

**Trinity Public Utilities District**  
**MINUTES OF THE REGULAR BOARD MEETING**  
**October 11, 2012**

Location: Trinity Public Utilities District Community Room  
Weaverville, California  
Board Present: Richard Morris, Thomas Ludden, Keith Groves, Kelli Gant  
Board Absent: Rose Owens  
Others Present: Paul Hauser, Andy Lethbridge, Julie Catanese, Elizabeth Johnson,  
Kellie Ambrose, Karen Palmer, Hugh Ashley, Amy Gittelsohn

**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 Groves, the motion passed with the following voice vote:

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

**3. Consent Calendar**

Director Gant requested Items 3(c) and 3(d) be pulled from the Consent Calendar. Director Ludden motioned to approve the Consent Calendar removing Items 3(c) and 3(d). Second by Director Groves, the Consent Calendar included:

- a. Approve Minutes of the Regular Board Meeting September 13, 2012
- b. Approve Minutes of the Safety Meeting September 10, 2012

**4. Public Input**

- a. None

**5. Action Items**

a. Items Pulled from Consent Calendar

i. Validate Bills of September, 2012

Director Gant requested clarity on the payment for Interest on the COP's and Vegetation Right-of-Way and Clearing.

Ms. Catanese stated that the Interest on the COP's is the biannual payment for the 2003 Certificates of Participation which paid for Capital Improvements.

Mr. Lethbridge informed the Board that California Department of Forestry requires the District to "fire proof" any pole that has a cutout on it. There are approximately 1,100 poles that are affected by this requirement.

ii. Approve Financial Reports for August, 2012

Director Gant questioned the difference between the Actual and the Budgeted amounts in the Operating Revenue. Ms. Catanese explained it is the difference between restricted and unrestricted funds.

President Morris requested that Staff investigate why the customer count is reduced. Ms. Catanese stated that it was a possible typo.

Director Gant motioned to validate the Bills of September, 2012 and approve the Financial Report for August 2012. Seconded by Director Ludden the motion passed with the following voice vote:

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

b. Adopt Resolution 12-05 Revising the District's Schedule of Miscellaneous Service Charges

Mr. Hauser reviewed the Report with the Board. Mr. Hauser informed the Board that if the revised Policy was not adopted, the District would incur costs to reprogram the billing software.

After a brief discussion Director Groves motioned to adopt Resolution 12-05, rescinding the current Miscellaneous Service Charges and adopting new Miscellaneous Service Charges. Seconded by Director Gant, the motion passed with the following roll call vote:

Director Gant: Aye  
Director Ludden: Aye  
Director Groves: Aye  
President Morris: Aye  
Director Owens: Absent

c. Award Bid 12-B4, 2013 Line Construction Truck with Aerial Device

Mr. Hauser reviewed the Report with the Board. Mr. Hauser informed the Board that the low bidder did not meet specifications because they bid on a used vehicle that was two-wheel drive instead of four-wheel drive. Mr. Hauser also stated that the cost from Altec is nearly identical to the cost of the last aerial vehicle the District purchased.

After a brief discussion Director Ludden motioned to award Bid 12-B4, purchase of a 2013 Line Construction Truck with Aerial Device from Altec Industries, Inc. of Dixon, California, in the amount of \$247,169.84. Seconded by Director Gant, the motion passed with the following voice vote:

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

**6. Discussion items**

a. Discussion Regarding Bay Delta Flow Issues

Mr. Hauser stated that Director Gant requested this be on the Agenda. The California Municipal Utility Association (CMUA) commissioned Navigant Consulting to prepare a report on the potential impact of the Bay Delta Conservation Plan. CMUA members agreed that this report is in draft form and that there is a need for more in-depth studies before it is released.

Mr. Hauser reviewed the draft report with the Board and discussed the potential impact to the District.

b. Discussion Regarding the Lewiston Project

Mr. Hauser reviewed the history of the Lewiston Project with the Board. He informed the Board that at the Northern California Power Agency (NCPA) Annual Conference the new District Administrator for the Bureau of Reclamation, David Morella, discussed the Project with Director Ludden and himself. Mr. Morella was disappointed that the District had cancelled the Project. The Bureau's attorney has decided that because the District would be tearing down the old generator and removing the equipment prior to rebuilding, it is possible for the District to own the new facilities. Mr. Hauser suggests that the Board revisit moving forward with this Project once the Bureau has executed the Addendum to the Lease of Power Privilege.

The City of Redding will be re-evaluating the "handshake" agreement to increase their funds.

