

SPECIAL MEETING
February 11, 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 6:01 PM in the TDPUD Board room by Vice-President Aguera.

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

PLEDGE OF ALLEGIANCE

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

EMPLOYEES PRESENT Sanna Schlosser, Steve Hollabuagh, Steven Poncelet, Brian Wright, Trisha Ruby, Kim Harris, Neil Kaufman, Bob Mescher, Michael Holley and Barbara Cahill

CONSULTANTS PRESENT None

OTHERS PRESENT Jill McClendon and Bob McClendon

CHANGES TO THE AGENDA

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

PUBLIC INPUT

There was no public comment.

DIRECTOR UPDATE

Director Bender attended California Municipal Utilities Association (CMUA) Capital Day events on February 2 with District Public Information Manager Steven Poncelet. They met with Northern California Power Agency and CMUA. It was a very productive day to discuss what will come up in the future with Governor Brown. Director Bender and Steven Poncelet met with Assembly member Brian Dahle and attempted a meeting with Senator Gaines. Director Bender also wanted to mention an NRECA Director workshop in Reno at the end of March. One of the District's Directors should attend since it is so close.

Director Warmerdam thanked PUD personnel for the tour of the water and electric facilities on January 29. It gave him a mental map of the PUD properties and working of the delivery systems.

Director Aguera thanked staff for getting the power back on after the power outage last Friday.

CONSENT CALENDAR

CONSIDERATION OF AWARDING A CONTRACT FOR INSURANCE BROKERAGE SERVICES This item concerns the District's insurance brokerage services for annual property, liability and workers compensation.

CONSIDERATION OF THE PURCHASE OF ELECTRIC DISTRIBUTION SWITCHES This item involves on-going purchases of electric distribution switches necessary for maintenance of overhead lines.

CONSIDERATION OF FINAL COMPLETION FOR THE SCADA RELIABILITY IMPROVEMENT PROJECT PHASE 3 This item involves the notice of completion of installation of 7 miles of District owned fiber resource for District use.

CONSIDERATION OF THE PURCHASE OF FOUR REPLACEMENT SPORT UTILITY VEHICLES This item concerns:

- a) The purchase of four replacement vehicles.
- b) Declare four vehicles as surplus.

CONSIDERATION OF THE PURCHASE OF A REPLACEMENT HEAVY DUTY SERVICE TRUCK This item concerns:

- a) The purchase of a heavy duty service truck for the Water Department
- b) Declare vehicle surplus

CONSIDERATION OF THE DISTRICT'S FUEL CONTRACT FOR 2015 This item involves:

- a) Termination of the existing District fuel contract with Hunt and Sons Inc.
- b) Approval of a new contract with Flyers Energy

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

ACTION ITEM

MID-CYCLE BUDGET REVIEW

A) FY14 YEAR-END FINANCIAL RESULTS

B) CONSIDERATION OF ROUTINE TRANSFERS

This item involves the comparison of the actual year-end financial results to the FY14 Budget; and consideration of routine transfers.

Director Bender moved, and Director Warmerdam seconded, that the Board Authorize the following transfers:

- a) Transfer \$545,000 from the Electric General Fund to the Electric Capital Replacement Reserve
- b) Transfer \$113,000 from the Water General Fund to the Water Capital Replacement Reserve

c) Accept FY14 Year-end financial results

ROLL CALL: Directors Ellis and Laliotis were absent; all other Directors aye, by voice vote.
SO MOVED

WORKSHOPS

DISCUSSION OF 2014 PURCHASE POWER LOAD, RESOURCES, PEAKS, AND COMPARISON TO 2014 BUDGET FORECAST This item involves the annual review of 2014 Actual versus Budget Purchase Power Information.

Stephen Hollabaugh gave a presentation:

