

Trinity Public Utilities District
MINUTES OF THE REGULAR BOARD MEETING
February 13, 2014

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, James Underwood, Andy
Lethbridge, Karen Palmer, Kellie Ambrose, Richard Stiliha,
James Holmes, Joe Polselli, Marilyn McEvoy, Amy Gittelsohn

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

2. Approval of the Agenda order

Mr. Hauser suggested that Item 3(e), Validate Denial of Claim, be removed from the Consent Calendar and moved to 5(a) Action Items because the claimant has filed an appeal.

Director Gant motioned to approve the Agenda order with the modification that Mr. Hauser suggested. With a second from 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

3. Consent Calendar

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

- a. Approve Minutes of the Regular Board Meeting January 9, 2014
- b. Approve Minutes of the Safety Meeting January 7, 2014
- c. Validate Bills of January, 2014
- d. Approve Financial Reports for December, 2013
- f. Amend Easements Policy

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. None

5. Action Items

a. Items Pulled from Consent Calendar
Validate Denial of Claim

Mr. Hauser reviewed the Report with the Board. Mr. James Holmes discussed the incident with the Board. Mr. Joe Polselli informed the Board that he witnessed problems with the trench. Ms. Marilyn McEvoy reiterated the complaint about the ditch.

Mr. Lethbridge mentioned to the Board that the dirt continued to settle in the ditch because it was frozen due to the cold weather conditions.

After a brief discussion Director Gant motioned that the District pay the claimant the requested \$90.00 to replace the tire. Seconded by Director Ludden, the motion pass with the following voice vote:

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

James Holmes, Joe Polselli, and Marilyn McEvoy departed at 2:35 p.m.

b. Approve Cancelation of the Lewiston Hydroelectric Project

Mr. Hauser reviewed the Report with the Board. He mentioned to the Board that Staff was able to gather more information on the financing costs.

Mr. Hauser mentioned that at the Western Operations and Maintenance Governance meeting yesterday in Sacramento the Lewiston Project was discussed. Mr. Hauser stated that the Bureau of Reclamation would like to see the Project move forward, however they are not willing to provide the language that the District requires. Mr. Hauser reported to the Board that Staff has begun the process of refunding the 2003 Certificates of Participation.

Director Ludden motioned to: 1) Formally cancel the Lewiston Dam Power Plant Replacement Project, 2) Formally terminate the Renewable Energy Purchase Agreement with the City of Redding, and 3) Direct Staff to refund the debt earmarked for the Project to reduce the District's debt service expense. 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

c. Approve Contract with Evergreen Job & Safety Training

Mr. Hauser reviewed the Report with the Board. Mr. Hauser mentioned to the Board that there is a misprint in the Conclusions and Recommendations. The not-to-exceed amount should be \$23,695.52.

After a brief discussion, Director Gant motioned to approve the Professional Services Contract with Evergreen Job & Safety Training for a not-to-exceed cost of \$23,695.52. Seconded by Director Morris, 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. APPA E-Mail Regarding Colorado State University Study

Mr. Hauser discussed with the Board an e-mail from APPA regarding a study done by the Center for the New Energy Economy at Colorado State University.

7. Reports

a. General Manager's Reports

• Trinity Collaborative Meeting

Mr. Hauser informed the Board that at the last Trinity Collaborative Meeting there was discussion regarding the District relocating the power poles from their current location in the forest.

• Long Canyon Project

Mr. Hauser reported to the Board that the District has received approximately five easements back from land owners in the Long Canyon area. He also stated that the District sent out a letter to all of the land owners informing them of a meeting that will be scheduled sometime in the spring to discuss the costs between overhead and underground power lines.

• Land Exchange

Mr. Hauser informed the Board that Representative Huffman introduced the land exchange legislation in the House.

• Power Outages

Mr. Hauser informed the Board that there was only one significant outage since the last Board Meeting. This outage was in the Trinity Avenue, Reservoir Road area of Hayfork and affected approximately twenty-five customers. The outage lasted about two and a half hours and was caused by a blow fuse. There was also an outage that affected customers from Bowerman Ridge south. This outage was caused by a tree and lasted six hours.

