exist) from time to time in force, except that, if such rules and practices as herein modified shall conflict with the laws of the State of California then in force, such laws shall govern. Arbitration (and the Arbitrator) shall be governed under the laws of the State of California. This submission and agreement to arbitrate shall be specifically enforceable. The findings, decision and award of the arbitrator upon any question submitted to it hereunder shall be final and binding upon the parties to the extent and in the manner provided by the laws of the State of California.
- D) **The Right to Arbitrate:** Included in the issues which may be submitted to arbitration pursuant to this Section is the issue of whether the right to arbitrate a particular dispute is permitted under this Agreement.
- E) **Arbitrator's Request for Additional Information:** The arbitrator shall hear evidence submitted by the parties and may call for additional information. Such additional information shall be furnished by the party or parties having such information. The arbitrator shall have no authority to call for additional information or determine issues not included in the submittal statement.
- F) **Arbitrator's Award:** The award of the arbitrator shall contain findings with respect to the issues involved in the dispute, including the merits of the respective positions of the parties, the materiality of any default and the remedy or relief which shall be required to resolve the dispute. The arbitrator may not grant any remedy or relief which is inconsistent with this Agreement. The arbitrator shall also specify the time within which the party shall comply with the arbitrator's award. In no event shall the award of the arbitrator contain findings on issues not contained in, or grant a remedy beyond that sought.
- G) **Arbitrator's Award Regarding Default:** If the arbitrator determines that a default exists, the award of the arbitrator shall contain findings relative to the period within which the defaulting party must remedy the default (or commence remedial action), and the remedies which may be exercised by the non-defaulting parties in the event the default is not remedied within such period.
- H) **Arbitration Fees and Expenses:** The fees and expenses of the arbitrator shall be shared equally among the parties involved in the arbitration, unless the decision of the arbitrator shall specify some other apportionment of such fees and expenses. All other expenses and costs of the arbitration shall be borne by the party incurring the same.

X. General Provisions

- A) **Assumption of Debts:** Pursuant to Government Code section 6508.1, none of the debts, liabilities or obligations of the Agency shall be the debts, liabilities or

obligations of any of the members of TPPA unless assumed in a particular case by resolution of the governing body of the member to be charged.

- B) Dissolution – Property: Any property acquired by the Agency shall remain the property of TPPA until dissolution of the Agency as a legal entity. Upon such dissolution, said property, whether real or personal, shall be divided among and distributed to all of the parties who at any time during the existence of the Agency were parties to this Agreement in proportion to the non-reimbursable contributions made by each such party to the Agency during its legal existence.
- C) Dissolution - Surplus Money: Any surplus money on hand upon dissolution of the Agency shall be returned to participating public agencies in proportion to the contributions made by each thereof.
- D) Insurance: The TPPA Board of Directors shall procure public liability and other insurance from a California admitted insurer in good standing (or through another established public sector self insurance or excess program) to protect TPPA and each of the parties hereto, charging the cost thereof to the operating costs of the Agency. The TPPA Board of Directors shall take no other formal action until insurance has been procured.
- E) Immunities: All of the privileges and immunities from liabilities, exemptions from laws, ordinances and rules, all pension, relief, disability, worker's compensation, and other benefits which apply to the activity of officers' agents or employees of any such public agency when performing their respective functions within the territorial limits of their respective public agencies, shall apply to them in the same degree and extent while engaged in the performance of any of their functions or duties extraterritorially under the provisions of Article 1 of Chapter 5, Division 7 of Title 1 of the Government Code of the State of California and as provided by law.
- F) Severability: It is hereby declared to be the intention of the signatories to this Agreement that the paragraphs, sentences, clauses and phrases of this Agreement are severable, and if any phrase, clause, sentence, paragraph or article of this Agreement shall be declared unconstitutional or invalid for any reason by the valid judgment or decree of a Court of competent jurisdiction, such unconstitutionality or invalidity shall not affect any of the remaining paragraphs, clauses, phrases, sentences and articles of this Agreement.
- G) Notices: All notices required or given pursuant to this Agreement shall be deemed properly served when deposited, postage prepaid, certified or registered, in the United States mail, addressed to each signatory party at the address indicated on this Agreement, adjacent to the signature line of each party.
- H) Agency Designation: Pursuant to Government Code section 6509, TPPA's exercise of power is subject to the restrictions upon the manner of exercising the power of Tuolumne County.

