

**Trinity Public Utilities District  
MINUTES OF THE REGULAR BOARD MEETING  
March 8, 2012**

Location: Trinity Public Utilities District Community Room  
Weaverville, California  
Board Present: Thomas Ludden, Richard Morris, Rose Owens, Kelli Gant  
Board Absent: Keith Groves  
Others Present: Paul Hauser, Julie Catanese, Elizabeth Johnson, Andy Lethbridge, Karen Palmer, Jim Jungwirth, Wendy Otto, Bill Burton, Amy Gittelsohn (arrived at 2:05), Gail Goodyear (arrived at 3:04)

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

President Morris welcomed the visitors who were present.

**2. Approval of the Agenda order**

President Morris suggested that the Discussion Items be placed prior to the Action Items for the benefit of the public present.

Director Ludden motioned to approve the Agenda order as suggested by President Morris. With a second from Director Owens the motion passed with the following voice vote:

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

**3. Consent Calendar**

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

- a. Approve Minutes of the Regular Board Meeting February 9, 2012
- b. Approve Minutes of the Safety Meeting February 6, 2012
- c. Validate Bills of February, 2012
- d. Approve Financial Reports for January, 2012

The motion passed with the following voice vote:

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

**4. Public Input**

- a. None

## 6. Discussion Items

### b. Community Choice Aggregation Districts

Mr. Hauser reported to the Board that he spoke with Mr. Burton in December regarding Community Choice Aggregation (CCA) Districts. Mr. Hauser also mentioned that there is certainly interest in the Southern Trinity Area. He has been provided with petitions that have been signed by 39 individuals. Mr. Hauser also stated that he has been invited to a community meeting in the Hawkins Bar area.

Mr. Hauser mentioned that he has heard that there is concern with some citizens that Weaverville will take over the operation of a CCA and that there will be money funneled towards the hospital. Mr. Hauser stated that he has informed individuals that if communities wished to form a CCA District without involving Trinity P.U.D. it would be okay.

Mr. Hauser then addressed timeline issues. He stated that forming a CCA District would require an election. Mr. Hauser warned that if the election is the only issue on the ballot it could be costly. He shared that the District received the bill today from Trinity County for \$27,000.00 for the Board members recent election.

Amy Gittelsohn arrived at 2:05 p.m.

Ms. Otto informed the Board that there are more petitions circulating around Southern Trinity. She also agreed with Mr. Hauser's statement that some of the citizens are concerned about money being funneled to the hospital. Ms. Otto also stated that if she is asked any questions and she is unclear of the proper response, she will pass the individual on to Mr. Hauser.

Mr. Jungwirth stated that he has been in contact with Shell Oil who supplies power to Marin County. He has also spoken with the individual who handles the Financial Bond for Marin County regarding Biomass and CCA. Mr. Jungwirth alluded to the fact that Western Area Power Administration (Western) would be providing the power, which solves one major issue. Mr. Hauser stated that Western has tentatively agreed to provide power to a CCA pending approval from their legal department.

Mr. Burton stated that he has not seen any advertisements regarding the formation of a CCA in the Downriver Area. Mr. Burton also stated that by forming a CCA, property values in the area would increase.

There was discussion regarding LAFCO requirements, billing, meter reading, rates, and the California Public Utility Commission.

Ms. Otto stated that Mr. Hauser has been a tremendous help and requested that the Board continue to provide access to Mr. Hauser.

The Board directed Staff to continue providing support when requested in this venture.

Wendy Otto and Bill Burton departed the meeting at 2:45 p.m.

a. Jim Jungwirth – Discussion of Biomass

Mr. Jungwirth informed the Board of the history he has regarding biomass. He stated that he discussed Trinity River Lumber Mills economic reasons for not pursuing a biomass plant with its owner, Frank Schmidbauer. Mr. Jungwirth explained the benefits of biomass for the mill, however after considering the economics he had to agree with Mr. Schmidbauer's decision.

Gail Goodyear arrived at 3:04 p.m.

Mr. Morris explained that the District was working with the mill prior to their fire and have continued to offer assistance if Mr. Schmidbauer was ever interested in pursuing a biomass project again.

Mr. Jungwirth encouraged the District to continue to keep an open mind regarding biomass.

Jim Jungwirth departed at 3:15 p.m.

**5. Action Items**

a. Items Pulled from Consent Calendar

None

b. Award Bid 12-B1, Utility Class Wood Poles

Mr. Hauser reviewed the Report with the Board. Mr. Hauser also mentioned that Stella-Jones' price is virtually identical to their previous bid price.

After a brief discussion, Director Ludden motioned to accept the Stella-Jones, Corporation bid for all pole sizes and to authorize the General Manager to sign the Contract for the purchase of Utility Class Wood Poles for a twelve month period beginning March 9, 2012. Seconded by Director Owens, the motion passed with the following voice vote:

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

Noes: None

Absent: Keith Groves

Abstain: None

c. Declare Replaced Computers Surplus Equipment

Mr. Hauser reviewed the Report with the Board. District Legal Counsel, Ms. Johnson, stated that she approves of the process.