- March Board Meeting
Mr. Hauser reported to the Board that Mr. Mark Gabriel from the Western Area Power Administration will be here on March 13th from 3:30 p.m. until approximately 5:00 p.m. Mr. Hauser suggested that the Board hold the regular scheduled meeting, keeping the Agenda as short as possible, adjourn the meeting and then hold a special meeting. The Board concurred.
- Northwest Public Power Collaborative Meeting
Mr. Hauser informed the Board that he attended the Northwest Public Collaborative Meeting which was held in Washington. Mr. Gabriel from the Western Area Power Administration was at the meeting. The discussions at the meeting were regarding PEAK and the need to keep a separation between BANC and the CAISO .
- Trinity Hospital HVAC
Mr. Hauser reported that he met with Mr. Clarence Rose and Mr. Wally Couch regarding replacing the heating and air conditioning units at the Hospital. Mr. Hauser informed the Board that the Hospital could save more than \$90,000 per year if they replaced the current diesel and propane systems with electric.

Not on the Agenda

- Junction City Elementary School
Mr. Hauser informed the Board that Staff has provided a letter to the Junction City School regarding replacing their heating units.
 - Current Drought Conditions
Mr. Hauser reported that with the recent rains Shasta and Trinity Lakes came up about one foot. Folsom Lake rose approximately twenty-four feet. The reason for such a drastic increase was because prior to the rain, Folsom Lake was forty feet from dead pool.
- b. Board Member Reports
Director Morris reported to the Board that the Northwest Public Power Association has been working on replacing their director, Wil Lutgen. Director Morris is on the selection committee and stated that they received over seventy applicants. They have whittled it down to two candidates who will be interviewed next week. Both candidates would be excellent in the position. Director Morris expressed his appreciation of the support he receives from the District's Board which allows him to continue his participation in NWPPA.
- b. Committee Reports
None

8. Communications Received

- a. Mr. Hauser reported to the Board that Staff has estimated that the number of customers paying their bills on-line is slowly increasing. There were 279 payments made via mobile and web in December and 338 payments in January. Staff is planning on advertising the website payment method again within the next few weeks.

9. Meetings and/or Workshops

- a. 2014 APPA Legislative Rally

March 10-12, 2014

Washington, DC

Mr. Hauser reported to the Board that all travel arrangements have been made. Currently all that is left is preparing a meeting schedule, which Ms. Susan Stohr is working on.

- b. Board Member Ethic's and Sexual Harassment Training

March 27, 2014 (10am-2pm)

Hayfork V.F.W. Hall

Mr. Hauser informed the Board that Trinity County Waterworks District #1 has invited the District's Board Members to this training again. There was discussion regarding the possibility of the training being on-line.

- c. 2014 CMUA Annual Conference

April 1-3, 2014

Napa, CA

Mr. Hauser informed the Board that Ms. Palmer will be reserving rooms for this conference next week.

- d. 2014 NWPPA Annual Conference

May 18-21, 2014

Billings, Montana

Mr. Hauser reported that he is planning to attend the NWPPA Annual Conference this year. He invited the Board to think about attending as well.

10. Closed Session

Director Ludden motioned to go into Closed Session at 3:30 p.m., second by Director Morris, 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

One Potential Case

- b. Closed Session Item Under Government Code §54956.8

Conference with Real Property Negotiator

Agency Negotiator: Trinity PUD General Manager

Property: Van Duzen Property AP #018-090-64-00

Richard Stiliha, Amy Gettlesohn, Andy Lethbridge, Julie Catanese, Kellie Ambrose, and Karen Palmer departed at 3:31 p.m.

The Board came out of Closed Session and immediately reconvened in Open Session at 4:35 p.m. President Groves reported that:

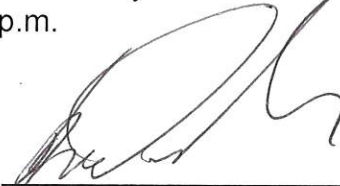
- a) The Board voted to withdraw from the CalPERS Appeal.
- b) The Board authorized the General Manager to list the Van Duzen Property for sale and to negotiate the sale on the District behalf.

11. Public Input

- a. None

12. Adjourn

Motion to adjourn by Director Morris, second by Director Owens, passing unanimously, the Board adjourned at 4:37 p.m.



Keith Groves, President

ATTEST: Richard L. Morris
Richard L. Morris, Clerk