

MINUTES
LASSEN MUNICIPAL UTILITY DISTRICT
REGULAR BOARD MEETING
May 11, 2005
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 Cardenas. Mrs. Cardenas led the flag salute.

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

Also Present: General Manager Les Leiber,
 Controller Bill Stewart, Customer
 Relations Manager, Keri Richards,
 Communications/Public Benefits Specialist,
 Theresa Boucher, Operations Manager,
 Steve Trevino, District Counsel Frank Cady,
 Associate Jaimee Richey, and Board
 Secretary, Jerri Kresge.

ITEM NO. 2: APPROVAL OF AGENDA:

President Cardenas calls for a motion to approve the agenda.... Point of Order....Director Wood asked what the qualifications to sit at the press table were. District Counsel Cady responded that typically the Board used the common sense approach, based on familiarity with members of the press that attend Board meetings. He said the local police department can issue media cards. Director Wood felt that only legitimate members of the press should sit at the designated press table and if asked, should be able to present the appropriate credentials. Director Langston agreed, stating the Board recognized members of the press from the local radio station and newspaper sitting at the press table; and asked Ms. Spencer to present her credentials. Ms. Spencer stated that her First Amendment Rights were being violated.....Point of Order....President Cardenas asked Ms. Spencer to show the Board her credentials. Ms. Spencer stated her Civil Rights were being violated. Director Sargent examined Ms. Spencer's press pass, and said it had been issued by the American Amateur Press Association. Ms. Spencer

stated it was a Federal violation to question her credibility as a press member. Director Langston stated the Board should not set a precedent by allowing members of the public to sit at the press table....gavel....Ms. Spencer is out of order. Directors Sargent and Nagel concurred that a precedent should not be set. The Board asked Ms. Spencer to leave the press table and sit with the public. Ms. Spencer complied with the Board's request, stating she would file a Federal lawsuit.

- Ms. France from the local newspaper thanked the Board for the courtesy of a press table.
- Mike Smith from the local radio station questioned the availability of press credentials.

APPROVAL OF AGENDA (Continued):

President Cardenas tabled Item 5E – *Discussion of General Counsel possible vacancy*; and removed the following Items:

- Item 5G –Discussion of appointing Interim or Acting Director of Engineering & Operations;
- Item 5H – Discussion of appointing Director of Engineering & Operations;
- And Closed Session Items 6D & and corresponding Item7D – Public Employee Appointment. Title – Interim or Acting Director of Engineering & Operations (Pursuant to Government Code §54957).

A motion was made and seconded to approve the agenda as amended. Floor opened for public comment.

- Mike Smith asked for clarification on what agenda items had been removed.
- President Cardenas responded to Mr. Smith's question.

There being no further discussion, the motion passed unanimously.

ITEM NO. 3:

INVITATION FOR PUBLIC COMMENT:

[Mrs. Cardenas opens the floor for public comment after pointing out the Rules for Public Comment.]

- Ms. Spencer commented on Closed Session Item 6A.

ITEM NO. 4:

INFORMATION ITEMS:

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

- District Counsel Cady responded to the public's comments.

B. BOARD/STAFF ITEMS:

- President Cardenas thanked Les Leiber for serving as Interim General Manager for the District. Mr. Leiber resigned effective May 12, 2005.

C. GENERAL MANAGER'S REPORT:

1. General Manager Leiber reported on:

- Completion of three budgeted projects by PAR Electric.

D. FINANCIAL REPORTS:

1. **Controller Stewart reported on:**

- Financial Report; and
- March Financial Statements.

Board discussion ensued. Controller Stewart responded to the Board of Directors' questions.

E. TREASURER'S REPORT:

- Treasurer Nagel reported on a power point presentation he prepared which depicted spending trends and the charting of cash expenses

Board discussion ensued. Director Nagel responded to the Board of Directors' questions.

ITEM NO. 5

ACTION ITEMS

A. CONSENT AGENDA:

1. Approval of the Minutes for the April 13, 2005 Regular Board Meeting and the May 3, 2005 Special Board Meeting. A motion was made and seconded to approve the minutes. There being no further board or public discussion, the motion passed unanimously.

B. Consideration of Approval of Exhibit C, Revision 8, Individual Customer Commitment and Contribution as part of Western Contract No. 96-SNR-00110; Agreement for the Funding of Operation & Maintenance (O&M) for the Central Valley Project Power Facilities.

- Reported by General Manager Leiber.

Board discussion ensued. General Manager Leiber and District Counsel Cady responded to the Board of Directors' questions. A motion was made and seconded to approve Exhibit C, Revision 8 to Western Contract No. 96-SNR-00110. Floor opened for public comment. No comment. Motion passed unanimously.

C. Consideration of Approval of Master Agreement with Cooper Power Systems for a Turnkey Substation Protection/SCADA Project. Budget Item Line No. 4, "Protection Upgrade - Transmission".

- Reported by General Manager Leiber.