After a brief discussion, Director Gant motioned to declare the computer equipment surplus and to donate four computers to The Factory and the remainder to the Trinity County Library. Seconded by Director Ludden, the motion passed with the following voice vote:

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

d. Revise the District's Connection, Line Extension and Customer Requested Connection Fees Policy

Mr. Hauser reviewed the Report with the Board. Mr. Hauser reminded the Board that at the last Board meeting, Staff was directed to simplify the calculations on line extension charges. Mr. Hauser also stated that customers normally are only interested in the price to connect, not how the District figures out the cost.

Mr. Hauser warned the Board that there may be some unintended consequences with this change. It may be necessary for Staff to bring this back to the Board for revisions.

President Morris thanked the Board members for bringing this to the attention of Staff and requesting simplification of the charges.

Director Owens motioned to revise the Connection, Line Extension and Customer Requested Construction Fees Policy as presented. Seconded by Director Ludden, the motion passed with the following voice vote:

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

## 7. Reports

a. Board Member Reports

President Morris stated that he recently attended the NWPPA Board of Trustee's meeting. At this meeting there was discussion regarding a small rural utility in Oregon that is experiencing rate difficulties due to a server farm on its system. The server farm consumes a good portion of the utility's allocation of low-cost hydro energy while providing very few jobs.

Legal Counsel recommends that if this is a concern, the Board of Directors could establish a rate that is correlated with economic benefit for the ratepayers.

b. Committee Reports

None

c. General Manager's Reports

• Museum Heating System

Mr. Hauser reported to the Board that he spoke with Dero Forslund regarding the Museum's new heating system installation. Mr. Hauser stated that Mr. Forslund informed him that the Museum Board is moving forward with an electric heat pump installation. They would like to use the District's Heat Pump Rebate as matching funds for the grant that they are obtaining.

Ms. Goodyear stated that Dero is the Museum's new Director and that he informed the Museum Board that the District is interested in matching the grant funds. Ms. Goodyear also stated that the Board is still reviewing information to decide which system to install. Ms. Goodyear encouraged Mr. Hauser to attend the next Museum Board meeting, that way if any questions arise they can be answered right away.

• Lewiston Project

Mr. Hauser informed the Board that currently the engineering firm, Sunrise Engineers, is waiting for the US Bureau of Reclamation to approve the final drawings for construction of the Project. This is anticipated to be done by March 20<sup>th</sup>. As it stands right now, pre-bid for Construction will be April 10<sup>th</sup> with the actual bid opening on April 20<sup>th</sup>.

• SDRMA Refund

Mr. Hauser informed the Board that the District received a rebate from our Liability insurance provider, Special District Risk Management Authority (SDRMA) in the amount of \$4,648.00. Last year the rebate was \$4,919.00. The District also received a rebate from our Workers' Compensation insurance provider, SDRMA, in the amount of \$6,033.00. Last year this rebate was \$3,442.00.

• NISC Refund

Mr. Hauser reminded the Board that the District's computer hardware and software company, National Information Solutions Cooperative (NISC) is a coop, therefore every year they must provide dividends to their members. This year the District received a dividend in the amount of \$890.26.

- Radio Frequencies

Mr. Hauser informed the Board that PG&E has prepared a First Responder class that they will be presenting to the Trinity County Fire Chiefs' Association on May 6<sup>th</sup>. This presentation will cover what the local emergency responder's can do to assist power companies during disasters. The District will be attending the presentation also.

As an immediate solution, Mr. Hauser mentioned that the District has access to the County Net as do the fire departments. Therefore the fire departments could attempt to contact the District lineman over County Net.

- NWPPA Collaborative Group/Western Efficiency Study

Mr. Hauser stated that Western has completed their Efficiency Study and released the findings. This study was to determine the economic impacts of Western Area Power Administration (Western) joining the California Independent System Operator (CAISO).

There was an assumption that there would be significant savings for Western customers that are in the CAISO if Western joined the CAISO. After the study, it was found that the savings would be minimal for customers who are in the CAISO and an enormous increase in costs for those customers who are in BANC.

Mr. Hauser also stated that even if Western did find that there would be a significant savings for some customers, Western would be unable to join the CAISO until 2024 which is when the current Marketing Plan ends.

Mr. Hauser reported that at the NWPPA Collaborative Group meeting there was information discussed regarding the Energy Imbalancing Market (EIM). There was consensus among the members present that this is a pathway to another Independent System Operator. Some members from this group went to Washington DC and lobbied against the EIM.

- Status of Software Conversion

Ms. Palmer informed the Board that the software conversion went smoothly overall. There were a few glitches that we are still working out, which is expected. She also stated that by Staff deciding to hold off on any entries that would affect the General Ledger, there were no errors, and we were able to go "live" a day earlier than expected.

