

**Trinity Public Utilities District  
MINUTES OF THE REGULAR BOARD MEETING  
February 9, 2012**

Location: Trinity Public Utilities District Community Room  
Weaverville, California

Board Present: Thomas Ludden, Richard Morris, Rose Owens, Keith Groves,  
Kelli Gant

Board Absent: None

Others Present: Paul Hauser, Julie Catanese, Elizabeth Johnson, Andy  
Lethbridge, Karen Palmer, Kellie Ambrose, Robert Winkler,  
Richard Stiliha, Amy Gittelsohn, Bob Nelson, Wendy Otto

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

**2. Approval of the Agenda order**

Director Ludden motioned to approve the Agenda order. With a second from Director Owens, the motion passed with the following voice vote:

Ayes: Thomas Ludden, Richard Morris, Rose Owens, Kelli Gant,  
Keith Groves

Noes: None

Absent: None

Abstain: None

**3. Consent Calendar**

Director Ludden motioned to approve the Consent Calendar. Second by Director Owens, the Consent Calendar included:

- a. Approve Minutes of the Regular Board Meeting December 8, 2011
- b. Approve Minutes of the Safety Meeting November 28, 2011
- c. Approve Minutes of the Safety Meeting January 9, 2012
- d. Validate Bills of December, 2011
- e. Validate Bills of January, 2012
- f. Approve Financial Reports for November, 2011
- g. Approve Financial Reports for December, 2011
- h. Adopt Resolution 12-03 – Trinity Public Utilities District – North Valley Bank Electronic Services Resolution of Authority
- i. Update Conflict of Interest Policy

The motion passed with the following roll call vote:

Thomas Ludden: Aye  
Richard Morris: Aye  
Rose Owens: Aye  
Kelli Gant: Aye  
Keith Groves: Aye

**4. Public Input**

- a. None

## 5. Action Items

### a. Items Pulled from Consent Calendar

None

### b. Election for President of the Board

Director Ludden nominated Richard Morris for the office of President. Seconded by Director Gant, the nomination passed with the following voice vote:

Ayes:	Thomas Ludden, Richard Morris, Rose Owens, Kellie Gant, Keith Groves
Noes:	None
Absent:	None
Abstain:	None

### c. Adopt Resolution 12-01 – A Resolution of Appreciation for Richard Stiliha

President Morris expressed his gratitude to both Richard Stiliha and Robert Winkler for their many years of service to the District and its customers. President Morris explained that Mr. Stiliha had been with the District for 29 years as a Director and that Mr. Winkler had been with the District for 16 years. Prior to becoming a Director, Mr. Winkler was instrumental in expanding the District's service to Lewiston, Hayfork, Junction City, and other communities that previously had been served by PG&E.

President Morris presented both Mr. Stiliha and Mr. Winkler with a retirement lamp from the District.

Director Ludden motioned to adopt Resolution 12-01, a Resolution of Appreciation for Richard Stiliha. Seconded by Director Owens, the motion passed with the following voice vote:

Ayes:	Thomas Ludden, Richard Morris, Rose Owens, Kellie Gant, Keith Groves
Noes:	None
Absent:	None
Abstain:	None

### d. Adopt Resolution 12-02 – A Resolution of Appreciation for Robert Winkler

Director Ludden motioned to adopt Resolution 12-02, a Resolution of Appreciation for Robert Winkler. Seconded by Director Owens, the motion passed with the following voice vote:

Ayes:	Thomas Ludden, Richard Morris, Rose Owens, Kellie Gant, Keith Groves
Noes:	None
Absent:	None
Abstain:	None

Both Mr. Winkler and Mr. Stiliha thanked the Board. Mr. Winkler thanked President Morris for his diligent work in expanding the District. Mr. Stiliha stated that the District has had excellent Directors in the past and continues to have excellent Directors. He went on to say that the District is in good hands.