I) ~~I~~—Repeal: This Agreement supersedes and repeals the Original Agreement

TUD Finance Committee

Meeting of February 10th, 2021

Item #3

FY 2021 Mid-Year Budget Review

Recommendation: Consider and recommend to the Board to receive and file this report.

Background: Pursuant to Board adopted Budgeting Policy, at mid-year, there will be a comprehensive review of the operations to date in comparison to the existing budget. Projections of revenues and expenditures through the end of the fiscal year will be prepared and reviewed by management staff with a report to the Board of Directors by February of the operating fiscal year.

The current fiscal year (FY 2021) budget was approved by the Board on June 9th, 2020. On October 13th, 2020, the Board was presented with the completed finance audit for FY 2020. At the October 27th, 2020 board meeting, staff presented the Budget Report and Balance Sheet for the quarter ending September 30th, 2020.

Discussion: The mid-year review is an analysis of the financial status of the District's funds for the first half of FY 2021, covering the six-month period of July 2020 through December 2020. This review compares actual revenues and expenses to the FY 2021 adopted budget and provides year-end projections.

The Adopted Budget approved expenditures in the amount of \$19 million and \$8 million and revenues in the amount of \$17 million and \$7 million for the Water and Sewer Funds, respectively. Approved expenditures include CIP in the amount of \$5 million and \$3 million for the Water and Sewer Funds, respectively.

The attachments include revised revenue and expenditure projections through June 30, 2021.

Fiscal Impact: This review projects the District having sufficient revenues to meet require operating expenses. No budget revisions are recommended at this time.

Attachments:

- Combined Budget Report for period ending December 31, 2020 (Attachment A)
- Mid-Year Projection Fiscal Year 2021 (Attachment B)



Combined Budget Report

Tuolumne Utilities District, CA

For Fiscal: 2020-2021 Period Ending: 12/31/2020

Group Summary

<u>Category</u>	<u>Current Total Budget</u>	<u>Fiscal Activity</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Percent Remaining</u>
Revenue				
10 - Operating Revenues	\$ 22,593,805	\$ 11,875,160	\$ (10,718,645)	47%
40 - Utility Billing	22,593,805	11,875,160	(10,718,645)	47%
50 - NonOperating Revenues	1,704,509	889,154	(815,355)	48%
41 - Property Taxes	1,113,222	677,099	(436,123)	39%
42 - Intergovernmental Revenue	-	(732)	(732)	0%
43 - Surcharges/Recovery Fees	185,564	98,024	(87,540)	47%
44 - Investment Income	319,388	52,305	(267,083)	84%
45 - Other Income	86,335	62,457	(23,878)	28%
80 - Capital Contributions	-	946,680	946,680	0%
46 - Capital Grants	-	579,204	579,204	0%
48 - Capacity & Connection Charges	-	367,476	367,476	0%
Revenue Total:	24,298,314	13,710,994	(10,587,320)	44%
Expense				
20 - Operating Expenses	18,646,786	8,477,056	10,169,730	55%
50 - Personnel	12,325,377	5,410,111	6,915,266	56%
60 - Chemicals & Supplies	2,178,265	899,939	1,278,326	59%
70 - Services	1,098,573	423,555	675,018	61%
80 - Repairs	667,958	499,656	168,302	25%
85 - Utilities	528,420	210,003	318,417	60%
90 - General & Administrative	1,848,193	1,033,791	814,402	44%
60 - NonOperating Expenses	87,735	27,103	60,632	69%
96 - Interest Expense	87,735	27,103	60,632	69%
Expense Total:	18,734,521	8,504,160	10,230,361	55%
Net	\$ 5,563,793	5,206,835	\$ (356,958)	6%



Mid-Year Projection

Tuolumne Utilities District, CA

Fiscal Year 2021

All amounts shown in thousands (000's)

