

Statement of Paul Hauser
General Manager
Trinity Public Utilities District
Before the U.S. House of Representatives
Natural Resources Committee
Subcommittee on Public Lands and Environmental Regulation
On
H.R 3266
The Trinity County Land Exchange Act of 2013
September 9, 2014

Chairman Bishop, Congressman Huffman, Congressman LaMalfa and members of the Subcommittee, thank you for the opportunity to testify in support of H.R. 3326, the "Trinity County Land Exchange Act of 2013". My name is Paul Hauser and I am the General Manager for Trinity Public Utilities District (TPUD).

I have served as General Manager of TPUD for the last 3 years and spent the previous 6 years with the City of Redding where I served as the Electric Utility Director. I also serve on the Board of Directors for the Trinity County Chamber of Commerce, the Board of Governors for the California Municipal Utility Association and I serve as Chairman of the Board for the Balancing Authority of Northern California. I began my electric utility career in 1989 with Duke Power Company and have managed public utilities in North Carolina, Missouri and California.

TPUD provides electric power to 85% of Trinity County in Northern California and is the only California electric utility to serve 100% of our customers with renewable hydroelectricity. TPUD provides this power by virtue of a federal power allocation authorized by congress in 1955 as part of the Trinity River Division Act that provided for diversion of Trinity River water to the Central Valley Project and Sacramento River basin.

The Trinity County Land Exchange Act of 2013 would facilitate a federal land transfer between the United States Forest Service (USFS), the Federal Bureau of Land Management (BLM) and TPUD that would provide our community with acreage to facilitate much needed economic development.

Trinity County is one of the poorest counties in the state of California. Although the county is larger than the state of Delaware; we only have a population of approximately 14,000. Though Trinity County is large, the federal government owns more than 80% of the county's land. While in past decades Trinity County saw much economic activity from mining and timber harvesting, these two industries have virtually shut down within the county. With almost no economic activity taking place on 80% of our land area, the economy is severely strained. Our schools and local government are in a mode of perpetual cuts as they try to meet the needs of residents with continually declining revenue sources.

In 2005 the Trinity County Board of Supervisors was suffering severe financial strain and as a cost saving effort sought to close Trinity Hospital, the only hospital and emergency medical facility in our county. TPUD Directors recognized the devastating impact this closing would have on our citizens and entered into an agreement with the County to take over management responsibility of the hospital. TPUD advanced \$2.7 million in the form of a loan to the County to fund the transitional period while TPUD operated the hospital until a new Hospital District was formed in 2007. The Hospital is now financially sound and providing much needed services to our rural residents. It is independently governed by an elected Board with a parcel assessment tax that was overwhelmingly passed by the citizens bringing in additional revenue.

As a result of Trinity Public Utilities District's (TPUD) successful effort to save Trinity County's only hospital, Trinity County agreed to transfer ownership of two parcels of land to TPUD. The "Sky Ranch" parcel is 47 acres and located adjacent to the Trinity River making it highly desirable to BLM. In fact, this area has been identified for acquisition by the BLM in the Redding Resource Management Plan. The second parcel, the "Van Duzen" parcel is 150 acres located in Southern Trinity County in the middle of the Six Rivers National Forest. The combined 2007 appraised value (most recent appraisal) of both parcels is \$425,000.

In 2010, TPUD proposed a land exchange that would have given the Sky Ranch parcel to BLM and the Van Duzen parcel to the U.S. Forest Service in exchange for a 100-acre parcel near Weaverville's airport that is owned by the Forest Service (USFS). This 100-acre parcel would facilitate access to another 77-acre parcel that TPUD already owns. This consolidated parcel would have access to State Highway 3 and offer desperately needed land in the Weaverville area that TPUD will make available for commercial, residential and industrial development. Currently, less than 15 acres of land in the entire Weaverville Basin is available for commercial/industrial development.

In March of 2011 Rep. Wally Herger introduced legislation (H.R. 1237) that provided for this land exchange between TPUD, BLM, and the Forest Service. The House of Representatives passed HR 1237 in July of 2012, but companion legislation was never introduced in the Senate during that Congressional session. The legislation was not introduced in the Senate at that time because of issues raised by the Forest Service regarding the exchange.

During the current Congressional session, TPUD has worked closely with our Representative Jared Huffman and his staff as well as California's Senators and their staff, to resolve these concerns. After months of discussion with the staff of Representative Huffman and both Senators, and the regional and DC Forest Service and BLM staff, agreement was reached on legislative language facilitating this proposed land exchange that is acceptable to all parties.

On October 23, 2013 Congressman Huffman introduced H.R. 3326, providing for this land exchange. This legislation is the result of discussions with the Congressman, the Forest Service and BLM. This exchange would transfer the 47-acre Sky Ranch Parcel (located next to a wild and scenic river) to BLM with TPUD receiving the 100-acre parcel near Weaverville's airport from the Forest Service. The exchange would require an equalization payment to equalize the value of the exchange. Our County Board of Supervisors, the Trinity County Resource Conservation District, the Weaverville Community Forest, and the Trinity County Chamber of Commerce support this exchange.

The 100-acre parcel that TPUD is requesting in exchange for the 47 acres that will be provided to the federal government represents an insignificant portion of the more than 1.6 million acres that the federal government owns in Trinity County. However, the potential development opportunities that this parcel will provide in a community with one of the highest unemployment rates in California will be extremely valuable to our community and our region. Even with the extremely poor local economy, there is a shortage of housing in the Weaverville area. With so much county land owned by the federal government and the extreme topography so common in the area there is very little developable land available. TPUD is actively pursuing economic development activities, but this difficult task is made nearly impossible when you have no place to site a new business or homes for the new employees to live.