Mr. Winkler departed at 2:15 p.m.

e. Authorize Billing Date Review for Retiree's Portion of Medical Benefits

Mr. Hauser reviewed the Report for the Board. After a brief discussion Director Groves motioned that upon approval by the Employees' Association, the District amend the Memorandum Of Understanding to reflect that the District will re-calculate the retiree's premium contribution twice a year coinciding with the premium changes to the District and wage increases. Seconded by Director Owens, the motion passed with the following voice vote:

Ayes:	Thomas Ludden, Richard Morris, Rose Owens, Kellie Gant, Keith Groves
Noes:	None
Absent:	None
Abstain:	None

f. Revise the District's Connection, Line Extension and Customer Requested Connection Fees Policy

Mr. Hauser reviewed the Report for the Board. Mr. Hauser informed the Board that while visiting a business in Lewiston last December there was discussion regarding the cost to upgrade the electric service to accommodate expansion.

There was discussion regarding the fee schedule with a request for Staff to develop a per foot cost and present it to the Board at the next meeting.

Director Gant requested that Staff also present the Board with a hypothetical electric rate restructure for discussion purposes that would allow all of the District's areas to have the same rate.

After further discussion, Director Groves motioned to; 1) Revised the Connection, Line Extension and Customer Requested Construction Fees Policy as presented, 2) apply any payments already made for upgraded facilities installed since December to the customers electric account, and 3) direct Staff to present a revised fee structure based on footage for Board review. Seconded by Director Gant, the motion passed with the following voice vote:

Ayes:	Thomas Ludden, Richard Morris, Rose Owens, Kellie Gant, Keith Groves
Noes:	None
Absent:	None
Abstain:	None

g. Renew Contract for Annual Purchase of Utility Class Wood Poles for 2012  
Mr. Hauser reviewed the Report for the Board.

District Legal Counsel, Ms. Johnson, expressed concern over the expiration date on the current Contract. If the current Contract has expired then the District may be required to re-bid.

Director Groves questioned if the District could request a two year Contract instead of a year. Mr. Lethbridge stated that he would check with the vendors.

Director Ludden motioned to authorize the General Manager to execute the Contract for Providing Utility Class Wood Poles through December 31, 2012 with the Stella Jones Corporation pending review by District Legal Counsel.

## 6. Discussion Items

### a. Trinity Hospital Line of Credit

Mr. Hauser informed the Board that he and President Morris attending a meeting that some of the Hospital Board members also attended. There was discussion regarding the possible need to obtain the District's assistance while the Hospital waited to receive the grant reimbursement for work perform.

Mr. Hauser provided the new Board members with a brief historical review regarding the line of credit that is open with the Hospital District until 2015. Mr. Hauser also informed the Board that the Hospital has utilized this line of credit two times in the past and has fulfilled the obligation for repayment.

### b. Trinity Adaptive Management Working Group (TAMWG) Participation

Mr. Hauser discussed the participation draft that was provided in the Board Packet with the Board. There were a couple of changes requested by the Board to clarify that Mr. Hauser's participation is to educate TAMWG on the river release impacts to the District's electric rates.

The Board directed Mr. Hauser to make the changes requested and to present it to the Board again at the next meeting.

### c. Discussion of Community Choice Aggregation

Mr. Hauser informed the Board that he reviewed the Hayfork Tap Settlement Agreement with PG&E. Mr. Hauser also stated that he contacted the District's Legal Counsel, Fred Yanney, to discuss Community Choice Aggregation (CCA) as it relates to the Settlement Agreement. Mr. Yanney was in agreement with Mr. Hauser that the District could facilitate CCA District formations for the purpose of using First Preference Power, however the District could not acquire PG&E's distribution facilities.

County Supervisor Otto stated that she represents approximately 500 constituents who might be interested in receiving electricity from Western Area Power Administration and that there are approximately 300 to 400 more in the Downriver area. Supervisor Otto stated that she was going to be attending a meeting this evening and that this is one of the topics on the Agenda.

President Morris stated that the District would like to see the amount of interest to pursue a CCA in Supervisor Otto's district. President Morris stated that the District is very interested in assisting all Trinity County citizens in receiving the benefit that was promised by the United States Government when Trinity Dam was built.