Category	Adopted Budget	Projected	Variance
Revenue			
10 - Operating Revenues			
40 - Utility Billing	\$(22,594)	\$(23,352)	\$(758)
50 - NonOperating Revenues			
41 - Property Taxes	(1,113)	(1,113)	-
42 - Intergovernmental Revenue	-	1	1
43 - Surcharges/Recovery Fees	(186)	(186)	-
44 - Investment Income	(319)	(139)	181
45 - Other Income	(86)	(112)	(26)
80 - Capital Contributions			
46 - Capital Grants	-	(579)	(579)
47 - Contributed Capital	-	-	-
48 - Capacity & Connection Charges	-	-	-
Revenue Total:	<u>(24,298)</u>	<u>(25,480)</u>	<u>(1,182)</u>
Expense			
20 - Operating Expenses			
50 - Personnel	12,325	11,850	(475)
60 - Chemicals & Supplies	2,178	2,020	(158)
70 - Services	1,099	1,037	(62)
80 - Repairs	668	761	93
85 - Utilities	528	465	(63)
90 - General & Administrative	1,848	1,683	(165)
94 - Other Operating Expenses	-	-	-
60 - NonOperating Expenses			
96 - Interest Expense	88	88	-
Expense Total:	<u>18,735</u>	<u>17,905</u>	<u>(830)</u>
Net before CIP, debt principal, and reserves:	<u>\$5,564</u>	<u>\$7,576</u>	<u>\$2,012</u>
CIP:	\$7,460	\$6,975	
Debt Service Principal:	400	400	
Reserves - net:	<u>(258)</u>	<u>200</u>	
NET	<u>\$ (2,037)</u>	<u>\$ -</u>	

TUD Finance Committee Meeting of February 10th, 2021 Item #4

Water Leak Adjustment Policy Amendments

Recommendation: Consider and recommend to the Board to approve amending the Tuolumne Utilities District Water Leak Adjustment Policy.

Background: Tuolumne Utilities District's water leak adjustment policy was last amended on March 10th, 2015.

Discussion: Staff is proposing the changes to the existing policy to reduce complexity and increase ratepayer eligibility. After survey of numerous other water agencies' leak adjustment policies and above stated objectives, suggested revisions are as follows:

- Removal of \$50 processing fee.
- Clarification of eligibility requirements.
- Removal of \$200 deductible.
- Adjustment allowed every three years rather than two.

Fiscal Impact: The fiscal impact is estimated to be approximately \$8,000 for removal of fees and deductibility based on historical and projected water leak adjustments.

Attachments:

- Amended Water Leak Adjustment Policy 2021
- Amended Water Leak Adjustment Policy Tracked Changes

RESOLUTION NO. _____
TUOLUMNE UTILITIES DISTRICT
AMENDING THE WATER LEAK ADJUSTMENT POLICY

WHEREAS, the Tuolumne Utilities District desires to amend the Water Leak Adjustment Policy, under which metered water customers shall be eligible to a partial credit against the billing for water service, in cases where a verifiable water leak occurred on the customer side of the meter as the result of broken pipes, fixtures or other part of a customer's water system.

WHEREAS, Resolution No.10-15, approved by the Board of Directors of Tuolumne Utilities District on March 10, 2015 is hereby rescinded.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Tuolumne Utilities District does hereby authorize the Finance Director or the General Manager to administer the Water Leak Adjustment Policy outlined as follows:

1. Leak adjustment requests may be submitted by a customer when the verified leak causes the customer's bill to exceed the normal water usage for the same period in the previous year. Customer's account must be in good standing and current to be eligible for a potential leak adjustment. A leak adjustment will only be granted once within a 3-year period. No leak adjustments will be granted during District declared drought status.
2. The Finance Director is hereby authorized to approve all leak adjustment requests up to \$1,000. Leak adjustments over \$1,000 shall be brought to the Board of Directors for review and approval.
3. Adjustments must be applied for in writing within 30 days of receipt of billing. Proof must be provided that the leak was fixed within 14 days of discovery.
4. To be eligible for a leak adjustment, the leak identified must be concealed, must not be the result of negligence and must not be readily detectable by a reasonable person. Internal plumbing leaks such as leaky toilets, dripping faucets and other above ground systems should be considered household maintenance responsibility and do not qualify. Any leak that is eligible for insurance payment is not covered. No adjustment will be allowed for leaks in a customer's irrigation system. Water used for filling of swimming pools (either by hose or auto-fill) do not qualify for an adjustment. Leaks caused by a third party from whom the customer can recover their costs do not qualify. Examples included, but are not limited to theft, vandalism, and construction damage.
5. If approved, the customer shall receive a credit adjustment of 50% of the water usage, compared to the same billing period from the prior year. The leak adjustment may not span more than one billing cycle.

