

REGULAR MEETING
January 21, 2015

In accordance with District Code Section 2.08.010, the TDPUD minutes are action only minutes. All Board meetings are recorded on a digital format which is preserved in perpetuity and made available for listening to any interested party upon their request.

The regular meeting of the Board of Directors of the Truckee Donner Public Utility District was called to order at 6:02 PM in the TDPUD Board room by President Ellis.

ROLL CALL: Directors Jeff Bender, Bob Ellis, Tony Laliotis and Paul Warmerdam were present. Director Joe Aguera was absent.

PLEDGE OF ALLEGIANCE

Director Bender led the Board and public in the Pledge of Allegiance.

EMPLOYEES PRESENT Sanna Schlosser, Stephen Hollabaugh, Kathy Neus, Kim Harris, Robert Mescher, Michael Holley and Barbara Cahill

CONSULTANTS PRESENT Steve Gross

OTHERS PRESENT Jill McClendon and one other member of the public

CHANGES TO THE AGENDA

General Manager Holley stated there were no changes to the agenda.

PUBLIC INPUT

There was no public input.

DIRECTOR UPDATE

Director Warmerdam attended the NCPA strategic conference where there was a review of the organization (NCPA 101). Today there were a number of informative speakers. Director Warmerdam is just learning about NCPA and how it works with the District.

CONSENT CALENDAR

CONSIDERATION OF A MODIFICATION TO THE DISTRICT'S SAFETY INCENTIVE This item involves an amendment to the safety incentive to District employees.

CONSIDERATION OF THE APPROVAL OF THE CEQA MITIGATED NEGATIVE DECLARATION FOR THE ELECTRIC SYSTEM MASTER PLAN AND ADOPTION OF THE ELECTRIC SYSTEM MASTER PLAN This item involves completion of the Electric System Master Plan study and associated environmental planning documents and formal adoption of these documents.

CONSIDERATION OF THE AWARD OF A CONTRACT TO PURCHASE A CONTROL HOUSE FOR THE DONNER LAKE SUBSTATION REBUILD PROJECT This item involves the purchase of a control house for the Donner Lake Substation.

CONSIDERATION OF THE AWARD OF A CONTRACT TO PURCHASE A CIRCUIT SWITCHER FOR THE DONNER LAKE SUBSTATION REBUILD PROJECT This item involves the purchase of a circuit switcher for the Donner Lake Substation.

Director Laliotis moved, and Director Bender seconded, that the Board approve the consent calendar. ROLL CALL: Director Aguera, absent; all other Directors aye, by voice vote. SO MOVED

ACTION ITEM

RECEIVE AND CONSIDER ANNUAL REPORTS

- a) **Safety activities for the past year**
- b) **2014 Easements Recorded in favor of the TDPUD**
- c) **Use of the Board room by outside organizations in 2014**
- d) **Encroachment Permits**

Director Laliotis moved, and Director Bender seconded, that the Board accept the Safety Activity, Easements Accepted and Abandoned, Board Room Use and the Encroachment Permits annual reports.

ROLL CALL: Director Aguera, absent; all other Directors aye, by voice vote. SO MOVED

WORKSHOP

DISCUSSION OF ESTABLISHING AN ANNUAL FEE FOR POLE ATTACHMENTS This item involves establishing an annual fee per single pole attachment.

Stephen Hollabaugh gave a presentation:

- Board action will be required to establish an annual fee per foot of pole attachment
- This fee will be used in an agreement to provide appropriate space and capacity on utility poles
 - For use by communication service providers
 - Complies with the California Law (AB 1027)
- The District has owned our electric utility poles since the beginning of the District (1927)
- In 1937, the District entered into an agreement with Pacific Telephone and Telegraph Company for attachment to poles
- In late 2011, AB 1027 was passed, requiring publicly owned utilizes (POU) to make space available on their poles for use by communication service providers
 - AB1027 specified that its provisions do not apply to a jointly owned pole
- In July 2012, the District joined NCJPA (Northern California Joint Pole Association)
- Starting in August 2012, the District worked cooperatively with AT&T to prepare a "Purchase and Sales Agreement" for the partial interest in the District's existing utility poles

- Agreement was completed in April 2013 and on July 17, 2013, the District's Board approved the agreement with the understanding that AT&T would sign the agreement
 - AT&T continued to try to get authorization for the agreement over the next 3 months
- Suddenlink signed a separate pole attachment agreement in 2003- ends in 2018
- On October 22, 2013, AT&T informed the District that it will not be pursuing this agreement and wanted to remain attached to the poles under the 1937 agreement
- On October 23, 2013, the District gave AT&T one year written notice of its intention to terminate the 1937 agreement on October 31, 2014
- In February 2014, the District met with AT&T and AT&T verbally agreed to purchase partial interest in the District's existing utility poles
- The District counsel was in touch with AT&T from late August through October 2014
- On October 22, 2014, AT&T informed the District it was interested in leasing space pursuant to Section 9510 (AB 1027)
 - Requested the District provide an annual rate
 - Under Section 9510 of the Public Utilities Code
- On November 10, 2014, AT&T informed the District it wanted to continue to attached to the District poles and requested a rate for these attachments
- On December 18, 2014, the District informed AT&T that in compliance with PUC Section 9512, the District calculated an annual fee per attachment of \$28.84
- The District has followed the requirements set by AB 1027 to calculate a rate for the annual fee per attachment and ensure compliance with AB 1027
- The pole attachment formula is:

$$\begin{array}{rcl}
 \text{Maximum Rate} & \frac{\text{Space Occupied}}{\text{Usable Space}} & \times \frac{\text{Net Pole Investment}}{\text{Total Number of Poles}} \times 0.85 \times \text{Annual Op. Cost Rate} \\
 \text{Per pole} & = & \\
 \\
 \text{Maximum Rate} & \frac{1}{13.5} & \times \frac{\$2,275,911}{5,442} \times 0.85 \times 1.10 \\
 \text{Per ft. of pole} & = &
 \end{array}$$