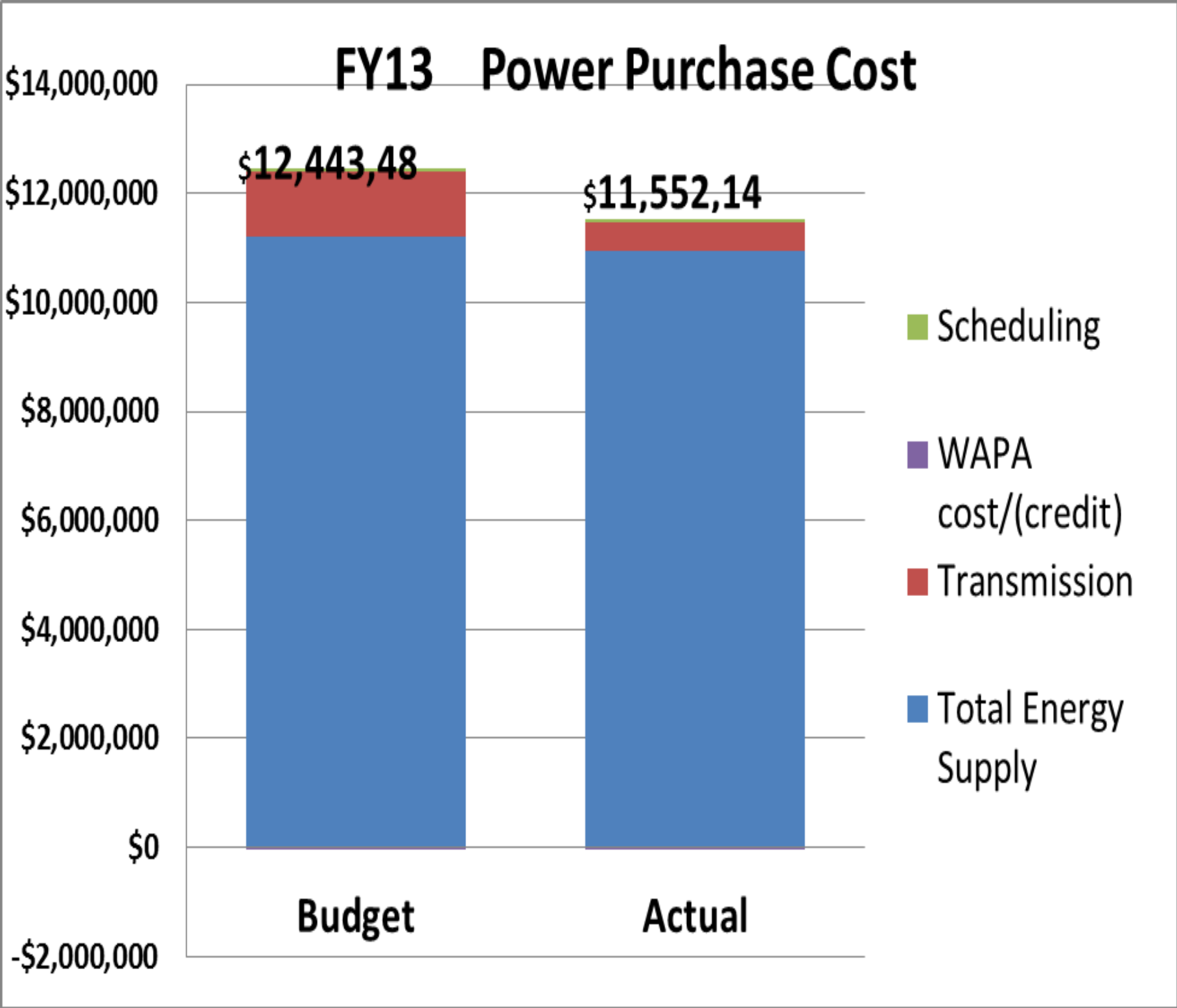
- Purchase Power Plan was approved on November 20, 2013
- FY 14&15 Budget included “Purchase Power Plan”
 - Mission statement and objectives
 - Renewable Portfolio Standard (RPS) target
 - Conservation as first resource
 - Diversified power supply plan
 - Future renewable resources
 - Proposed resources for 2014
 - Risk analysis and 2014 forecast
 - FY14 Purchase Power Plan included

