

**Trinity Public Utilities District  
MINUTES OF THE REGULAR BOARD MEETING  
October 13, 2016**

Location: Trinity Public Utilities District Community Room  
Weaverville, California

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

Board Absent: None

Others Present: Paul Hauser, Julie Catanese, Andy Lethbridge, Karen Palmer,  
Donna Rupp, 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 Rose, the motion passed with the following voice vote:

Ayes: Thomas Ludden, Richard Morris, Rose Owens, Kelli Gant,  
Clarence Rose

Noes: None

Absent: None

Abstain: None

**3. Consent Calendar**

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

a. Approve Minutes of the Regular Board Meeting September 08, 2016

b. Validate Bills of September, 2016

c. Approve Financial Reports for August, 2016

The motion passed with the following voice vote:

Ayes: Thomas Ludden, Richard Morris, Rose Owens, Kelli Gant,  
Clarence Rose

Noes: None

Absent: None

Abstain: None

**4. Public Input**

a. None

**5. Action Items**

a. Items Pulled from Consent Calendar  
None

b. Adopt Resolution 16-05 Relating to Implementation of Ordinance 16-01 Affecting Customer Rates

Mr. Hauser stated that this was the second reading of Ordinance 16-01.

Mr. Hauser reviewed the Report with the Board. He stated that after four years of drought the District's power costs have nearly doubled and even if we begin to see above normal water years, some costs will not decrease due to the way Trinity River water is being managed. He stated that it is not only the amount of water that is being diverted down the Trinity River but also the timing of the increased releases.

Mr. Hauser provided a power point presentation reflecting the different scenarios of the District projected reserve balances. Mr. Hauser reminded the Board that we have a bond covenant that requires the District to maintain a debt service coverage ratio of 1.25. If the District's debt service coverage ratio dips below this amount the bond holders can require a rate increase.

Ms. Donna Rupp reminded the Board that Trinity County has a high poverty level and that there are rate payers who work and have a hard time attending a 2:00 pm Board meeting. Ms. Rupp provided the Board with water release information that she was able to obtain through 2014.

After a brief discussion, Director Rose motioned to Adopt Resolution 16-05 to approve Ordinance 16-01 increasing rates as presented. Seconded by Director Ludden, the motion passed with the following roll call vote:

President Morris:	Aye
Director Gant:	Aye
Director Rose:	Aye
Director Ludden:	Aye
Director Owens:	Aye

Ms. Donna Rupp departed at 2:57 p.m.

c. Consider approving Billing Insert Request from Mountain Communities Healthcare District

Mr. Hauser reviewed the Report with the Board. He stated that this billing insert is coming from the hospital, not the advocacy committee.

After much discussion regarding both pros and cons of including the billing insert, Director Rose motioned to approve the inclusion of the billing insert as presented in the District's October 2016 bills. Seconded by Director Ludden, the motion passed with the following voice vote:

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

**6. Discussion Items**

a. None

## 7. Reports

### a. General Manager's Reports

- Trinity Adaptive Management Working Group Meeting

Mr. Hauser reported that both he and Ms. Catanese missed the last meeting. He stated that the Bureau of Reclamation is discussing the possibility of increasing flows down the Trinity River at the end of February and beginning of March. Mr. Hauser also informed the Board that one of the units at Trinity Dam is down for repairs and will not be back into service until the end of April, therefore it will not be generating electricity during the higher flows in February and March. The cost of this is more than \$2.5 million in lost generation.

Mr. Hauser stated that the Northern California Power Agency has amended their complaint to the Bureau of Reclamation stating that the billing for restoration costs is not in accordance with the law.

Director Gant reported that the releases that are going to occur at the end of February will include five pulse flows and be included in the Record of Decision flows. She stated that there was also discussion regarding a cold pool.

Ms. Amy Gittelsohn departed at 3:31 pm.

- Land Exchange

Mr. Hauser reported that the District has received the signed Agreement to Initiate from the Forest Service.

- Power Outages

Mr. Hauser reported that there were two reportable outages since the last meeting. The first was in the Deerlick Springs area affecting 50 customers. The outage was caused by a tree in the power lines and lasted approximately an hour. The second outage was a planned outage in the Highland Subdivision in Hayfork. This outage affected 100 customers lasting six hours and was to allow for removal of multiple dead trees.

- Balancing Authority of Northern California

Mr. Hauser reported that Sacramento Municipal Utility District will be joining the California Independent System Operator's Energy Imbalance Market in three years.

- Special District Risk Management Authority

Mr. Hauser stated that the District received a letter from the Special District Risk Management Authority. The letter stated that due to no property or liability claims for the past year there will be no increase to the District's liability insurance premium this next fiscal year.

- Rural Economic Development Loan and Grant Program  
Mr. Hauser informed the Board that the District received notification that the loan has been approved, although the money has not been received. Tule Creek Forest Products has been working on lowering their overhead while increasing production.
- Vacant Clerk Position  
Mr. Hauser informed the Board that Ms. Kim Hale turned in her resignation last month. Staff has advertised the position in the local paper and we have received several applications. He stated that we will be testing nine of the applicants next week and the following Tuesday Staff will be interviewing the top five. Mr. Bernie Fargen from Redding Electric will be participating in the interviews.

b. Board Member Reports

- Northern California Power Agency Conference  
Director Gant reported that at the Northern California Power Agency (NCPA) Conference there was a presentation on the relative impact that California has compared to the rest of the world. She stated there was also a panel that included the Western Area Power Administration and the Bureau of Reclamation to discuss energy.

Director Rose added that a representative from Utah stated that other states do not trust California. He also stated that there was discussion that the District should begin to create a 20 year plan instead of the current five year planning.

- County Marijuana Cultivation Ordinance  
Mr. Rose informed the Board that Trinity County extended the Marijuana Cultivation Ordinance ten more months. He also stated that the Board of Supervisors included any property in the Weaverville Community Services District and Trinity County Waterworks District #1 sphere of influence as a no grow zone.

c. Committee Reports

None

**8. Communications Received**

- a. Thank You From Trinity County Chamber of Commerce  
Mr. Hauser shared the thank you letter from the Trinity County Chamber of Commerce for the assistance with the new lighting for the Welcome to Weaverville signs.

**9. Meetings and/or Workshops**

- a. None

**10. Closed Session**

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

- a. Closed Session Item Under Government Code §54957.6

**Conference with Labor Negotiator**

Agency Negotiator: Trinity PUD Board of Directors  
Employee Organization: Unrepresented Employee:  
General Manager

The Board came out of Closed Session and immediately reconvened in Open Session at 5:10 p.m. President Morris reported that the Board approved a one-time 10% incentive pay to the General Manager for fulfilling his annual goals. The Board also set new goals to be met for the next year.

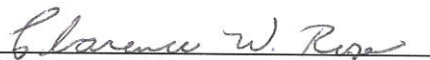
**11. Public Input**

- a. None

**12. Adjourn**

Motion to adjourn by Director Rose second by Director Gant, passing unanimously, the Board adjourned at 5:12 p.m.

  
Richard L. Morris, President

ATTEST:   
Clarence W. Rose, Clerk