

**MINUTES**  
**LASSEN MUNICIPAL UTILITY DISTRICT**  
**REGULAR BOARD MEETING**  
**September 25, 2007**  
**5:30 P.M.**

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**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 George Sargent (Director).

Absent: Director Wood and General Manager Cady.

Also Present: Assistant General Manager Ray Luhring, General Counsel Jaimee Jones, Accounting & Finance Manager Bill Stewart, Business Office Manager Keri Richards, Facilities Manager Paul Glau, IT/GIS Coordinator Mike Malone, Accounting Technician, Cady Schroeder, Assistant Administrative Chris Yarbrough, and Board Secretary Jerri Kresge.

**ITEM NO. 2:      APPROVAL OF AGENDA:**

President Langston stated that in Agenda Item 4I – (*Appointment of Accounting Technician as “Assistant Accountant” for the limited purpose of reconciling and certifying Demands upon the District for payment in a timely manner*), Accounting Technician should be removed and replaced with Business Office Manager. Also, the same will apply for the Summary Sheet for Item 4I. A motion was made and seconded to approve the agenda with these changes. 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.**

- AGM Luhring stated that General Manager Cady had attended a conference with several other CEO's and at a silent auction during this conference, he bid on a picture depicting the electric utility industry and was the successful bidder. On behalf of GM Cady, AGM Luhring presented the picture to Lineman Tater Lohr who accepted on behalf of LMUD's line crew and thanked the District. The picture will be displayed at LMUD's Service Center.

**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. Consideration and approval of Premier Cleaning Solutions Janitorial Contract.

A motion was made and seconded to approve the Consent Agenda as presented. Floor opened for public comment. No comment. Motion passed unanimously.

#### **D. AGM Luhring reported on:**

- UAMPS/IPP3 Meeting for September: Doug Hunter, UAMPS GM, reported that the City of Los Angeles has named a negotiator to see if something can be done before a lawsuit is filed by UAMPS against them for the alleged breaching of their contract involving the IPP3 Project. It is rumored that there will be a settlement agreement within the next 2 to 3 weeks.
- Westwood Substation: AGM Luhring stated that the delivery date for the Westwood transformer is 7 to 9 weeks out. Preliminary work will begin to get the substation ready for the transformer.
- Outage Report: AGM Luhring stated that both outages for September were in the Eagle Lake area. Crews are starting to patrol the lines, preparing for winter, and have found some “hot spots” that will be taken care of. Merrillville Road to Eagle’s Nest is a priority as problems exist in this area.

#### **E. Accounting & Finance Manager Stewart reported on:**

- Cash Position Report as of 6/30/07 and Check Register from 8/28/07 – 9/20/07.
- Audit: A&F Manager Stewart stated that the Audit for FYE 6/30/07 is complete and there will be a Special Board Meeting on 10/19/07 to present the Audit to the Board. He felt the firm that completed the Audit, Virchow Krause, was very efficient and they felt the same about LMUD.

Board discussion ensued. A&F Manager Stewart responded to the Board of Directors’ questions.

**F. Incident Activity Report:**

- Nothing to Report.

**G. On behalf of GM Cady, Assistant General Manager Luhring reported on:**

- Meetings attended – No report.
- LMUD 12 months Actual Energy Usage and Load Forecast included in board packet. AGM Luhring told the Board these reports were for information only and the Board's review.
- Update on the "Lassen Energy Zone". AGM Luhring stated that GM Cady is on several committees who are working on updating energy zones. General Counsel Jones said that GM Cady is planning on expanding LMUD's energy zones to show wind, solar and geothermal energy resources.
- The Board concurred that a Lassen Energy Zone (LEZ) Ad Hoc Committee was needed to study the District's involvement in energy zones. Directors Sargent and Nagel were appointed to this committee.

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

**H. Old Business: (*Tabled Item from 9/11/07 Special Board Meeting*). Reconsideration of Energy Assistance Program for Fiscal Year 2007/08.**

- Business Office Manager Keri Richards stated that this item was before the Board at a special meeting on 9/11/07, at which time the item was tabled, as the Board requested additional information from staff. She said it was good to go back to the drawing board as she came up with other ideas on how to stretch the dollars by concentrating on areas of the greatest need. Hence a priority schedule was developed and allocation of dollars was determined based on this schedule. She presented a Power Point presentation depicting this schedule. She reviewed the old program guidelines and the proposed program guidelines.

- Director Cardenas stated that the intake period for applications will be very intense and asked Ms. Richards if she felt staff could handle it.
- Ms. Richards replied that she was confident that staff could manage the extra work load.
- Director Nagel asked if the State of California reviewed the program.
- Ms. Richards replied that staff will do a report for the State showing where the monies are being spent and the energy savings (conservation).

It was the consensus of the Board to accept the Energy Assistance Conservation Program (ECAP) as presented by staff. No further action of the Board was required.

**I. Changed to read: Appointment of ~~Accounting Technician~~ Business Office Manager as “Assistant Accountant” for the limited purpose of reconciling and certifying Demands upon the District for payment in a timely manner.**

- Accounting & Finance Manager Stewart explained the rationale behind appointing the Business Office Manager as “Assistant Accountant”. Protocols and procedures will be established relating to the duties of the Business Office Manager while in the capacity of Assistant Accountant.

Board discussion ensued. A&F Manager Stewart replied to the Board of Directors’ questions. There being no further Board discussion, a motion was made and seconded to appoint the Business Office Manager as Assistant Accountant for the limited purpose of reconciling and certifying Demands upon the District for payment in a timely manner. Floor opened for public comment. No comment. Motion passed unanimously.

**ITEM NO. 5:        CLOSED SESSION**

The Board adjourned to closed session at 6:20 PM

A. Conference with Legal Counsel:

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

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

The Board returned to open session at 7:30 PM

The following was orally reported for Closed Session Item 5A1:

- No reportable action was taken.

**ITEM NO. 7:        ADJOURN**

There being no further business, the meeting was adjourned at 7:32 PM.