

**Trinity Public Utilities District**  
**MINUTES OF THE REGULAR BOARD MEETING**  
**March 14, 2019**

Location: Trinity Public Utilities District Community Room  
Weaverville, California

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

Board Absent: None

Others Present: Paul Hauser, Jim Underwood, Julie Catanese, Andy Lethbridge,  
Karen Palmer, Sarah Sheetz, John Brower, Evan Barrow, Lisa  
Barrow, Joseph Taylor, Jim Aven, Amy Gittelsohn, Andrew  
Franklin, Jaime Green and Doug Morrison.

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

**2. Approval of the Agenda Order**

Director Gant made a motion to approve the Agenda Order, but move Discussion Item 7a to follow Item 4, Public Input. Second from Director Rourke, the motion passed with the following voice vote:

Ayes: Thomas Ludden, Richard Morris, Kelli Gant, Mike Rourke,  
Clarence Rose

Noes: None

Absent: None

Abstain: None

**3. Consent Calendar**

Director Morris made a motion to approve the Consent Calendar. Second by Director Ludden, the Consent Calendar included:

- a. Approve Minutes of the Regular Board Meeting January 10, 2019
- b. Approve Minutes of the Special Board Meeting February 13, 2019
- c. Accept Minutes of the Safety Meeting January 07, 2019
- d. Accept Minutes of the Safety Meeting February 05, 2019
- e. Validate Bills of January, 2019
- f. Validate Bills of February, 2019
- g. Approve Financial Reports for December, 2018
- h. Approve Financial Reports for January, 2019
- i. Validate Denial of Claim

The motion passed with the following voice vote:

Ayes: Thomas Ludden, Richard Morris, Kelli Gant, Mike Rourke,  
Clarence Rose

Noes: None

Absent: None

Abstain: None

#### 4. **Public Input**

Andrew Franklin from Junction City stated that he was pleased that the District's Conflict of Interest Policy would be reviewed at this meeting as he had voiced concerns at the January meeting of potential conflict relative to District Board Member and Staff participation in the Trinity Action Association (TAA). He subsequently learned that the District's legal counsel also served as counsel for the TAA.

Jacob Soutsas inquired if it is a policy of the District to read correspondence submitted to the Board at Board Meetings. Mr. Hauser advised that correspondence addressed to the Board is copied and distributed accordingly.

#### 7. **Discussion Items (Item Moved per Action in Item 2)**

##### a. Discussion Regarding Line Extension Policy

President Rose invited comments from the public on the Line Extension Policy.

Evan Barrow, Operations Manager for Family Trees Farms in Hayfork requested that engineering be completed and costs determined to provide power to his business, which has a 10k mixed light cannabis license from the County and is currently constructing a 23,000 square foot facility. He encouraged the District to use this opportunity to build up its system.

Vice-President Gant suggested that Mr. Hauser lead the discussion, as many questions may be addressed in his presentation. The Board concurred.

Mr. Hauser began the discussion referencing an article from the North West Public Power Association's December 2018 Bulletin entitled "When New Customer Loads Prove Challenging." The article describes the challenges faced by Chelan County PUD due to the bitcoin boom and cryptocurrency mining in their district. Mr. Hauser advised the current situation with the cannabis industry in Trinity PUD's service territory is analogous. Similar to Chelan County, when the current Line Extension Policy was adopted at the April 13, 2017, meeting of the Board, Trinity PUD was being overwhelmed with applications for very large service all over the system. Staff realized that there was no way to fulfill the requests. Unlike Chelan County, who issued a complete moratorium on high-density loads, Trinity PUD believed that the 400-amp per parcel constraint would suffice.

Mr. Hauser explained that a very large home with a 400-amp service may draw 4000 kilowatt hours (kWh) per month, but that the District now has residential services utilizing 50,000 kWh per month, which is a dramatically different load than the typical historical load for 400-amp service. As a reference, 50,000 kWh exceeds the usage at the Weaverville Elementary School Campus. The District has circuits and substations that are overloaded. One circuit in particular, the Lewiston 1101 is overloaded 5 months out of the year, necessitating a moratorium on new 400-amp services on that circuit. Big Flat Substation has also experienced a dramatic increase in load, necessitating a partial moratorium.

The District needs time to study the situation and analyze possible solutions. The current infrastructure does not allow the District to serve large loads at diverse locations across the system and predicting where the load growth is happening is difficult.

President Rose surmised that the District has constructed a system that is intended to serve residential customers. Mr. Hauser concurred. He stated that there are a significant number of 400-amp services using ten times the typical historical profile of a 400-amp service. The risks associated with overloading transformers, circuits and substations include wildfire hazards, brown out conditions, and power quality issues. In Chelan County, a full moratorium was implemented to stay the impacts to the existing system. Chelan County has adopted a new rate structure for the high density loads, and the moratorium is expected to be lifted in April of 2019, after 4 ½ years. In our District, estimates for new large services would need to include new larger regulators and wire size upgrades to accommodate load on a given circuit.

Director Gant asked if a typical residential service could be added now on the Lewiston 1101 Circuit. Mr. Hauser stated he would not advise adding any new service on the Lewiston 1101.