FURTHER RESOLVED, by the Board of Directors of Tuolumne Utilities District that the Water Leak Adjustment Policy is hereby amended and shall be effective immediately.

PASSED AND ADOPTED by the Board of Directors of Tuolumne Utilities District on, 2021 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

ATTEST:

Barbara Balen, President
Board of Directors

Melissa McMullen, District Secretary

RESOLUTION NO. _____
TUOLUMNE UTILITIES DISTRICT
AMENDING THE WATER LEAK ADJUSTMENT POLICY

WHEREAS, the Tuolumne Utilities District desires to amend the Water Leak Adjustment Policy, under which metered water customers shall be eligible to a partial credit against the billing for water service, in cases where a verifiable water leak occurred on the customer side of the meter as the result of broken pipes, fixtures or other part of a customer's water system.

WHEREAS, Resolution No. ~~75-0810-15~~, approved by the Board of Directors of Tuolumne Utilities District on ~~September 23, 2008~~ March 10, 2015 is hereby rescinded.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Tuolumne Utilities District does hereby authorize the Finance Director or the General Manager to administer the Water Leak Adjustment Policy outlined as follows:

1. Leak adjustment requests may be submitted by a customer when the verified leak causes the customer's bill to exceed the normal water usage for the same period in the previous year. Customer's account must be in good standing and current to be eligible for a potential leak adjustment. A leak adjustment will ~~generally~~ only be granted once within a ~~24 month~~ 3-year period. ~~additional requests require approval by the General Manager or Board of Directors.~~ No leak adjustments will be granted during District declared drought status.
- ~~2.~~ The Finance Director is hereby authorized to approve all leak adjustment requests up to \$1,000.
- ~~3.2.~~ _____ Leak adjustments over \$1,000 shall be brought to the Board of Directors for review and approval.
- ~~4.3.~~ _____ Adjustments must be applied for in writing within 30 days of receipt of billing. Proof must be provided that the leak was fixed within 14 days of discovery.
- ~~5.~~ ~~To be eligible for an adjustment, the leak must not be the result of negligence, such as leaks related to irrigation and/or animal behavior and be a direct result of verifiable and unforeseeable broken pipes, fixtures or other part of a customer's water system, not covered by insurance. District staff must be allowed to inspect the customer's plumbing to determine compliance with the requirements of this policy. An inspection and leak adjustment processing fee of \$50 shall be applied to the account upon approval of the leak adjustment request.~~
- ~~—~~ ~~To be eligible for a leak adjustment, the leak identified must be concealed, must not be the result of negligence and must not be readily detectable by a reasonable person. Internal plumbing leaks such as leaky toilets, dripping faucets and other above ground systems should be considered household maintenance responsibility and do not qualify. Any leak that is eligible for insurance payment is not covered. No adjustment will be allowed for leaks in a customer's irrigation system. Water used for filling of swimming pools (either by hose or auto-fill) do not qualify for an adjustment. Leaks caused by a third party from whom the customer can recover their costs do not qualify. Examples included, but are not limited to theft, vandalism, and construction damage.~~
- ~~4.~~ _____
- ~~6.~~ ~~To be eligible for a leak adjustment, receipts detailing the parts or services required to repair the leak must be included with submittal of the leak adjustment request form. proof of repair must be provided.~~
- ~~7.5.~~ _____ If approved, the customer shall receive a credit adjustment ~~up to~~ 50% of the water usage, compared to the same billing period from the prior year. ~~In addition to the base rate, payment for the normal water usage for the same billing period from the previous year, and payment of the inspection/processing fee, the customer must pay the first \$200 of the cost of the leaked water (deductible). This deductible shall apply to each leak request submitted by the customer. One half of the cost of the leaked water, above~~

~~the deductible, will be waived by the District for approved water leak requests. The leak adjustment calculation may not span more than one billing cycle.~~

~~8. Adjustments shall not reduce the billing to an amount lower than the customer's bill for the like billing period from the previous year.~~

FURTHER RESOLVED, by the Board of Directors of Tuolumne Utilities District that the Water Leak Adjustment Policy is hereby amended and shall be effective immediately.

PASSED AND ADOPTED by the Board of Directors of Tuolumne Utilities District on ~~March 40, 2021~~ ~~5~~ by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

ATTEST:

~~Ron Ringen~~ Barbara Balen, President
Secretary
Board of Directors

Melissa McMullen, District