

MINUTES
LASSEN MUNICIPAL UTILITY DISTRICT
REGULAR BOARD MEETING
JULY 24, 2007
5:30 P.M.

ITEM NO. 1: CALL TO ORDER, FLAG SALUTE AND ROLL CALL:

The Regular Board meeting of the Lassen Municipal Utility District was called to order at 5:30 PM by President Langston.

Board Members Present: Wayne Langston (President), Fred Nagel (Vice-President), Nancy Cardenas (Treasurer), and Darrell Wood (Director).

Absent: Director Sargent.

Also Present: General Manager Frank Cady, Assistant General Manager Ray Luhring, General Counsel Jaimee Jones, Accounting & Finance Manager Bill Stewart, Energy Services & Compliance Specialist Theresa Boucher, IT/GIS Coordinator Mike Malone, Executive Assistant Karen Rollings, Assistant Administrative Chris Yarbrough, and Board Secretary Jerri Kresge.

ITEM NO. 2: APPROVAL OF AGENDA:

GM Cady asked that *Item 4I* be moved under the Consent Agenda. A motion was made and seconded to approve the agenda with this change. Floor opened for public comment. No comment. Motion passed unanimously.

ITEM NO. 3: INVITATION FOR PUBLIC COMMENT:

[President Langston opens the floor for public comment after pointing out the Rules for Public Comment.]

➤ None.

ITEM NO. 4: INFORMATION ITEMS:

A. Board and Staff Response (if any) to Public Comment.

➤ None.

B. 1. Board/Staff Items.

➤ None.

2. Board Members' Meetings Attended Report:

➤ None.

C. CONSENT AGENDA:

1. Consideration of: (1) Ratification of Agreements from which Demands arose; (2) Receipt of Certification from Accounting & Finance Manager regarding Propriety of Payment of Demands; and (3) Approval of Payment of Demands.

2. *(Formerly Agenda Item 4I):* Ratification of Retention Letter from Downey/Brand Attorneys, LLP, to provide services to the District related to general employment matters.

A motion was made and seconded to approve the Consent Agenda as presented.

D. AGM/DOEO Luhring reported on:

➤ UAMPS/IPP3 Meeting for July: AGM
Luhring made reference to the press release that was included in the board packet regarding the Intermountain Power Agency, the City of Los Angeles and other California cities who breached their contracts when they announced they would no longer support development of the IPP3 Project. the City of Los Angeles is proposing that the Utah facility be used to meet the greenhouse gas limitations imposed by California's new environmental laws by attempting to block needed generation resources in the IPP3 Power Project. UAMPS and PacifiCorp have filed a Notice of Claim for violation of the IPP3 Development

Agreement. The filing of a lawsuit is pending.

- Westwood Substation: AGM Luhring stated that the transformer for the WW Sub failed the final testing. He feels a shorter transformer rewound for 60KV with dual voltage would best fit the District's long-term requirements. This type of setup would cost approximately \$100,000. The cost for a new transformer is approximately \$200,000 and delivery would be 40 weeks out. He recommended proceeding with the purchase of the reconditioned transformer.

Board discussion ensued. AGM Luhring responded to the Board of Directors' questions. There being no further discussion, the Board concurred with AGM Luhring's recommendation to proceed with the purchase of a reconditioned transformer. No further Board action was taken.

- Outage Report: AGM Luhring stated that the causes for the outages in July included two car pole accidents, a shot conductor at Eagle Lake and high winds.

E. Accounting & Finance Manager Stewart reported on:

- Check Register from 6/21/07 – 7/12/07. A&F Manager Stewart noted that the changes in salary adjustments were \$31,000 for management; \$18,000 for bargaining; and \$14,000 for the 401k match.
- Audit: A&F Manager Stewart stated that field work has begun on the audit and everything is proceeding on schedule. The auditors will return September 10 – 14. President Langston asked about appointing members to the Audit Ad Hoc Committee. A&F Manager Stewart said Treasurer Cardenas will be on the committee and a second member can be appointed at the next available board meeting.

F. Incident Activity Report:

- Nothing to Report.

G. General Manager Cady reported on:

- His tour of the IBEW facility in Vacaville and meeting key personnel;
- Meeting with Les Chisholm, former PERB Director, Ray Thomas, IBEW Rep., and Steve Gross, LMUD Special Counsel regarding work apparel for bargaining unit employees and the Safety Rules recently adopted by LMUD.
- LMUD 12 months Actual Energy Usage and Load Forecast included in board packet. GM Cady told the Board these reports were for information only and the Board's review.

Board discussion ensued. GM Cady responded to the Board of Directors' questions.

H. Old Business:

- Nothing to report.

I. Moved to the Consent Agenda Item 4C2.

J. Consideration of Appointment of Standing Hearing Officer to conduct Disciplinary Appeals Hearings.

- General Counsel Jones recommended appointing Steve Gross, LMUD's Special Counsel, as the District's Standing Hearing Officer.

Board discussion ensued. General Counsel Jones responded to the Board of Directors' questions. There being no further discussion, a motion was made and seconded to appoint Steve Gross, LMUD's Special Counsel, as the District's Standing Hearing Officer. Floor opened for public comment. No comment. Motion passed unanimously.

**K. Energy Services & Compliance Specialist
Boucher reported on:**

- Home Energy Calculator. ES&C Specialist Boucher presented a demonstration of the Home Energy Calculator which is located on LMUD's web site. This program was created by *Apogee Interactive* who did a great job of putting all the components together, making the Home Energy Calculator a very useful tool for someone who wants to calculate their energy usage.

- Renewable Energy Education Efforts. ES&C Specialist Boucher explained the efforts being made by the District to educate the public in the areas of energy conservation, renewable energy resources, etc. The following are some of the methods being used to educate the public:
 - *Ruralite* Manager's Message.
 - "From Where I Stand" in the local newspaper.
 - Presentations at various service clubs, i.e., Rotary.
 - Talk Shows on the local radio station.
 - Posting information to LMUD's web site.

- Budget for (RPS) Renewal Portfolio Standards Education. ES&C Specialist Boucher pointed out the RPS budget proposal included in the board packet and recommended not incurring any additional expenses for energy education, but to stay status quo with what is currently in the 2007/08 advertising budget. The Board concurred with this recommendation.

L. Presentation of Power Delivery and Cost Adjustment (PDCA) Analysis.

- GM Cady reported that he met with the PDCA Ad Hoc Committee (Directors Nagel & Wood). He referenced the worksheet included in the board packet. The District has done a great job of keeping operating costs to a minimum; hence no rate adjustment is necessary at this time.

Board discussion ensued. GM Cady responded to the Board of Directors' questions. No further Board action was necessary.

ITEM NO. 5: CLOSED SESSION

The Board adjourned to closed session at 6:22 PM

A. Conference with Legal Counsel:

(1) Significant exposure to litigation pursuant to Government Code §54956.9(b) – (3 cases)

B. Public Employee Performance Evaluation. Title – General Manager (pursuant to Government Code §54957).

The Board returned to open session at 7:45 PM

ITEM NO. 6: REPORT OF ACTION TAKEN (IF ANY) IN CLOSED SESSION

The following was orally reported for Closed Session Item 5A1: *Nothing to Report.*

The following was orally reported for Closed Session Item 5B: *The General Manager received a favorable review.*

ITEM NO. 7: ADJOURN

There being no further business, the meeting was adjourned at 7:46 PM.