

**Trinity Public Utilities District
MINUTES OF THE REGULAR BOARD MEETING
April 12, 2012**

Location: IOOF Hall
Trinity Center, California
Board Present: Thomas Ludden, Richard Morris, Keith Groves, Kelli Gant
Board Absent: Rose Owens
Others Present: Paul Hauser, Andy Lethbridge, Karen Palmer, James Underwood, Mary Razzeto, Hal Pfluger, Tom Howster, Don Mullen, George Lucky, Mike McHugh, Ken Rieke, Jack Razzeto, Whit Ashley, Wyatt Ribidtich

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

2. Approval of the Agenda order

Mr. Hauser suggested that a Discussion Item regarding the Line Extension Policy be added as 6(a) on the Agenda.

Director Ludden motioned to approve the Agenda order with the addition of Item 6a as suggested by Mr. Hauser. With a second from Director Gant, the motion passed with the following voice vote:

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

3. Consent Calendar

Director Gant stated that she had some questions on Items 3(b), and 3(c).

Director Ludden motioned to move Item's 3(b) and 3(c) to 5(a)(i) and 5(a)(ii) and to approve the remaining Consent Calendar Items. Second by Director Groves, the Consent Calendar included:

- a. Approve Minutes of the Regular Board Meeting March 8, 2012
- d. Approve Financial Reports for February, 2012
- e. Amend Trinity Public Utilities District Expense and Use of Public Resources Policy
- f. Validate Payment of Claim
- g. Validate Payment of Claim

The motion passed with the following voice vote:

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

4. Public Input

a. Generators at Trinity Dam

A customer in the audience asked what the status is of having a Generator installed at the Dam to assist with power outages. Mr. Hauser stated that the Bureau of Reclamation is working on this project, however it is uncertain when it will be completed.

b. Update Lewiston Project

A customer in the audience requested an update on the Lewiston Project. Mr. Hauser stated that he will be discussing this in detail during Action Items (b) and (d).

5. Action Items

a. Items Pulled from Consent Calendar

i) Approve Minutes of the Safety Meeting March 6, 2012

Director Gant requested clarification of the Big Creek Hydro Project. Andy stated that it is a small plant near Hyampom. There are contractors working on repairs. When the repairs are complete the District will be wheeling the power to PG&E.

Director Gant motioned to approve the Minutes of the Safety Meeting March 6, 2012. Second by Director Ludden, the motion passed with the following voice vote:

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

ii) Validate Bills of March, 2012

Director Gant requested clarification of the payment to Edelstein & Gilbert and the City of Redding. Mr. Hauser stated that Edelstein & Gilbert is the District's Sacramento lobbyist and the City of Redding is performing solar installation inspections for the District.

Director Gant motioned to validate the bills of March, 2012. Seconded by Director Ludden, the motion passed with the following voice vote:

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

b. Approve Amendment #3 to Work Release 5 for Sunrise Engineering

Mr. Hauser reviewed the Report with the Board. He also informed the Board that the trip to China was extremely beneficial as there were suggestions for redesign made by ORENCO.

Mr. Hauser informed the Board that Mr. Coleman's foresight to require the Bureau of Reclamation to cover the cost for all of their reviews and testing has saved the District a substantial amount of money.

After a brief discussion, Director Gant motioned to approve the Funding Increase Request under Work Release 5, Amendment 3 and authorize the General Manager to execute the request. Seconded by Director Groves, the motion passed with the following voice vote:

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

- c. Approve Bill Stuffer for Old Lewiston Schoolhouse Library
Mr. Hauser reviewed the Report with the Board.

District Counsel assured the Board that the requesting party is the Court appointed party.

After a brief discussion, Director Ludden motioned to approve the Old Lewiston Schoolhouse Library's request to include a pamphlet in the Districts May billing, and to direct Staff to use Community Investment Funds to fund the additional cost from NISC. Seconded by Director Groves, the motion passed with the following voice vote:

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

- d. Authorize the General Manager to Make the Initial Ten Percent Payment to Orenco Hydropower Immediately Following the Issuance of Notice to Proceed

Mr. Hauser reviewed the Report with the Board. Mr. Hauser reviewed the process with the Equipment Bid with the Board. He also explained that the Notice to Proceed deadline is April 29th, however the Construction Bids are scheduled to be opened on April 24th. Mr. Hauser explained that he anticipates bringing the Construction Bid to the Board for consideration at its May meeting.

After a brief discussion, Director Gant motioned to authorize the General Manager to make the initial 10% payment to ORENCO Hydropower immediately following the issuance of the Notice to Proceed. Seconded by Director Ludden, the motion passed with the following voice vote:

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

e. Authorize General Manager to Execute a Consulting and Professional Services Agreement with Daniel Beans to Further the District's Effort to Strengthen and Modernize the Electric Power Distribution System

Mr. Hauser reviewed the Report with the Board. He also explained that the person who Power Engineers has contracted with to provide support will be retiring and it would be nice to pass his knowledge on to someone else.

There was discussion regarding the phrase that the District would reimburse Mr. Beans the cost of an item he purchased plus 5%. It was suggested that the District not pay the additional 5%.