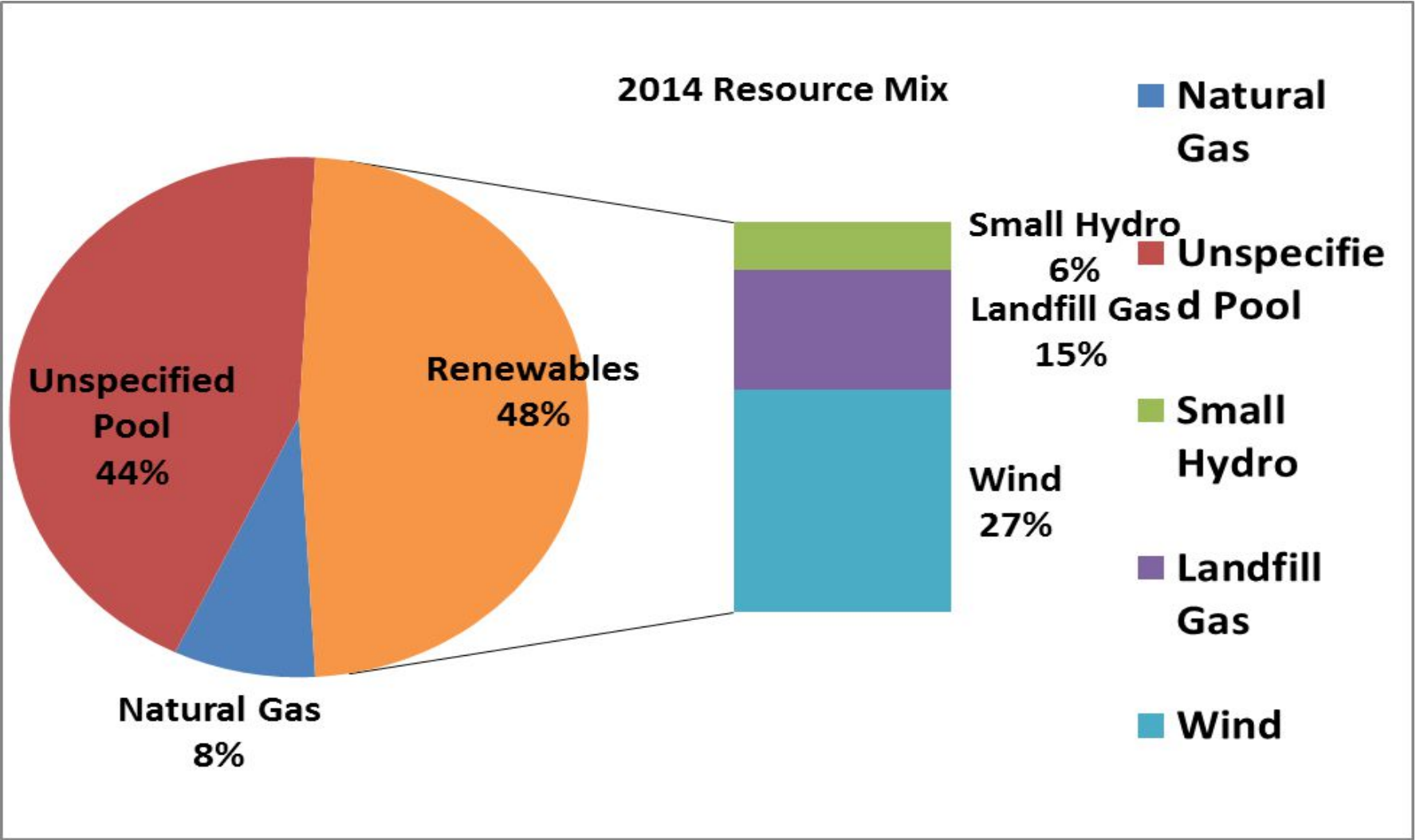
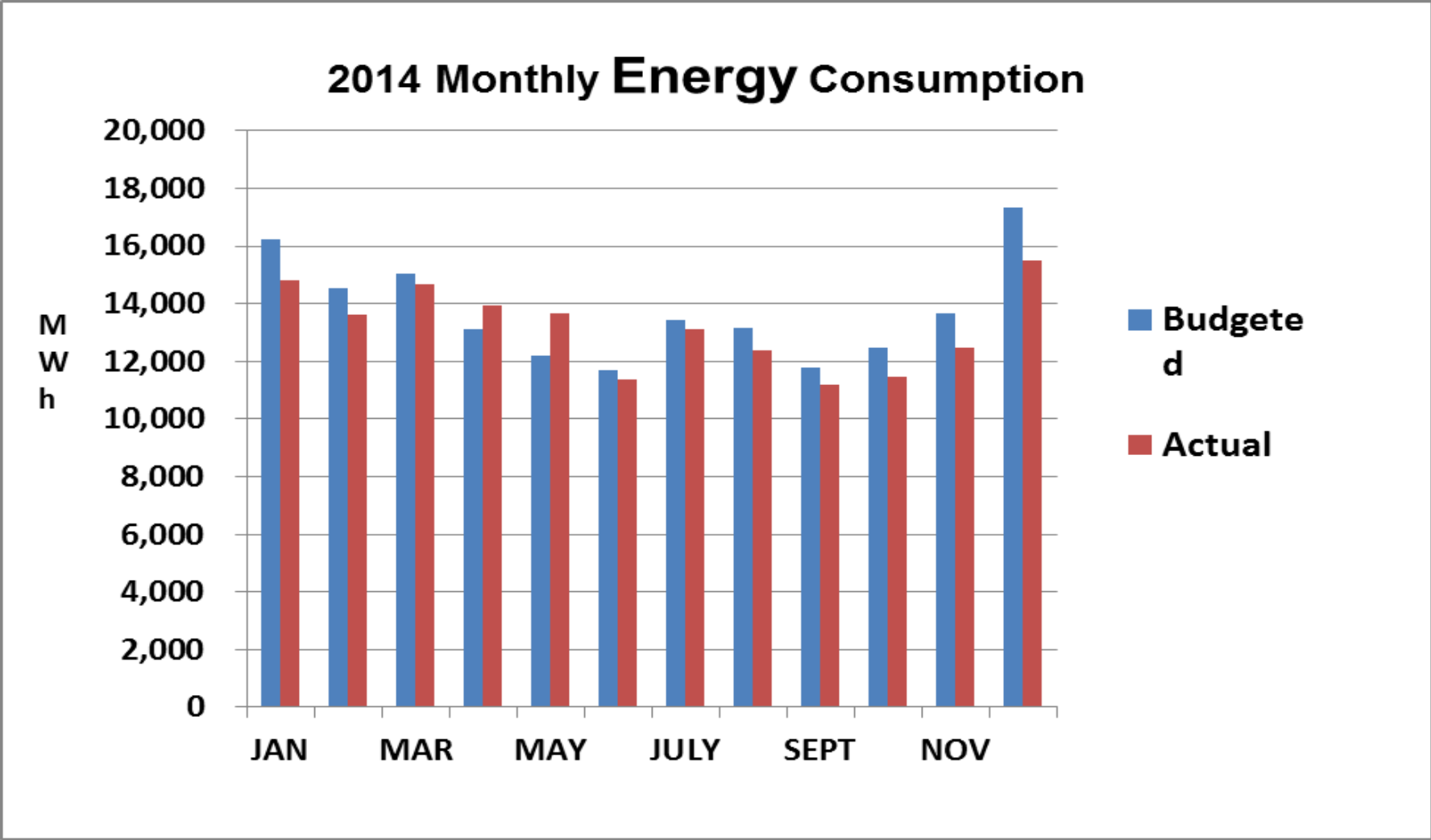
Cost Component and De- scription	Cost	\$ per MWh
Total Energy Supply - Various	\$11,191,445	\$67.95
Transmission Wheeling - SPPC	\$1,204,628	\$7.31
Scheduling - NCPA	\$75,423	\$0.46
Central Valley Project - WAPA	\$ - 28,012	\$ - 0.17
Totals	\$12,443,484	\$75.55

