

MINUTES
LASSEN MUNICIPAL UTILITY DISTRICT
REGULAR BOARD MEETING
October 12, 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), George Sargent (Secretary), Fred Nagel (Treasurer) and Darrell Wood (Director).

Absent: Director Langston

Also Present: General Manager Frank Cady,
 Controller Bill Stewart, Operations Manager
 Steve Trevino, Customer Relations Manager,
 Keri Richards, Communications/Public
 Benefits Specialist, Theresa Boucher,
 Interim Attorney Jaimee Richey, Hazard
 Waste Coordinator Paul Glau 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.]

- Herb Grutgen commented on the proposed increase to the Basic Charge. He felt the increase should be a rate increase so LMUD customers can have control and regulate their power usage. He felt this was the fairest way for all ratepayers.

ITEM NO. 4:

INFORMATION ITEMS:

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

- General Manager Cady responded to the public's comments. He explained the different components that make up the Facility Charge. Ultimately, the Board will make the decision on any proposed increases and what they should be.

B. BOARD/STAFF ITEMS:

- Director Nagel, who had attended the NCPA Commission meeting in September, reported the removal of the Hayden Hill Power Line was discussed. He felt that LMUD should support the non-removal of this line. General Manager Cady agreed, stating that LMUD needs to go on record as supporting the maintenance and non-removal of this line. This is a 60 or perhaps a 69 KV line and could be a great benefit to this area. President Cardenas appointed Director Nagel and General Manager Cady as liaisons to talk with County Representatives voicing LMUD's support of the non-removal of this line.
- General Manager Cady reported he had attended a "TANC" Workshop (Transmission Agency of Northern California). They discussed the existing California-Oregon Transmission Project as a model for constructing transmission lines in Northern California. Our area is identified as one of the main corridors.
- PBS Theresa Boucher reported that she was a guest on "View Point", a talk show on the local radio station. During the program, she discussed the upcoming public hearing on the proposed increase to the Basic Charge and fielded calls from the public. Board discussion ensued regarding some of the questions the public asked during the program regarding self-generation, fee structure of other utilities, etc. General Manager Cady and PBS Boucher responded to the Boards' questions/comments.

C. GENERAL MANAGER'S REPORT:

1. General Manager Cady reported on:

Personnel

- Hiring of an Engineer is imminent.

Budget

- Cash flow (in & out).
- Restricted monies – re: public benefit monies, medical reserves, etc.
- Truth in Spending Concept.

Operations

- Establishment of a functional spreadsheet to report outages;
- Capital Improvement Projects.

D. PUBLIC BENEFITS UPDATE:

1. PBS Boucher reported on:

- Letter from the Westwood Unified School District thanking LMUD for the partial funding from Public Benefit monies for the installation of Solar Powered Radar Speed Signs in Westwood;
- Thank you letter from a LMUD customer regarding the Appliance Rebate Program; and
- The 2006 Art Calendar Contest winners.

D. FINANCIAL REPORTS:

1. Accountant Stewart reported on:

- Financial Report.

Board discussion ensued. Accountant 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 September 14, 2005 Regular Board Meeting and the September 28, 2005 Special Board Meeting**
- 2. Approve PUC §11888 Services Contract with Susanville Refrigeration.**
- 3. Approve PUC §11888 Services Contract with Dan White.**
- 4. Approve PUC §11888 Services Contract with On-Site Gutters.**
- 5. Award of Service Contract for Hosting of AS400 Historical Data.**

A motion was made and seconded to approve Consent Agenda Items 5A-1, 2, 3, 4, & 5. Floor opened for public comment. No comment. Motion passed unanimously.

B. Discussion of Public Benefits Programs for all rate classes and its interaction with CARB's Carl Moyer Diesel Pump Replacement Program regarding Ag Pumps. Direction to staff regarding Public Benefits Programs for Ag load, other load.

- Reported by General Manager Cady and Director Wood. The following points were discussed:
 - Public Benefit monies are available for Ag programs, such as paying the difference between a low or high efficiency pump.
 - Interim Attorney Richey read from her report to the Board regarding agricultural customers, AB 1890 and the Carl Moyer Program.
 - An Ag Pump Program needs to be established with guidelines.
 - Electric pumps qualify in a number of ways. It is up to the Board to decide which way to proceed.

- General Manager Cady will write letters to The Cattleman's Association and Farm Bureau advising them of these programs.
- The Ag Community needs help with the switchover from diesel to electric pumps.
- General Manager Cady explained the "Time of Use" concept. Public Benefit monies can pay for time of use meters.
- Members of the Public Benefits Committee will be Directors Wood and Sargent, PBS Theresa Boucher and Office Manager Keri Richards.
- President Cardenas directed the Public Benefits Committee to meet on this subject and report back to the Board. The Board concurred with this directive.

This item was continued until receipt of the Public Benefits Committee Report at the next available Board meeting and for further Board Action.

C. Adoption of Policy delegating authority to General Manager to enter into "de minimis" PUC §11888 Service Contracts (i.e. provided they are less than \$10,000 per year per person or entity).

- Reported by General Manager Cady.

Adoption of this policy will give the District the flexibility to get the work done in a timely manner.

Board discussion ensued. General Manager Cady responded to the Board of Directors' questions. There being no further discussion, a motion was made and seconded to adopt the policy delegating authority to General Manager to enter into "de minimis" Service Contracts less than \$10,000 per year per person or entity. Floor opened for public comment. No comment. Motion passed unanimously.

D. Approval for Interim Attorney Jaimee Richey to attend the 2005 APPA Legal Seminar November 13-16, 2005.

- Reported by General Manager Cady. General Manager Cady stated that the APPA Legal Seminar was very informative and contained topics

relevant to Municipal Utilities. Ms. Richey requested that the District pay for her registration, travel, lodging and meal expenses.

There being no further Board discussion, a motion was made and seconded to approve Ms. Richey's attendance at the APPA Legal Seminar and to pay for the aforementioned expenses as requested. 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 Accountant Stewart.

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. Conference with Legal Counsel:

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

B. Appointment/Employment of Director of Engineering & Operations and Assistant to General Manager (Pursuant to Government Code §54957)

Closed Session Items 6A & 6B were removed by General Manager Cady.

ITEM NO. 7: ADJOURN:

There being no further business, the meeting was adjourned at 6:51 PM.