After a brief discussion, Director Gant motioned to authorize the General Manager to execute the Consulting and Professional Services Agreement with Daniel Beans to further the District's effort to strengthen and modernize the District's Electric Power Distribution System as amended, removing the 5% above cost language. Seconded by Director Ludden, the motion passed with the following voice vote:

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

f. Authorize General Manager to Execute a Consulting and Professional Services Agreement with Frank Ryan for Project Management for the Lewiston Powerplant Replacement

Mr. Hauser reviewed the Report with the Board. He suggested that the additional reimbursement of items purchased exclude the 5% above cost. Mr. Hauser also stated that he and Mr. Ryan had settled on a pay rate and this would be added to the Agreement.

After a brief discussion Director Groves made a motion to authorize the General Manager to execute the Consulting and Professional Services Agreement for Project Management for the Lewiston Powerplant Replacement as amended with Mr. Hauser's suggestions. Seconded by Director Ludden, the motion passed with the following voice vote:

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

6. Discussion Items

a. Funding for Line Extensions

Mr. Hauser explained to the Board that the current Line Extension charges that were just put into place cover 70 to 75% of the District's cost.

There was much discussion regarding long line extensions to areas within the District that are off our grid.

The Board directed the General Manager to develop alternative line extension policies and present them at the June Board meeting.

There was also discussion regarding the number of outages in the northern part of the District's service territory.

7. Reports

a. Board Member Reports

• CMUA Annual Meeting

Director Gant reported that the main topics at the conference were the 33% renewable energy mandate, carbon tax, Delta reform and flows, and cap and trade.

Director Ludden added that the water issues are becoming very large and will impact electric utilities.

President Morris stated that the water issues are a concern for several utilities because it is tied to electric generation and the cost of that generation. He informed the public that the General Manager is now a member of TAMWG as is Director Gant. President Morris also stated that the District is becoming more active with the water issues.

b. Committee Reports

None

c. General Manager's Reports

• Lewiston Project

Mr. Hauser reported to the Board that he discussed this Project in detail during Action Items.

• Community Choice Aggregation District

Mr. Hauser explained to the public present about Community Choice Aggregation Districts (CCAD). Mr. Hauser also explained to the Board that if a community develops a volunteer CCAD a vote is not required.

Mr. Hauser informed the Board that on April 30th there will be a meeting to discuss all of the steps required to establish a CCAD.

• TAMWG Meeting

Mr. Hauser reported to the Board that Elizabeth Hadley from the City of Redding is the new Chairperson for TAMWG.

Mr. Hauser also reported that there is much discussion regarding how the water year determination was made.

- Land Exchange
Mr. Hauser explained to the Board that on April 24th there will be a meeting in Washington DC with Senator Feinstein's staff, Senator Boxer's staff, Congressman Herger's staff, and Forest Service staff. Mr. Hauser stated that President Morris, Director Gant, and Trinity County Supervisor Judy Morris will be attending this meeting with him.
- Increase in Cost of Power
Mr. Hauser reported that the District recently received notice from Western Area Power Administration that the cost for power will increase from \$142,000 per month to \$248,000 per month.
- Website Design
Mr. Hauser stated that Staff has been working on the rough website wire frame with Peter Griggs. There will be a lot of staff time required to provide all of the information necessary.
- Power Outages
Mr. Hauser stated that he will send out an e-mail or call the Board members the day after a power outage. This will facilitate the Directors being able to answer questions about outages when approached by customers. He also informed the Board that the information will be on the District's website when it is up and running.

Not on the Agenda

- AB 2390
Mr. Hauser stated that Senator Chesbro has introduced a bill that creates an incentive to utilize material from power line clearing to provide fuel for Biomass. Mr. Gilbert is drafting a letter for the District to sign endorsing this bill.

8. **Communications Received**

a. Trinity LAFCO

Mr. Hauser informed the Board that the District has received a copy of LAFCO's Budget for the next fiscal year.

9. **Meetings and/or Workshops**

a. NWPPA/NCPA Federal Policy Conference

April 22-25, 2012

Washington, DC

Mr. Hauser stated that he will be attending this conference and then meeting with President Morris, Director Gant, and Trinity County Supervisor Judy Morris to attend the Land Exchange meeting.

- b. NWPPA Annual Conference
May 13-17, 2012
Coeur d'Alene, Idaho
President Morris will be attending this Conference.

10. Closed Session

Director Groves motioned to go into Closed Session at 4:10 p.m., second by Director Gant, the Board entered into Closed Session on the following:


- a. Closed Session Item Under Government Code §54956.9(a)
Conference with Legal Counsel – Anticipated Litigation
One Potential Case
McColm Vs. PG&E, et al
Trinity County Superior Court Case No. 10CV065

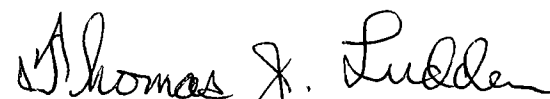
- b. Closed Session Item Under Government Code §54956.95
Liability Claims
Claimant: R. Coleman
Agency Claimed Against: Trinity Public Utilities District, Special District
Risk Management Authority

The Board came out of Closed Session and immediately reconvened in Open Session at 4:20 p.m. President Morris reported that there was no action taken.

11. Adjourn

Motion to adjourn by Director Groves, second by Director Ludden, passing unanimously, the Board adjourned at 4:22 p.m.


Richard Morris, President

ATTEST: 
Thomas J. Ludden, Clerk