

MINUTES
LASSEN MUNICIPAL UTILITY DISTRICT
REGULAR BOARD MEETING
July 13, 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 Frank Cady,
 Controller Bill Stewart, Customer
 Relations Manager, Keri Richards,
 Communications/Public Benefits Specialist,
 Theresa Boucher, Jaimee Richey,
 and Board Secretary, Jerri Kresge.

ITEM NO. 2: APPROVAL OF AGENDA:

A motion was made and seconded to approve the agenda as presented. 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.]

➤ None

ITEM NO. 4: INFORMATION ITEMS:

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

➤ None

B. BOARD/STAFF ITEMS:

➤ None.

C. GENERAL MANAGER'S REPORT:

1. General Manager Cady reported on:

- LAFCO Assessment of Special Districts;
- Low voltage on Eagle Lake Line and plans for improvement;
- Budget Reserves;
- Meetings with Energy Producers;
- Update on Engineer Search;
- Rate Comparison Chart showing power cost trends for LMUD; and
- Organization of Business Office.

D. FINANCIAL REPORTS:

1. **Controller Stewart reported on:**

- Financial Report.

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

E. TREASURER'S REPORT:

- No Report.

ITEM NO. 5

ACTION ITEMS

A. CONSENT AGENDA:

1. Approval of the Minutes for the June 8, 2005 Regular Board Meeting and the June 28, 2005 Special Board Meeting.
2. Consideration of Approval of Agreement for Radio Maintenance and Repair with JRM Enterprises; and authorization for President to sign.
3. Resolution 2005-09: Approval of FY 05/06 Investment Policy (Annual Event).

A motion was made and seconded to approve Consent Agenda Items 5A1, 2 & 3. Floor opened for public comment. No comment. Motion passed unanimously.

B. Consideration of Agreement with Jaimee Richey for Interim Legal Services. (*General Manager Cady left the room before the Board began discussion on this item*).

Board discussion ensued. Director Nagel asked if the format of this agreement was similar to other outside legal counsel agreements. President Cardenas replied that was her understanding. There being no further Board discussion, a motion was made and seconded to approve the Agreement with Jaimee Richey for Interim Legal Services. Floor opened for public comment. No comment. Motion passed unanimously. (*At this point, General Manager Cady re-entered the room*).

C. Consideration of process for hiring new General Counsel.

- Reported by Director Nagel and General Manager Cady. Director Nagel said he preferred sending out an RFQ (Request for Qualifications) to fill the Office of General Counsel. President Cardenas asked about local advertising. General Manager Cady stated that all local attorneys would receive an RFQ; and advertising would be in the local newspaper as well as in trade publications. this A motion was made and seconded to direct the General Manager and his staff to prepare a draft RFQ for Board review at the next available Board meeting. Floor opened for public comment. No comment. Motion passed unanimously.

D. Resolution 2005-08: Consideration of Adoption of Media Use Policy.

- Reported by General Manager Cady. The Media Use Policy sets forth the rules and prohibitions regarding company property (computers, cellular telephones, etc.) being used for personal use.

Board discussion ensued. General Manager Cady responded to the Board of Directors' questions. There being no further Board discussion, a motion was made and seconded to approve the Media Use Policy. Floor opened for public comment. No comment. Motion passed unanimously.

E. Resolution 2005-10: A Resolution of the Lassen Municipal Utility District authorizing the General Manager to implement a Prequalification Procedure for Prospective Bidders to construct the District's public Works Projects, Contractor Prequalification and Appeal Procedures, Prequalification Questionnaire and Evaluation; and authorization for President to sign.

- Reported by General Manager Cady. General Manager Cady reported that it is advantageous to have this type of RFQ in place when doing major projects to pre-qualify bidders and thus save the District substantial time and energy. It also gives a bidder due process rights to dispute management's decision that they are not qualified.

Board discussion ensued. General Manager Cady responded to the Board of Directors' questions. There being no further Board discussion, a motion was made and seconded to approve Resolution 2005-10. Floor opened for public comment. No comment. Motion passed unanimously.

F. 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 and General Manager Cady 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:

B. Conference with Legal Counsel:

(1) Significant exposure to litigation pursuant to §54956.9(b) – (1 case).

➤ Deleted per Interim Legal Counsel Richey.

ITEM NO. 7: ADJOURN:

There being no further business, the meeting was adjourned at 6:37 PM.