Director Groves directed Staff to follow up with Supervisor Otto.

Wendy Otto departed at 3:45 p.m.

## 7. Reports

### a. Board Member Reports

- Director Gant reported that she attended the California Municipal Utilities Association's Capitol Day in Sacramento. She stated that Congressman Huffman graciously spent time with the District representatives to discuss our issues. Ms. Gant also learned the need for any District representative to develop a three minute dissertation of the history of the District, our needs, and what is special about Trinity County and our District.
- Director Gant also stated that she has been approached by the Trinity Center and Coffee Creek Fire Departments regarding obtaining permission to access the District's radio frequency to report electrical hazards. Staff was directed to determine the best way for Fire Departments to contact the District.
- Director Gant stated that she has been contacted by Dero Forslund regarding the District's computer change out. Mr. Forslund was wondering if the District could donate the old computers to the County Library. Mr. Hauser stated that there are other organizations that have contacted the District also and that Staff is working on this.
- Director Gant questioned if the District could assist the local museum with the purchase of a new heating system. Mr. Hauser was directed to contact the museum to determine how the District can assist them.

### b. Committee Reports

None

### c. General Manager's Reports

- Lewiston Project  
Mr. Hauser stated that he would discuss this topic at the end of the General Manager's Report.
- Land Exchange  
Mr. Hauser stated that he and the Board members present at CMUA Capitol Day met with staff member Staci Smith from Senator Boxer's office. Ms. Smith stated that the Forest Service provided a testimony that was not supportive of the bill. Ms. Smith also stated that Kyle Chapman from Senator Boxer's staff in Washington DC is following up

on the statements made by the Forest Service and is currently waiting for his questions to be answered. The deadline for this response was February 7<sup>th</sup>. Mr. Hauser stated that he will push to meet with Senator Boxer in March when we attend the APPA Legislative Rally.

- Trinity Alps Hydro  
Mr. Hauser stated that he has left two voice mail messages with Mr. Peluchi to determine if he was able to find a buyer for the energy generated from this facility. To date Mr. Peluchi has not returned the calls.
- Meeting with Grand Jury on December 14, 2011  
Mr. Hauser informed the Board that he met with the Grand Jury on December 14, 2011. He is unable to disclose the content from the meeting other than it was congenial.
- December, January, and February Electric Billings  
Ms. Palmer explained to the Board that due to United States Postal Service complications in December, the late notices that were mailed on November 29<sup>th</sup> did not reach the District's customers until two days prior to when the 48-hour notices were due to be printed. Due to this complication, Staff decided to forgo Disconnects for Non-Payment in December.

Ms. Palmer continued to explain to the Board that in order to continue the move forward with automating meter reading capabilities, at the end of December Staff needed to change out the receiver at the Weaverville Substation. There are two separate electrical systems that are tied to the Weaverville Substation, therefore the automated meters are having a difficult time reporting due to noise on the B phase. Staff has been working with Hunt Technologies to correct the issues, however in the meantime the Billing Clerk had to pro-rate the meters that are not reporting on a regular basis. Due to this issue the January electric bills were mailed two days late.

Ms. Palmer also informed the Board that February bills and late notices will be mailed one day late due to the software conversion for the accounting and payroll systems. To streamline this conversion Staff opted to stop all entry of payments and account balance changes for three days during the conversion. Also during the last couple of months CalPERS has converted their software and Staff has been required to perform extra work.

- January Storm Damage/Claim  
Ms. Ambrose informed the Board that during the January storm Western Area Power Administration came up to assist our crews. The County is not going to attempt to have the storm classified as a disaster with the State of California, therefore the District has submitted a claim to our insurance carrier for reimbursement. Staff estimates a loss of approximately \$100,000 between hotel costs for Western, meals, overtime, facility and vehicle repairs. The District has a \$10,000

deductible. Also to date there have not been any individual claims submitted.

