

Trinity Public Utilities District
MINUTES OF THE REGULAR BOARD MEETING
September 12, 2013

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, Andy Lethbridge, Karen Palmer,
Kellie Ambrose, Wendy Tyler, Deborah Chapman, Barbara
Leadbetter

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

- a. Approve Minutes of the Regular Board Meeting August 8, 2013
- b. Approve Minutes of the Safety Meeting August 5, 2013
- c. Validate Bills of August, 2013
- d. Approve Financial Reports for July, 2013

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

4. **Public Input**

- a. Liability Claim – Katherine Burrows (This Item will be Discussed in Closed Session)

There was no one from the public present at the meeting requesting discussion on this matter.

- b. Liability Claim – Two Brother's Pizza (This Item will be Discussed in Closed Session)

There was no one from the public present at the meeting requesting discussion on this matter.

5. Action Items

a. Items Pulled from Consent Calendar

None

b. Authorize Public Power Week Celebration

Mr. Hauser reviewed the Report with the Board. Mr. Hauser reminded the Board that last year the District offered a \$1,400 rebate during the month of October for Heat Pump Installations. There was a significant response to the increase and Staff would like to offer the same rebate this October.

There was a brief discussion regarding the wording on the proposed advertisement. Director Ludden motioned to authorize the General Manager to place the advertisement as revised by the Board and the Letter to the Editor as presented in the local paper and to increase the Heat Pump Rebate for installations during the month of October in celebration of Public Power Week. Seconded by 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

c. Nomination of Two Board Members to the Community Investment Committee

Mr. Hauser reviewed the Report with the Board. Mr. Hauser stated that there was not a need for the Community Investment Committee to meet over this last year.

Director Gant nominated Director Ludden and President Morris to the Committee. Seconded by Director Owens the nomination passed with the following voice vote:

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

Noes: None

Absent: None

Abstain: None

d. Approve Contract with Underwood & Wetzel Law Offices, P.C.

Mr. Hauser reviewed the Report with the Board. Mr. Hauser informed the Board that Mr. Underwood's hourly rate will remain the same as Ms. Johnson's. He also mentioned that he is not familiar with Mr. Underwood's partner, however Mr. Underwood has assured Staff that he will be handling the District legal matters.

After a brief discussion Director Ludden motioned to approve the Profession Services Agreement for General Counsel with Underwood & Wetzel Law offices, P.C. Seconded by Director Groves, the motion passed with the following voice vote:

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

e. Approve Revised Installment Payments for Line Extensions Policy

Mr. Hauser reviewed the Report with the Board. Mr. Hauser stated that some residents in the Long Canyon area have brought this matter to Staff's attention. There is a potential that on large line extension projects customers may have the desire to finance up to \$5,000 over a twelve month period.

There was discussion regarding different interest rates for a primary line extension versus a secondary line. There was also discussion regarding developing a floating interest rate.

Director Grove motioned to approve the revised Installment Payments for Line Extensions Policy as presented. Seconded by Director Gant, 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

f. Authorize the Sale of Surplus Real Property

Mr. Hauser reviewed the Report with the Board. Mr. Hauser stated that the District will need to begin the process soon because we have a requirement to send the letters of intent prior to placing the parcel on the market. The District does not have to send letters to federal agencies.

After a brief discussion Director Groves motioned to: 1) Declare the 150 acre parcel in Van Duzen surplus, and 2) to authorized Staff to send a letter to the County and the special districts in the vicinity of the Van Duzen property providing them the opportunity to purchase the parcel. Seconded by Director Gant, 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

g. Award Bid 13-B4, Fire Mitigation Right-of-Way Clearing

Mr. Hauser reviewed the Report to the Board. Mr. Hauser explained to the Board that there have been developments since the report was distributed. It has been discovered that the low bidder, Wright Tree Services, used the wrong prevailing wage scale in their bid. Therefore, they are no longer interested in providing the service and wish to pull their bid. Mr. Hauser stated that because of the confusion caused regarding which prevailing wage scale was required by the Grant Department, Staff suggests that this project be rebid.

After a brief discussion, Director Groves motioned to reject all bids and to authorize Staff to rebid the project. Seconded by Director Ludden, 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

6. Discussion Items

a. Discuss the Trinity County Fair Livestock Auction

Mr. Hauser informed the Board that he has been approached by a few of the District's rate payers regarding supporting the livestock auction. The support would come in the way of participating in the auction at the Trinity County Fair and then donating the meat to local organizations that assist with meal preparations for the low income and elderly. Mr. Hauser suggested that he believes the District could use part of the Public Benefit's funds in this effort as it would assist with low income individuals.

After a brief discussion the Board requested that Staff follow up with contacting different organizations within our service territory to inquire if this was a possibility.

b. Discuss Heat Pump Rebate and the Option for Dual Fuel Capability

Mr. Hauser explained to the Board that currently the Heat Pump Rebate Program covers all-electric heat pumps only. Mr. Hauser explained the operation of a dual fuel heat pump versus an all-electric heat pump.

There was discussion regarding the reason for the District to provide the rebate and ways that we could include dual fuel heat pumps. The Board requested that Staff prepare a proposed amendment to the Heat Pump Rebate Policy to include options for dual fuel and present it to the Board for consideration.

7. Reports

a. General Manager's Reports

• Trinity Flow Augmentation

Mr. Hauser explained to the Board that there was an assessment done on the effects from the additional Trinity River flows being postponed

due to the Wetlands lawsuit. The Bureau of Reclamation has found that the delay of additional flows had no negative effect on the fish.

