

MINUTES
LASSEN MUNICIPAL UTILITY DISTRICT
SPECIAL BOARD MEETING
May 24, 2005
5:30 P.M.

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

The Special 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), Fred Nagel (Treasurer) George Sargent (Secretary) and Darrell Wood (Director).

Also Present: Controller Bill Stewart, Customer Relations Manager Keri Richards, Operations Manager Steve Trevino, District Counsel Frank Cady, Associate Jaimee Richey, and Board Secretary, Jerri Kresge.

ITEM NO. 2: APPROVAL OF AGENDA:

District Counsel Cady requested that Closed Session Item 6C and corresponding Item 7C be removed from the agenda. A motion was made and seconded to approve the agenda as amended. Floor opened for public comment. No comment. 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.]

Eileen Spencer commented on:

- Past activities of the Law Firm of Cady & Pardee.

ITEM NO. 4: INFORMATION ITEMS:

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

- None.

B. BOARD/STAFF ITEMS:

- None

ITEM NO. 5: ACTION ITEMS:

A. CONSENT AGENDA:

1. None.

B. Consideration of Approval of Executive Search Services Proposal from Mycoff & Associates for the Director of Engineering & Operations Position.

- Reported by District Counsel Cady. Board discussion ensued. District Counsel Cady and President Cardenas responded to the Board of Directors' questions. There being no further Board discussion, a motion was made and seconded to approve the Executive Search Services Proposal from Mycoff & Associates. Floor opened for public comment. No comment. Motion passed unanimously.

C. Ratification of the use of Lester Leiber to do consulting work.

- Reported by District Counsel Cady. Mr. Leiber will be working under an existing Consultant Agreement that has no expiration date. Due to a heavy workload and Workman Compensation issues, Mr. Leiber's services will be needed at least through the summer. Board discussion ensued. District Counsel Cady and Operations Manager Trevino responded to the Board of Directors' questions. There being no further Board discussion, a motion was made and seconded to ratify the use of Lester Leiber to do consulting work. Floor opened for public comment.
- Comments made by Eileen Spencer.
- District Counsel Cady and Director Langston responded to the public's comments.

There being no further discussion, the motion passed unanimously.

D. Consideration of Approval of engaging Cooperative Benefits Financial Services, LLC, to update the non-union employee compensation survey.

- Reported by District Counsel Cady. Board discussion ensued. Director Nagel felt this type of study would be a useful tool for budgeting purposes. There being no further Board discussion, a motion was made and seconded to approve engaging Cooperative Benefits Financial Services to update the non-union employee compensation survey. Floor opened for public comment. No comment. Motion passed unanimously.

E. 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:

- A. Public Employee Appointment/Employment. Title – Interim General Manager (Pursuant to Government Code §54957).
- B. Public Employee Appointment. Title – General Manager (Pursuant to Government Code §54957).
- C. Public Employee Appointment. Title – Director of Engineering & Operations (Pursuant to Government Code §54957). *(Removed)*

D. Conference with Legal Counsel:

- (1) Significant exposure to litigation (Pursuant to Government Code §54956.9(b) – (1 case).
 - At the request of District Counsel Cady, Item 6D was deleted.

The Board adjourned to closed session at 5:51 PM
The Board returned to open session at 7:05 PM.

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

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

- After Board review of the Interim General Manager Employment Agreement for Sharon Edwards, a motion was made and seconded to accept the Agreement as submitted with the compensation of \$10,000 per month, being the same compensation given to the former Interim General Manager Les Leiber. Floor opened for public comment.
- Ms. Spencer asked for a copy of the Interim General Manager Agreement which had not been included in the board meeting packet. Director Langston responded to the public's comments, stating the Agreement does not become a public document until it is approved by the Board and signed by the parties.
- Board Secretary, Jerri Kresge, handed out copies of the approved, signed Agreement.

There being no further comments, the motion passed unanimously.

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

- No reportable action was taken.

ITEM NO. 8: ADJOURN:

There being no further business, the meeting was adjourned at 7:08 PM.