- 2014 Plan was based on a forecast of 164,713 MWh
- Summary budget vs. actual FY14

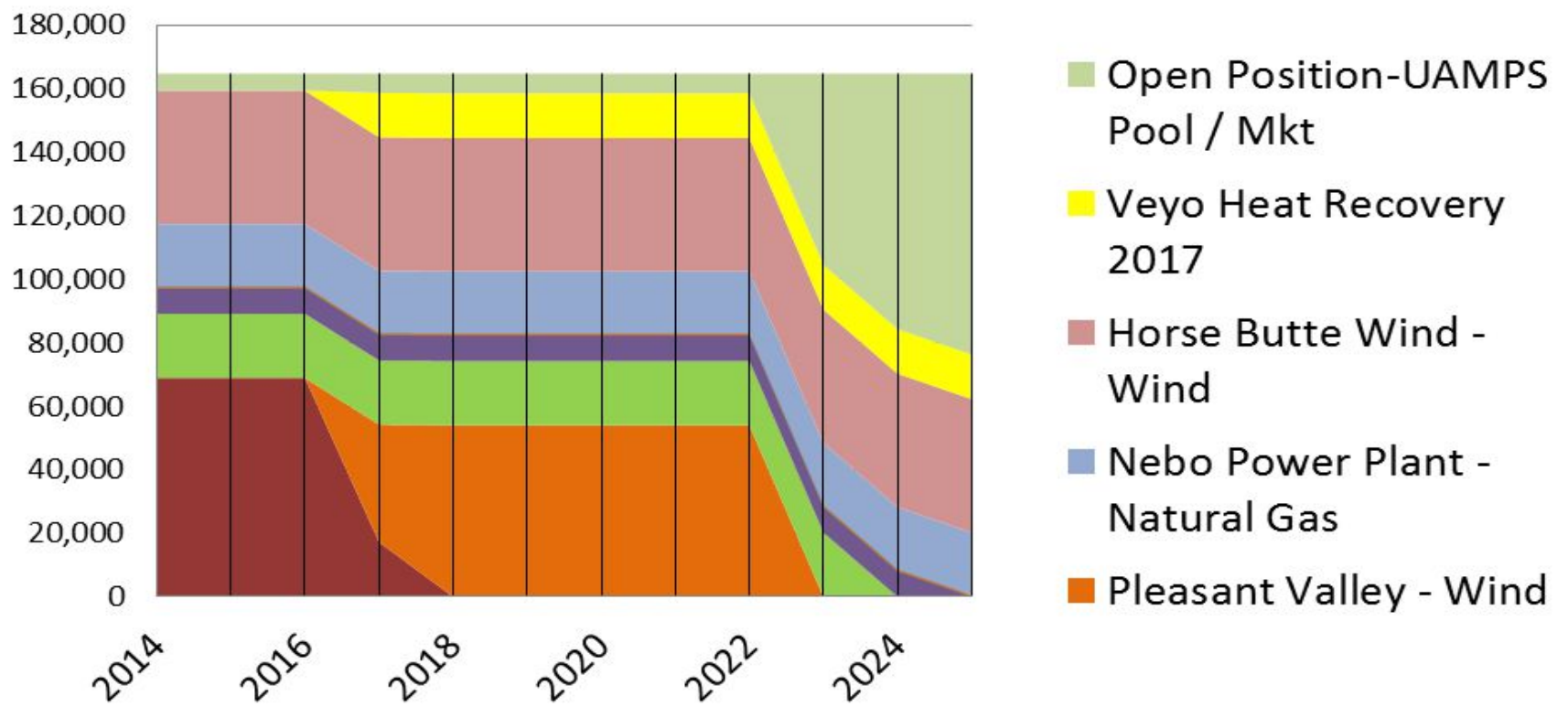
Description	Budget	Actual
Total Energy Cost	\$12,443,484	\$11,552,145
Total Energy Consumption, MWh	164,713	158,245
Cost per MWh	\$75.55	\$73.00

- Energy cost:7.2% less than budget
- Energy consumption:3.9% less than forecast





Resources (MWh) By Year 2014 - 2025 with Veyo Heat Recovery 2017 & 2017-2022 Market Purchase



- RPS compliance periods and targets:
 - 2011 thru 2013; 20% of retail sales
 - 2014 thru 2016; 25% of retail sales
 - 2017 thru 2020; 33% of retail sales
- 2014 Estimated RPS*

ELIGIBLE RENEWABLES (CPUC)	MWH REC'S	% SALES
SMALL HYDRO*	3,000	2.2%
LANDFILL GAS*	23,326	17.3%
WIND*	43,753	32.4%
SOLAR	0	0.0%
TOTALS	70,079	51.9%

* REC (Renewable Energy Credit) amounts will be finalized after 1st quarter 2015

- Detailed budgeted vs. actual amounts for FY 14

Power Purchases, MWh	Budget	Actual
Total Energy Purchase, MWh	164,713	158,245
Percent Difference, Actual vs. Budget		-3.9%
Power Purchase Costs	Budget	Actual
Total Power Purchase Cost	\$ 12,443,484	\$ 11,552,145
\$ Over/(Under) Budget		\$ (891,339)
Percent Difference, Actual vs. Budget		-7.2%
Purchase Cost per MWh	\$75.55	\$73.00
Percent Difference, Actual vs. Budget		-3.4%

There was no public input.

Board discussion

- The PUD has an ownership share in Horse Butte.
- How and where are resources transferred to Fallon in exchange for the PUD having the Stampede resource? Does UAMPS send megawatts to Fallon?
- What happens if the Veyo Heat Recovery Project does not come on line in 2017? Can the District just expand the open UAMPS pool market purchase through 2022?
- How do you feel about not having the 5 year mix from 2022 and beyond? Is your plan to look for another 5 year product as we get closer to 2022?
- Renewable energy portfolio looks great- over 50%
- What amount of renewables should the District have for this time of year by law?
- How will the future renewable project impact the renewable number?
- What is the projection of natural gas prices- are they going to be lower or higher, I saw a budget of \$7.00?
- Is the trend of the State of California to raise the renewable target to over 50%? It is hard to understand where the State gets its information. This target could be costly to rate payers.