- Biomass Generation

Mr. Hauser reported that he had a meeting with Frank Schmidbauer and Dee Sanders from Trinity River Lumber Mill. He was surprised to find that the mill was less enthusiastic about the Biomass Generation Project than he was expecting. However after further discussion with Mr. Schmidbauer he understands the economic reasons for their lack of enthusiasm.

Director Groves stated that Mr. Jungwirth has been researching Biomass and would be willing to discuss his findings at the next Board meeting.

Not on the agenda

- Western Efficiency Study

Mr. Hauser informed the Board that Western will have the results from their study next week.

- New Collaborative Group

Mr. Hauser informed the Board that a new group has been formed to look at ways for Pacific Northwest utilities and California utilities to collaborate. The group is currently studying energy imbalance markets. They will hold a meeting in Vancouver, Washington at the end of this month.

- Support Letter

Mr. Hauser reported to the Board that he wrote a letter of support regarding HR 1604. Passage of this bill would eliminate the requirement for small hydroelectric projects to complete both National Environmental Protection Act (NEPA) and California Environmental Quality Act (CEQA) processes.

At 4:25 the Board took a five minute break

- Lewiston Project

Mr. Hauser provided a power point presentation on his visit to China. The main goal of his visit was to obtain confidence that the company that has been awarded the bid to provide the equipment for the Lewiston Project can effectively perform the work. Mr. Hauser informed the Board that he is confident that Orenco has the ability to build good units.

Amy Gittelsohn and Richard Stiliha departed at 4:47 p.m.

## 8. Communications Received

- a. Mr. Hauser informed the Board that the District received a letter from New Day Broadband stating that they no longer wish to utilize our services in collecting payments. They have terminated the Contract with the District effective the first of February.

## 9. Meetings and/or Workshops

- a. APPA Legislative Rally  
March 12-14, 2012  
Washington, DC

Mr. Hauser reminded the Board that if any Board Member wishes to attend to please contact Karen as soon as possible.

- b. California Municipal Utilities Association  
Annual Conference  
March 27-30, 2012  
Monterey, CA

Mr. Hauser informed the Board that Karen is currently making arrangements for this meeting, please contact her as soon as possible if anyone wants to attend.

- c. NWPPA/NCPA Federal Policy Conference  
April 22-25, 2012  
Washington, DC

Mr. Hauser informed the Board that if any Board Member is interested in attending this Conference to please contact Karen as soon as possible so arrangements can be made.

- d. Energy Biz Leadership  
March 19-21, 2012  
Washington, DC

Mr. Hauser mentioned to the Board that Director Gant will be attending this Conference.

## 10. Closed Session

Director Ludden motioned to go into Closed Session at 5:00 p.m., second by Director Owens, the Board entered into Closed Session on the following:

- a. Closed Session Item Under Government Code §54956.9(a)  
**Conference with Legal Counsel – Anticipated Litigation**  
One Potential Case  
McColm vs. PG&E, et al  
Trinity County Superior Court Case No. 10CV065

- b. Closed Session Item Under Government Code §54956.95  
**Liability Claims**

Claimant:

R. Coleman

Agency Claimed Against:

Trinity Public Utilities District, Special District  
Risk Management Authority

Bob Nelson, Kellie Ambrose and Karen Palmer departed at 5:01 p.m.

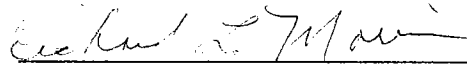


Andy Lethbridge departed at 5:10 p.m.

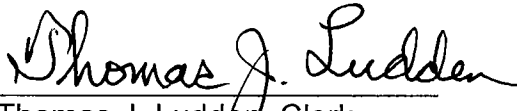
The Board came out of Closed Session and immediately reconvened in Open Session at 5:20 p.m. President Morris reported that the Board took no action during Closed Session.

**11. Adjourn**

Motion to adjourn by Director Gant, second by Director Owens, passing unanimously, the Board adjourned at 5:21 p.m.



Richard Morris, President

ATTEST:   
Thomas J. Ludden, Clerk