

**Trinity Public Utilities District
MINUTES OF THE REGULAR BOARD MEETING
May 8, 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 Haigh,

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

2. Approval of the Agenda order

Director Gant requested that Items 3c and 3f be removed from the Consent Calendar. Director Morris motioned to approve the Agenda order as requested by Director Gant. 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 April 10, 2014
- b. Approve Minutes of the Safety Meeting April 8, 2014
- d. Approve Financial Reports for March, 2014
- e. Approve Amendment to the Utility Billing Delinquency, Late Payment, and Disconnections 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

c) Validate Bills of April, 2014

Director Gant requested clarification of the Littler Mendelson PC, and Board of Equalization payments. Mr. Hauser informed the Board that the Littler Mendelson PC payment was for Bruce Sarchet's services.

Ms. Catanese explained that the Board of Equalization payment was for the Energy Surcharge Tax that we collect on our bills for the State of California.

f) Authorize General Manager to Execute a Consulting and Professional Services Agreement with Daniel Beans

Director Gant asked what we spent last year for Mr. Beans' services. Ms. Catanese stated that it was around \$60,000 to \$70,000.

Director Gant motioned to Validate the Bills of April, 2014 and to authorize the General Manager to Execute a Consulting and Professional Services Agreement with Daniel Beans. 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

b. Approve FY 14/15 Budget Assumptions and District Goals

Mr. Hauser reviewed the Report with the Board. He explained that the drought is affecting the cost of power which is impacting the Budget. In September of 2011 the cost of power was 1.9 cents per kwh, currently it is 3.1 cents per kwh and by the end of the current fiscal year it will have risen to 4 cents per kwh. The only way to lower the cost of power is to receive more precipitation.

Mr. Hauser informed the Board that due to the mild winter Staff has determined that we can push replacement of one snocat, one line truck, and the forklift out one year and the second snocat out two years. We do however need to replace the Supervising Foreman's vehicle.

Mr. Hauser commended Ms. Catanese for staying on top of the payment from the United States Bureau of Reclamation. We finally received the payment.

Mr. Hauser reviewed the Goals and Objectives with the Board. Director Gant suggested that the wording in the Goals and Objectives be changed from Primary and Secondary to Goal and Objective.

After a brief discussion, Director Morris moved to approve the District Goals for Fiscal Year 14/15 as amended. 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

6. Discussion Items

a. Discussion Regarding AB 1914

Mr. Hauser discussed the history of AB1914. Assmelymember Chesbro presented this bill. Mr. Hauser explained to the Board that the bill will enshrine the Record of Decision into State Law while keeping additional water in Trinity Lake to create a cold water pool. This will reduce the amount of water that flows through the turbines at the Spring Creek, Keswick, and Carr powerhouses.

Mr. Hauser further explained that with the loss of generation the District could lose its current compliance with the California Renewable Portfolio Standard (RPS). This would dramatically increase power rates.

The Board members also would like to begin the education process for the public on the impacts that diverting water from the power generation facilities has on them as ratepayers. It was also suggested that the District invite one or two County Board of Supervisors to the Northern California Power Agency's Annual meeting in August to hear from other utility districts about how water issues affect power costs.

b. Discussion on Rate Structure Alternatives

Mr. Hauser informed the Board that the District does not have a flat charge. The District also has one of the smallest customer-to-line ratios in the State. He explained that full time residents who are the larger consumers subsidize the part time customers and lower usage customers.

Mr. Hauser discussed with the Board the possibility of combining the Deregulation and Drought Relief Surcharges to establish a flat charge. Mr. Hauser suggested that the Board wait to revise rates until next spring since the District might need to increase the Drought Relief Surcharge due to the dramatic increase in our power costs caused by the super drought.

7. Reports

a. General Manager's Reports

- Balancing Authority of Northern California

Mr. Hauser reported to the Board that he has been asked to chair the Resources Committee. He can maintain an impartial vision since the

District's only electric resource is the hydro that is generated from Lewiston Dam.

- Long Canyon Project
Mr. Hauser informed the Board that there was overwhelming support for underground power. He also thanked President Groves for attending the meeting.
- Land Exchange
Mr. Hauser reported that while in Washington DC he was able to meet with representatives. He stated that the land exchange legislation will be presented to Senator Feinstein this week.
- Power Outages
Mr. Hauser reported that there have only been a few smaller outages caused by blown fuses since the last Board meeting. One blown fuse was in Lewiston which lasted approximately two hours and affected thirty customers. The other blown fuse was in Trinity Center causing approximately fifty customers to be without power for approximately an hour.
- Lewiston Project
Mr. Hauser informed the Board that he met with the Bureau of Reclamation. There are contractors who would like the project to move forward. They have submitted ideas to lower the construction costs by installing a turbine that is different.
- Central Valley Project Cost Allocation Study
Mr. Hauser stated that there has not been an agreement made yet.
- Security System
Mr. Hauser informed the Board that Staff has is in the process of having a security system installed at the District office. This will include an alarm system and video surveillance camera's.

b. Board Member Reports
None

b. Committee Reports
None

8. **Communications Received**

a. None

9. Meetings and/or Workshops

a. 2014 NWPPA Annual Conference

May 18-21, 2014

Billings, Montana

Mr. Hauser informed the Board that he and Director Morris will be attending this conference.

b. 2014 APPA Annual Conference

June 13-18, 2014

Denver, Colorado

Mr. Hauser informed the Board that he will be attending this meeting.

10. Closed Session

Director Owens motioned to go into Closed Session at 4:28 p.m., second 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

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

Mr. Andy Lethbridge, Ms. Julie Catanese, Ms. Kellie Haigh, and Ms. Karen Palmer departed the meeting at 4:29.

The Board came out of Closed Session and immediately reconvened in Open Session at 4:41 p.m. President Groves reported that there was no action taken.

11. Public Input

a. None

12. Adjourn

Motion to adjourn by Director Gant, second by Director Morris, passing unanimously, the Board adjourned at 4:44 p.m.

Keith Groves, President

ATTEST:

Richard L. Morris, Clerk