Board discussion ensued. General Manager Leiber and District Counsel Cady responded to the Board of Directors' questions. A motion was made and seconded to approve the Master Agreement with Cooper Power Systems as a Sole Source Provider for a Turnkey Substation Protection/SCADA Project. Floor opened for public comment. No comment. Motion passed unanimously.

D. Consideration of Resolution 2005-06: Environmental Assessment and findings for Notice of Exemption for High Sierra Gas Generation Project.

- Reported by General Manager Leiber. Board Discussion ensued. General Manager Leiber and District Counsel Cady responded to the Board of Directors' questions. There being no further Board discussion, the floor was opened for public comment.
- Comments made by Eileen Spencer and Herb Grutgen.
- Director Nagel responded to the public's comments.

There being no further comments, the motion passed unanimously.

E. Discussion of General Counsel possible vacancy. (Tabled).

F. Discussion of appointing Interim or Acting General Manager.

- Reported by President Cardenas. Mrs. Cardenas felt the District should hire an Interim General Manager on a temporary or part time basis to oversee day to day operations, sign checks, etc. Director Sargent stated the position should be offered to Sharon Edwards. It was the consensus of the Board that Ms. Edwards was capable of doing the job and to table this item until she is contacted regarding the Interim GM position.....Point of Order...audience is out of order. A motion was made and seconded to TABLE this item for a future Board meeting. Floor opened for public comment.
- The public commented on:
 - Costs for Interim GM Position;
 - Evelene Twitchell's Separation Agreement;
 - Monies spent for General Manager Search;
 - District Operations.
- President Cardenas and Director Nagel responded to the public's comments.

There being no further comments, the motion passed unanimously.

G. Discussion of appointing Interim or Acting Director of Engineering & Operations. (Removed)

H. Discussion of appointing Director of Engineering & Operations. (Removed)

I. Discussion of engaging Search Firm for Director of Engineering & Operations.

- Reported by President Cardenas. A motion was made and seconded to engage Mycoff & Associates to conduct a search for a Director of Engineering &

Operations; and to submit a service proposal which will be presented at the next available Board meeting for consideration. Floor opened for public comment.

- Comments made by John Zenith and members of the public....point of order.....Mr. Zenith is out of order.

There being no further comments, the motion passed unanimously.

J. Report from the Dyer Mountain Draft EIR Ad Hoc Committee and possible direction.

- Reported by Ad Hoc Committee Members, Fred Nagel and George Sargent. It was the consensus of the Board to submit a letter of interest for the Dyer Mountain Project. A motion was made and seconded to direct the Ad Hoc Committee to draft a letter of interest and present at the next available Board meeting. Floor opened for public comment
- Comments made by Eileen Spencer, Herb Grutgen and John Zenith.
- District Counsel Cady responded to the public's comments.

There being no further comments, the motion passed unanimously.

K. Consideration of (1) Ratification of Agreements from which Demands arose; (2) Receipt of Certification from Controller regarding Propriety of Payment of Demands; and (3) Approval of Payment of Demands.

- Reported by Controller Stewart.

Board discussion ensued. Controller Stewart responded to the Board of Directors' questions.

There being no further Board discussion, a motion was made and seconded to (1) Ratify Agreements from which Demands arose. Floor opened for public comment. No comment. Motion passed unanimously. A motion was made and seconded to (2) Receive Certification from Controller regarding Propriety of

Payment of Demands. Floor opened for public comment. No comment. Motion passed unanimously. A motion was made and seconded to (3) Approve Payment of Demands. Floor opened for public comment. No comment. Motion passed unanimously.

ITEM NO. 6: CLOSED SESSION:

- At the request of District Counsel Cady, Items 6A, 6B & 6E were deleted.

- A. Conference with Real Property Negotiators. Property: Portions of Dyer Mountain. Agency Negotiators: Board Members, General Manager Leiber, General Counsel Cady. Negotiating Parties: Dyer Mountain Associates, LLC. Under Negotiation: Price and Terms. *(Deleted)*

- B. Public Employee Appointment. Title – Interim or Acting General Manager (Pursuant to Government Code §54957). *(Deleted)*

- C. Public Employee Appointment. Title – General Manager (Pursuant to Government Code §54957).

- D. Public Employee Appointment. Title – Interim or Acting Director of Engineering & Operations (Pursuant to Government Code §54957). *(Removed by President Cardenas)*

- E. Conference with Legal Counsel:
 - (1) Significant exposure to litigation pursuant to §54956.9(b) – (1 case). *(Deleted)*

The Board adjourned to Closed Session at 7:12 PM.
The Board returned to Open Session at 7:55 PM.

ITEM NO. 7: REPORT OF ACTION TAKEN (IF ANY) IN CLOSED SESSION:

The following was orally reported for Closed Session Item 6C:

- No reportable action was taken.

ITEM NO. 8: ADJOURN:

There being no further business, the meeting was adjourned at 7:56 PM.