Director Rourke stated that the current commercial rate assumes that the load is concentrated in a particular area, rather than in remote locations that are typically residential. He agreed that infrastructure updates would be required to cover the cost of delivering a commercial load to remote locations.

Mr. Hauser agreed with Director Rourke that the Board could consider adopting a different rate structure for that purpose. He offered Trinity River Lumber Mill as an example of a large industrial user, but pointed out the proximity to a substation. He advised that customers who use more than 10,000 kWh per month are considered commercial and are moved to the commercial rate.

Director Gant stated that from a financial perspective, we have had a series of disasters in the past 3 years, including snow storms and fires that draw down our reserves. Mr. Hauser estimated expenses of up to \$2 million for the February 2019 storm. The winter storm in 2017 was in the \$800,000 range. He stated that reserves are a necessity. When a storm hits the District must be prepared to cover the expense. While the District may be able to seek disaster reimbursement, that is not always the case, and can take years even for partial reimbursement.

Mr. Barrow resumed his comments. He stated that the District has designed a one size fits all policy that doesn't necessarily apply to all requests and requested that the Board reconsider the policy.

Lisa Barrow stated that she is troubled by the District's resistance to commercial cannabis. She identified many hardships faced by the community of Hayfork. She stated that the streetlights in the Hayfork lighting district are not functioning even though the Hayfork Lighting District continues to pay for streetlights. She

requested that the Board reconsider the Line Extension policy, especially for Hayfork.

John Brower said that he would like the District to do what is necessary to calculate the large loads and set up a system to handle them. He advised that the cannabis industry is more than willing to pay an increased rate and is willing to pay even more to get power delivered to remote locations. He stated that operators are willing to work with the District to help schedule the on/off times of those loads. He stated that the entire system could benefit from the improvements and that it is an opportunity for economic development.

Jacob Soutsos from Junction City echoed the sentiments of Evan and Lisa Barrow and John Brower. He feels there is a divide between the cannabis industry and the Board, and would like to help expedite economic development in the area and work with the District.

President Rose reflected on the history of the Line Extension Policy. He stated that the District attempted to make it possible to provide any customer with 400-amp service without additional engineering or expense, while services greater than that require engineering. This has not changed, but the load profile of the 400-amp services has changed. He stated that it will take time for the District to understand how we need to modify our system to provide safe reliable power to all customers.

Director Morris requested that staff address the issue of Hayfork's streetlights. Mr. Lethbridge advised he would. Director Morris posed the following questions for consideration on the complexity of the situation:

1. What impact the high density loads have on our infrastructure?
2. What impact is there to fire danger?
3. How are our current customers being impacted?
4. Is there any connection between Federal Controlled Substances Act and the District being dependent on Federal Power?
5. What impacts on remote neighborhoods might commercial activity of this sort inspire?
6. What is the durability of the cannabis industry long term?
7. Is there any coordination taking place between TPUD and Trinity County/Trinity County Planning as to zoning, requirements about structural improvements to systems that are requiring these services?
8. Are there any residency requirements? (having noted the out of area remote operators in the Chelan County article).
9. Is anybody overseeing the operational safety of these services?
10. Have we developed a que for applicants or given thought to the possibility of a lottery when there is a finite ability to serve but overabundance of applicants?
11. Is there a necessity for a moratorium?
12. Who pays for the engineering studies that are required?
13. What are the unusual characteristics of this load that make it different from other loads.

Director Gant inquired if the problem is a physical capacity problem even if we had unlimited power. Mr. Hauser responded that the District's infrastructure is not sufficient to serve these loads. Director Gant stated that there is great financial risk in extending infrastructure for any business and that she does not want to put the whole district at risk. She inquired if staff could identify if there is a concentration of requests and consider upgrading a particular substation as a pilot program.

Director Rourke inquired about the impact to existing parcels if the District begins allocating commercial load in the vicinity. Will future residents be responsible to pay for the upgrade if they decide to construct a residence? Will we reserve capacity for residential service in these areas?

President Rose stated that the District has enough power in the federal allocation to meet the demand, but the District infrastructure cannot handle the delivery. He offered to meet with customers and stated that the Board wants to be good stewards for the customers of the District.

## 5. Action Items

- a. Items Pulled from Consent Calendar
  - i. None
- b. Accept Resignation from Director Thomas Ludden and Interview Candidates to Fill the Vacancy on the Board of Directors

Mr. Hauser reviewed the report with the Board. President Rose and Directors Gant, Rourke and Morris all thanked Director Ludden for his service over the past 17 years. Mr. Hauser requested that Director Ludden return for a future meeting so that a presentation could be made to him.

President Rose advised that he had established an Ad Hoc committee comprised of himself and Director Gant to review the applications received from potential Board candidates and narrow down the list. The committee selected candidates Alex Cousins, Jaime Green and Doug Morrison for interviews.

After a brief discussion, Director Rourke made a motion to accept the resignation from Director Thomas Ludden and interview Candidates to fill the vacancy on the Board of Directors. Director Morris seconded the motion.