Kellie Ambrose departed at 2:55 p.m.

c. Discussion Regarding Community Choice Aggregation District

Mr. Hauser informed the Board that he attended the Board of Supervisors meeting with Supervisor Wendy Otto on October 2<sup>nd</sup>. At the meeting Supervisor Otto requested that the Board of Supervisors adopt a Resolution obtaining support from the County to proceed with a Community Choice Aggregation District (CCA). At this meeting County Administrator Wendy Tyler expressed concern that there would be too much work involved on the County level. Mr. Hauser stated that the Board of Supervisors voted to investigate whether they should move forward forming a CCA.

Mr. Hauser requested direction from the Board as to whether he should become more pro-active on the project or contact CAO Tyler and assist her in understanding the County's role in forming a CCA and their involvement after formation.

The Board directed Mr. Hauser to move forward with assisting the County to understand what steps need to be taken to develop a CCA and what their responsibility would be after formation.

d. Land Exchange

Mr. Hauser reported to the Board that he meet with Susan Stohr, the District's lobbyist in Washington DC. During this time he had individual meetings with Tyler Hammond, Josh Reiner, Derek Harley, Felix Young, and Kyle Chapman. During these meetings it was apparent that it will be difficult to convince staff of the need to introduce legislation in the Senate.

There will be a meeting with the Forest Service in the District Office on October 18<sup>th</sup> to discuss the land exchange. President Morris and Director Groves stated that they will attend the meeting with Mr. Hauser.

## 7. Reports

### a. Board Member Reports

None

### b. Committee Reports

None

### c. General Manager's Reports

- Website Update

Mr. Hauser demonstrated some of the changes that have been made to the website. He also informed the Board that Staff has provided more information that has not been incorporated yet.

The Board stated that they would like the ability for customers to pay their bill online when the website becomes live.

- Power Outages

Mr. Hauser reported that the only power outage that was experienced this month was today when a backhoe dug into an underground line that affected approximately six customers.

- Long Canyon Update

Mr. Hauser reported that the District is beginning to acquire easements. Staff will have to obtain an individual easement from all of the property owners on Long Canyon Road since the County does not own the road. Mr. Hauser reminded the Board that if one customer does not provide an easement, it could stop the Project. Mr. Hauser reported that if everything goes as planned construction could begin this spring.

## Not on the Agenda

- HVAC/Hospital Upgrade

Mr. Hauser reported that he met with the Hospital again regarding replacing their diesel and propane heating systems with electric heat pumps. Based on figures provided by the Hospital for an eleven month period they could potentially save approximately \$105,000.00 on heating/cooling costs if they converted to electric heat pumps. The Board discussed different incentives the District could provide to entice them to convert.

- Historical Society Grant to Convert Heating System

Mr. Hauser informed the Board that he met with Dero Forslund regarding the Museum converting to an electric heat pump. He stated that he would like to offer a \$350.00 per ton incentive for the Museum to convert to electric.

Julie Catanese departed at 3:40 p.m.

- Biomass  
Mr. Hauser reported that he met with representatives from the Trinity River Lumber Mill. They expressed interest in pursuing installation of kilns for drying lumber. They also plan to study the feasibility of biomass generation.
- District Audit  
Mr. Hauser informed the Board that the District's Annual Audit has been completed. He was pleased to announce that as far as he is aware this is the first time the District has received a "no change Audit". Ms. Catanese was commended for her attention to detail.

## 8. Communications Received

- a. Communications from Customers Regarding the New Late Payment Policy  
Mr. Hauser informed the Board that the District has received many positive comments from customers regarding the change in the Late Payment Policy.

## 9. Meetings and/or Workshops

- a. CMUA Capitol Day  
Sheraton Grand, Sacramento  
January 14, 2013  
Mr. Hauser informed the Board that if they are interested in attending this meeting to please let Ms. Palmer know.
- b. APPA Legislative Rally  
Grand Hyatt Washington, DC  
March 11-14, 2013  
Mr. Hauser stated that once there is information available for this Rally Staff will forward it on.
- c. CMUA Annual Conference  
Loews Coronado  
April 9-11, 2013  
Mr. Hauser informed the Board that if they are interested in attending this Conference to please let Ms. Palmer know.

Andy, Hugh, Amy left meeting at 3:50 p.m.

## 10. Closed Session

Director Groves motioned to go into Closed Session at 3:50 p.m. seconded by Director Ludden, the Board entered into Closed Session on the following:

- a. Closed Session Item Under Government Code §54956.9(b)  
**Conference with Legal Counsel - Anticipated Litigation**  
Two Potential Cases
- b. 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

c. Closed Session Item Under Government Code §54957.6

**Conference with Labor Negotiator**

Agency Negotiator:

Board of Directors

Employee Organization:

General Manager

Karen Palmer departed at 4:00 p.m.

The Board came out of Closed Session and immediately reconvened in Open Session at 5:20. President Morris reported that there was no action in Closed Session.

**11. Adjourn**

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

  
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Richard L. Morris, President

Attest:   
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Thomas J. Ludden, Clerk