DISCUSSION OF THE DISTRICT PIPELINE REPLACEMENT – 2015 PROJECT This item involves a discussion regarding the replacement of 4,900 feet of pipeline in Tahoe Donner funded by the Water Department Capital Replacement Fund.

Neil Kaufman gave a presentation:

- The Water Department has a need to replace existing pipelines in two categories:
 - Pipes in poor condition requiring repeated repairs
 - Pipes that are old, undersized (typically 4-inch diameter and smaller) and have exceeded their useful life

- The 2015 project includes about 4,900 feet of main at 3 locations along Northwoods Boulevard
 - From Viking Way to Norse Avenue: about 1,900 feet
 - From Christie Lane to Davos Drive: about 2,300 feet
 - At intersection with Swiss Lane: about 700 feet
- Work is coordinated with a Town of Truckee project to repave Northwoods Boulevard
- The District's overall communications plan calls for a fiber optic network to link the District's remote facilities
- The pipeline project also includes installation about 7,800 feet of fiber optic inner duct at 2 locations along Northwoods Boulevard
 - From Viking Way to Christie Lane: about 5,400 feet
 - From Innsbruck Tank to Davos Drive: about 2,400 feet
- Inner duct will be installed inside inactive water pipes
- Fiber optic cable will be installed at a later date
- Outside consultants
 - Environmental services:
 - Proposal for 2015 has been requested from Inland Ecosystems
 - Current estimate is \$3,000
 - Geotechnical testing:
 - Holdredge & Kull selected through RFP process in 2013
 - Current estimate is \$50,000
 - Surveying: New RFP to be issued this week
 - Scope includes other surveying needs besides the pipeline project
 - Expected action at March 18, 2015 Board meeting
- Project is exempt under CEQA
- Current project schedule
 - Project Overview Workshop – February 2015
 - Advertising for Bids – February 2015
 - Bid Opening – End of March 2015
 - Bid Award – April 2015
 - Begin Construction – May 2015
 - Complete Construction – October 2015
- Fiscal Impact
 - Cost for the water pipeline work is estimated at \$1,200,000
 - Funding source is the Water Department Capital Replacement Fund
 - Cost for the inner duct work is estimated at \$200,000
 - Funding source is the Electric Department General Fund
 - Other costs associated with inspection, geotechnical testing, surveying and environmental services

Public input:

Bob McClendon asked what the impact would be of residents in Tahoe Donner for the length of time for construction and how would they be impacted. Would water services be continuous or interrupted?

Board discussion:

- For the pipeline project, does the District have \$1.2 million in the Water Department budget? Is that going to spend the entire capital fund?
- Does the money for this come from the capital reserves only?
- This does not come under CEQA because we are using old pipes that are already in there. Does this exemption also apply to the fiber optic work?
- Are there other agencies that would want to work in that same area at the same time?
- The District does try to coordinate with other agencies in regards to projects.
- The interduct fiber savings could about 75% to install into inactive pipes.
- Swiss and Northwoods Boulevard has been problematic in the past. We are now replacing pipe on Northwoods.

ROUTINE BUSINESS

TREASURERS REPORT: JANUARY 31, 2015

APPROVAL OF THE FUND BALANCES AS OF DECEMBER 31, 2014: Director Bender moved, and Director Warmerdam seconded, that the Board approve the treasurer's report for the month ended December 31, 2014. ROLL CALL: Directors Ellis and Lalitois were absent; all other Directors aye, by voice vote. SO MOVED

APPROVAL OF DISBURSEMENTS FOR JANUARY 2015 Director Aguera moved, and Director Bender seconded, that the Board approve the January 2015 disbursements report. ROLL CALL: Directors Ellis and Lalitois were absent; all other Directors aye, by voice vote. SO MOVED

APPROVAL OF MINUTES FOR JANUARY 21, 2015 Director Bender moved, and Director Warmerdam seconded, that the Board approve the minutes of January 21, 2015. ROLL CALL: Directors Ellis and Lalitois were absent; all other Directors aye, by voice vote. SO MOVED

ADJOURNMENT

There being no further business before the Board, the meeting was adjourned at 7:05 PM.

TRUCKEE DONNER PUBLIC UTILITY DISTRICT

Joseph Aguera, Vice-President

Prepared by _____
Barbara Cahill, Deputy District Clerk