The motion passed with the following voice vote:

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

The following candidates were interviewed by the Board of Directors in alphabetical order: Alex Cousins, Jaime Green, Doug Morrison.

c. Review Conflict of Interest Policy

Mr. Hauser reviewed the report with the Board.

Director Gant requested that Counsel provide an overview of the Conflict of Interest Policy.

Mr. Underwood explained that there is a general obligation of public officials to act in the public's interest rather than their own interest. The Fair Political Practices Commission requires that local agencies enact policies and procedures such as a Conflict of Interest Code relative to financial decisions.

After a brief discussion, Director Rourke made a motion to maintain the current Conflict of Interest Policy with no changes and Authorize the General Manager to notify the reviewing body by written statement that no changes are required. Director Ludden seconded the motion.

The motion passed with the following voice vote:

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

d. Authorize the Purchase of Two New Vehicles Utilizing the State Bid Process

Mr. Hauser reviewed the report with the Board.

After a brief discussion, Director Morris made a motion to authorize the replacement of two vehicles using the State Bid contracted through crown Motors of Redding in the amount of \$70,635.13. Director Rourke seconded the motion.

The motion passed with the following voice vote:

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

President Rose requested a five minute recess at 3:30 p.m.

The Board resumed in open session at 3:37 p.m.

**6. Reports**

a. General Manager's Reports

• Land Exchange

There is no new information relative to the land exchange.

• Power Outages

There were many power outages during the months of January and February

due to a series of storms. Staff continues to work on improvements to the new Outage Management System Software recently installed.

- Balancing Authority of Northern California  
Sacramento Municipal Utilities District will go live in the Energy Imbalance Market on April 1, 2019. The Western Area Power Administration is beginning to study entering the Energy Imbalance Market.
  - Low Voltage Protective Equipment  
Mr. Hauser advised that only the 3-phase load has protection on it. He advised that he is not aware of any technology available to protect on the load side, but will investigate further.
  - 2019 Dream Maker Gala and Auction  
Mr. Hauser asked to reaffirm with the Board to participate at the same level as in the past. The Board agreed.
  - Implementation of Document Vault  
Staff is working on a software enhancement that will provide benefits to operations, and will allow the Board to go to a paperless Agenda packet. All Board information can be delivered electronically, but it is not required.
  - APPA Rally  
There was a discussion about recent attendance at the American Public Power Association Rally in Washington DC.
  - OES Reimbursement  
Trinity County has declared the recent storm as an emergency. The District will submit a claim to the State of California Office of Emergency Services to seek reimbursement for expenses associated with the storm.
- b. Board Member Reports  
Director Gant reported on her service on the Policy Makers Council of the American Public Power Association.
- c. Committee Reports  
The Ad Hoc committee selected three candidates to interview for the upcoming Board vacancy. The candidates selected were Alex Cousins, Jaime Green and Doug Morrison.

## **8. Communications Received**

### a. Letter from Roy King regarding Trinity Public Utilities District Employees

Mr. Hauser shared a letter from Mr. King regarding two of the District's employees, Rory Barrett and Kim James, for exemplary service during the recent power outage.

**9. Meetings and/or Workshops**

- a. California Municipal Utilities Association Annual Conference  
Rancho Bernardo Inn, San Diego, CA  
March 31-April 2, 2019
  
- b. Northwest Public Power Association Annual Conference  
Hyatt Regency Sacramento  
May 19-22,2019

Mr. Hauser requested that Board Members inform Ms. Palmer if they plan to attend upcoming meetings or workshops.

**10. Closed Session**

The Board convened in closed session at 4:17 p.m. regarding the following:

- a. Closed Session Item Under Government Code §54956.95  
**Liability Claims**  
Claimants: Douglas City Garage & James Curry  
Agency Claimed Against: Trinity Public Utilities District
- b. Closed Session Item Under Government Code §54956.9  
**Conference with Legal Counsel**  
Two Potential Cases
- c. Closed Session Item Under Government Code § 54957.6  
**Conference with Labor Negotiator**  
Agency Negotiator: General Manager  
Employee Organization: Unrepresented Employee:  
Administrative Assistant

The Board came out of Closed Session and immediately reconvened in Open Session at 4:50 p.m. President Rose reported that the Board took the following action in Closed Session:

- a. Director Morris made a motion to validate payment of claims to Douglas City Garage and James Curry in a total amount of \$4,024.93 for replacement of equipment and lighting. Director Gant seconded the motion.

The motion passed with the following voice vote:

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

- b. Closed Session Item Under Government Code §54956.9  
**Conference with Legal Counsel**  
Two Potential Cases

No Reportable Action



- c. President Rose made a motion to approve a retroactive pay increase in the amount of 10%, from \$70,000.00 annually to \$77,000 annually for Administrative Assistant Sarah Sheetz effective December 30, 2018. Director Gant seconded the motion.

The motion passed with the following voice vote:

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

**11. Public Input**

- a. None

**12. Adjournment**

President Rose adjourned the meeting at 4:55 p.m.

  
\_\_\_\_\_  
Clarence Rose, President

ATTEST:

  
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Michael D. Rourke, Clerk