Maximum Rate

Per ft. of pole = \$28.84

- The data making up the formula come from the District's audited FY 2013 financial statements
- AB 1027 enables a Publically Owned Utilities to establish a one-time fee to process a request to attachment based on actual costs
- It is estimated that each pole and its application will take 1 hour, with the engineering portion being 70% and clerical being 30% of the hour
- The application fee is then calculated to be:

	<u>Hourly Rate</u>	<u>OH</u>		<u>70% = Application Fee</u>
				<u>/Attachment</u>
Electric Engineer	(\$57.16 + \$67.45) X	.70	=	\$87.23
Contract Admin.	(\$35.30 + \$41.65) X	.30	=	\$23.08
				\$110.31

- The District is proposing an application fee of \$110 per pole to process a request for a single attachment
- AB 1027 requires
 - Minimum of 30 days after a workshop for a POU to have an action to approve a rate via resolution
 - Minimum of 60 days after the Board approves a rate for the rate to become effective
 - March 18, 2015 Board meeting, Present a resolution to establish rate for pole attachments
 - June 1, 2015, date the rate will become effective
- After approval of a rate for attachments, the District will prepare an agreement with AT&T with the new rate for attachments
- Suddenlink's current attachment fee will remain in effect until 2018
- Annual revenue expected to be \$324,450/year
 - Estimated 4500 poles with 2.5 attachments per pole

There was no public input.

Board discussion:

- For the last couple years, has AT&T paid a pole attachment fee?
- Does the District know how AT&T will feel about this new annual fee?
- How did the District come up with the \$2.2million value of poles?
- What does the per foot of pole ratio of 13.5 mean?
- Would the fee charge for all existing poles- or just new attachments?
- What is the annual fee through the joint pole contract?
- What is the estimated life of a pole?
- Will AT&T pay the new fee retroactively from October according to the new formula?
- Sounds like we need to get this going.
- Does AT&T still have the option to purchase through the Joint Pole Association- or just go with AB1027?
- Could AT&T still be part of the Joint pole Association agreement?
- Has staff compared the formula calculation for the annual fee with other utilities?
- How much is it to replace a pole when it gets damaged?

ROUTINE BUSINESS

TREASURERS REPORT: DECEMBER 31, 2014

APPROVAL OF THE TREASURER'S REPORT OF FUND BALANCES AS OF NOVEMBER 30, 2014 Director Bender moved, and Director Laliotis seconded, that the Board approve the treasurer's report for the month ended November 30, 2014. ROLL CALL: Director Aguera, absent; all other Directors aye, by voice vote. SO MOVED

APPROVAL OF THE DISBURSEMENTS FOR DECEMBER 2014 Director Bender moved, and Director Laliotis seconded, that the Board approve the December 2014 disbursements report. ROLL CALL: Director Aguera, absent; all other Directors aye, by voice vote. SO MOVED

APPROVAL OF MINUTES FOR DECEMBER 3 AND 17, 2014 Director Laliotis moved, and Director Bender seconded, that the Board approve the minutes of December 3 and 17, 2014. ROLL CALL: Director Aguera, absent; all other Directors aye, by voice vote. SO MOVED

CLOSED SESSION

CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(D)(4), DECIDING WHETHER TO INITIATE LITIGATION, TWO CASES

CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957, PUBLIC EMPLOYEE PERFORMANCE EVALUATION - GENERAL MANAGER'S PERFORMANCE PLAN REVIEW

RETURN TO OPEN SESSION

Report from Closed Session

Both actions pertain to Item 15 Closed Session Pursuant to Government Code Section 54956.9(d)(4), Deciding Whether to Initiate Litigation, Two cases. There is reportable action on both.

By unanimous approval, the Board made a motion if T-Mobile does not enter into good faith negotiations with the District by February 2, 2015 for a lease of the cell tower at the Regional Park site and thereafter if we do not have a fully executed agreement or lease with the District with adequate make whole provisions by April 1, 2015. Then staff and Counsel are authorized and directed to file suit against T-Mobile to terminate the trespass.

By unanimous approval, the Board adopted a motion to authorize and direct staff and Counsel to file suit against AT&T to terminate the lease at the Gateway tank site for the cell tower and also terminate AT&T's trespass at the District's real property.

There was no reportable action for Closed Session Pursuant to Government Code Section 54957, Public Employee Performance Evaluation - General Manager's Performance Plan Review

ADJOURNMENT

There being no further business before the Board, the meeting was adjourned at 8:35 PM.

TRUCKEE DONNER PUBLIC UTILITY DISTRICT

Bob Ellis, President

Prepared by _____
Barbara Cahill, Deputy District Clerk