Mr. Hauser stated that the average cost to the District ratepayers is approximately \$1.40 per acre-foot for each acre-foot of water diverted down the Trinity River. Mr. Hauser also reminded the Board that this impact does not include the decrease in the District's power allocation. Therefore the impact is significantly more in the years to come as this erodes the District's power allocation. If the allocation continues to decrease at its current rate, before 2044 the District will be forced to purchase higher cost electricity from the market.

Debra Chapman departed at 3:30

- Long Canyon Project

Mr. Hauser informed the Board that the District line crews have completed the installation of the required poles and conductor on the Sierra Pacific property. Today they are in the process of tying into the primary line on Highway 3.

Mr. Hauser stated that nine customers could be energized by this winter. The next step will be to obtain the easements necessary to provide power to the remaining customers.

He informed the Board that a letter was mailed to all of the Long Canyon property owners providing them with an update on the project.

- Land Exchange

Mr. Hauser stated that the Mr. Huffman is considering introducing legislation regarding the land exchange with the Forest Service.

- District Website

Mr. Hauser informed the Board that the on-line bill pay has progressed to becoming live internally. This is allowing the District to use the program for credit card payments internally and provides the office personnel the ability to become familiar with the software.

Mr. Hauser stated that he and Ms. Palmer had a meeting with the website designer because we are requesting substantial structure changes with the Website. At this meeting Ms. Palmer was able to provide all of the information to be placed on the Website to the designer. Because of the significant changes, the live date has been delayed until early October.

Mr. Hauser reminded the Board that Staff will be proposing some revisions to current District Policies because of the availability for our customers to make payments on-line. Staff will also provide a copy of the announcements that will be used to advertise our website.

- Power Outages

Mr. Hauser informed the Board that the District experienced one large outage on August 10th. This outage was caused by lightning that struck the 60 kV line, which affected approximately 2,000 customer in Hayfork and Douglas City. The outage lasted approximately 20 minutes.

Mr. Hauser stated that Western had a station service outage caused by a ringtail cat but it did not affect the District.

- Lewiston Project

Mr. Hauser informed the Board that there have been discussions with Western Area Power Administration and the Bureau of Reclamation.

- Hayfork Solar Project

Mr. Hauser informed the Board that he met with Mr. Jim Jungwirth regarding a potential solar project. Mr. Hauser stated that Mr. Jungwirth requested that he approach the members of the Balancing Authority of Northern California to find out if there is any interest in purchasing this solar power. Mr. Hauser informed the Board that he did approach two BANC members, but they had little interest in purchasing solar power.

- Planned Power Outage in Hayfork

Mr. Hauser informed the Board that on Saturday, September 28th the District is planning a power outage from 9:00 a.m. until approx. 5:00 p.m. This outage is required to make repairs on the 60 kV line that serves the Hayfork substation in three different places. District crews have set the poles previously which will limit the length of time required to de-energize the line to perform the work.

- New FERC Chairman

Mr. Hauser reported to the Board that the Federal Energy Regulatory Commission (FERC) has announced that Mr. Binz has been nominated to replace Mr. Wellinghoff as Chairman. Both Mr. Binz and Mr. Wellinghoff are strong advocates for solar and wind generation.

- b. Board Member Reports

President Morris informed the Board that at the recent Northwest Public Power Association (NWPPA) Board meeting there was discussion regarding Mr. Binz and FERC.

President Morris also discussed with the Board the concern of what is happening with the Department of Energy.

Ms. Wendy Tyler departed at 4:00 pm

- b. Committee Reports

None

8. Communications Received

a. Note from Mr. Cooney

Mr. Hauser informed the Board that the District received a note on a customer's bill applauding the District for keeping the electric rates low.

9. Meetings and/or Workshops

a. APPA Legislative Rally

Grand Hyatt Washington, DC

March 10-12, 2014

Mr. Hauser informed the Board that the dates have been released for the APPA Legislative Rally. He asked that the Board consider attending this Rally.

10. Closed Session

Director Ludden motioned to go into Closed Session at 4:04 p.m., second by Director Groves the Board entered into Closed Session on the following:

a. Liability Claims Item Under Government Code §54956.95

Conference with Legal Counsel – Liability Claims

Claimant: Katherine Burrows

Agency Claimed Against: Trinity Public Utilities District

b. Liability Claims Item Under Government Code §54956.95

Conference with Legal Counsel – Liability Claims

Claimant: Two Brother's Pizza

Agency Claimed Against: Trinity Public Utilities District

c. Closed Session Item Under Government Code §54956.9(b)

Conference with Legal Counsel – Anticipated Litigation

One Potential Case

Ms. Barbara Leadbetter, Mr. Andy Lethbridge, and Ms. Julie Catanese departed at 4:05 p.m.

Ms. Karen Palmer and Ms. Kellie Ambrose departed at 4:25 p.m.

The Board came out of Closed Session and immediately reconvened in Open Session at 4:35 p.m. President Morris reported that the following action was taken:

- a) The Board voted to approve payment for the depreciated value of the replacement carpet in the amount of \$600.00
- b) The Board directed Staff to approve a settlement amount with Mr. Rose. If a settlement amount cannot be reached, the Board authorized Staff to contact Special District Risk Management Authority (SDRMA) to investigate the claim.
- c) No action was taken. This item was informational only.

11. Public Input

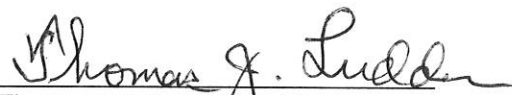
a. None

12. Adjourn

Motion to adjourn by Director Owens, second by Director Ludden, passing unanimously, the Board adjourned at 4:40 p.m.



Richard Morris, President

ATTEST: 
Thomas J. Ludden, Clerk