Ms. Palmer stated that the new software is more user friendly, however we do not use some of the modules to their full potential due to our size. If we were to use the software to its full potential we would have to hire more employees.

Ms. Palmer informed the Board that National Information Solutions Cooperative (NISC) has always been very helpful when we call for assistance. Currently the person responsible for our conversion will be “divorcing” us in the next couple of weeks. Staff is confident that NISC will provide us with an individual to contact who is familiar with our “special needs” when we have problems, since this is what they have done on the customer service side.

#### Not on the Agenda

- CEC Letter  
Mr. Hauser informed the Board that Don Gilbert, the District’s lobbyist in Sacramento, helped draft a letter to the California Energy Commission regarding the Draft Regulations on the Renewable Portfolio Standards. Currently the language in the regulations could create an onerous reporting requirement.
- Heat Pump Rebate  
Mr. Hauser stated that the District has provided four Heat Pump Rebates to date.
- Trinity Alps Hydro  
Mr. Hauser stated that he has again attempted to contact Mr. Peluchi a couple more times without success. At this point he will wait for Mr. Peluchi to contact the District. The Board concurred.
- April Board Meeting  
Mr. Hauser suggested that since the weather is changing, it would be a good idea to meet in different areas of the service territory again. Mr. Hauser suggested that the April Board meeting be in Trinity Center. The Board concurred.
- Lewiston Library  
Mr. Hauser informed the Board that with the issues surrounding the Lewiston Library, if a situation were to arise where the electric account became past due, the District would not treat the Library any differently than we would any other customer. The Board concurred.

Mr. Hauser also informed the Board that there is a possibility that next month the Lewiston Library will be requesting authorization to have a bill stuffer in the May billing.

- TAMWG  
Mr. Hauser informed the Board that he attended the flow scheduling meeting.

The Board agreed with the General Manager's participation in TAMWG as presented with a couple of minor modifications.

Director Gant stated that it benefited the County as well as the District for Mr. Hauser to attend. He was able to educate some individuals as to how the different flows affect the power rates. She stated that he was also able to discuss the Lewiston Dam design which was well received.

President Morris stated that the District previously held back on the issues surrounding the river and flows, however educating customers on what impacts power cost is important.

- Website  
Mr. Hauser informed the Board that Staff is moving forward with the Website design. The software conversion held up the progress for a little while, but we are back on track. Prior to making any final decisions Staff will bring a suggested website to the Board for approval.

## **8. Communications Received**

- a. Special District Risk Management  
This item was discussed during the General Managers Report.
- b. National Information Solutions Cooperative  
This item was discussed during the General Managers Report.

## **9. Meetings and/or Workshops**

- a. APPA Legislative Rally  
March 12-14, 2012  
Washington, DC  
Mr. Hauser mentioned to the Board that President Morris, Director Ludden and he will be attending. The main goal while in Washington, DC will be to lobby for the land exchange.
- b. California Municipal Utilities Association Annual Conference  
March 27-30, 2012  
Monterey, CA  
Mr. Hauser reminded the Board that the deadline to sign up for this conference is tomorrow.
- c. NWPPA/NCPA Federal Policy Conference  
April 22-25, 2012



Washington, DC

Mr. Hauser stated that since the District is not a member of NCPA it is suggested that we only send one delegate. NWPPA suggests that the District send Mr. Hauser. The Board concurred.

Gail Goodyear and Amy Gittelsohn departed at 4:10 p.m.

#### 10. Closed Session

Director Owens motioned to go into Closed Session at 4:15 p.m., seconded by Director Gant, the Board entered into Closed Session on the following:

- a. Closed Session Item Under Government Code §54957.6

**Conference with Labor Negotiator**

Agency Negotiator:

Board of Directors

Employee Organization:

Unrepresented Employee:

General Manager

The Board requested Mr. Hauser to step out of the room for a few minutes at 4:14 p.m.

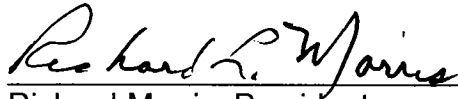
The Board excused Andy Lethbridge, Julie Catanese, and Karen Palmer at 4:24 p.m.

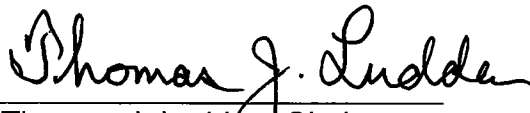
Mr. Hauser was asked to return to the meeting at 4:40 p.m.

The Board came out of Closed Session and immediately reconvened in Open Session at 5:15 p.m. President Morris reported that the Board voted to increase Mr. Hauser's salary by 5% effective with the paycheck dated March 22, 2012.

#### 11. Adjourn

Motion to adjourn by Director Gant, second by Director Ludden, passing unanimously, the Board adjourned at 5:18 p.m.

  
Richard Morris, President

ATTEST:   
Thomas J. Ludden Clerk