

MINUTES
LASSEN MUNICIPAL UTILITY DISTRICT
REGULAR BOARD MEETING
February 24, 2009
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 Nagel.

Roll Call by Board Secretary Jerri Kresge:

Director Bowden – present
Director Dow – present
Director Nagel – present
Director Langston – present
Director Vial - present

Also Present: General Manager Ray Luhring, Electric Operations Manager Dave Folce, General Counsel Jaimee Jones, Accounting & Finance Manager Bill Stewart, Facilities Manager Paul Glau, Business Office Manager Keri Richards, Energy Services & Compliance Specialist Theresa Phillips, Engineering Technician Liz Griffin, Accounting Technician Cady Schroeder, Executive Assistant Karen Rollings, and Board Secretary Jerri Kresge.

ITEM NO. 2: APPROVAL OF AGENDA:

President Nagel requested that Closed Session Item 13B be removed from the agenda. Director Dow asked that this item be left on the agenda for Board discussion. Director Vial made a motion to approve the agenda as presented. Director Dow seconded the motion. Floor opened for public comment. No comment. Motion passed unanimously.

ITEM NO. 3: INVITATION FOR PUBLIC COMMENT:

[President Nagel opens the floor for public comment after pointing out the Rules for Public Comment.]

- Debi Stampfli addressed the Board regarding choosing a legal counsel for the District. She said the Board should make sure this person knows the Brown Act and Public Utility Law. On another matter, Ms. Stampfli asked that she be updated on the District's tree trimming procedures as she requested at a previous board meeting. She felt that the District's present tree trimming costs were too high and could possibly be lowered if LMUD did the tree trimming in-house.
- General Manager Luhring responded to Ms. Stampfli and said that Facilities Manager Paul Glau would talk to her about the tree trimming.

ITEM NO.4: STAFF MEMBERS' REPORTS:

- No Report.

ITEM NO. 5: BOARD MEMBERS' REPORTS:

- No Report.

a. Board Members' Meetings Attended:

- None.

ITEM NO. 6: APPROVAL OF MINUTES FROM THE JANUARY 27, 2009 REGULAR BOARD MEETING AND THE FEBRUARY 3 AND 5, 2009 SPECIAL BOARD MEETINGS:

- A motion was made by Director Langston and seconded by Director Bowden to approve the minutes. Motion passed unanimously.

ITEM NO. 7: ACCOUNTING & FINANCE MANAGER REPORTS:

- Accounting & Finance Manager Stewart reported on the Cash Position Report and the Check Register included in the board packet.

Board discussion ensued. Accounting & Finance Manager Stewart responded to the Board of Directors' questions.

ITEM NO. 8: REPORTS FROM GENERAL MANAGER:

- General Manager Luhring reported on:
 - a. Board Workshop on 3/10/09: Personnel from the Western Area Power Administration will give a presentation on the CAISO and MRTU which is scheduled to go live on 4/1/09.
 - b. Met with NV Energy (formerly Sierra Pacific Power) on 2/23/09 regarding LMUD's possible connection to the RAT Line.
 - c. Upcoming Meetings and Conferences: CMUA Annual Conference March 24-27.

ITEM NO. 9: REPORTS FROM ELECTRIC OPERATIONS MANAGER:

- Outage Report: Electric Operations Manager Folce reported on the outage that occurred in February in the Eagle Lake area due to high winds and snow.

Board discussion ensued. Electric Operations Manager Folce responded to the Board of Directors' questions.

ITEM NO. 10: CONSIDERATION OF WAIVING THE E&O (ERRORS & OMISSIONS) INSURANCE FOR INTERIM TRANSITIONAL ATTORNEY:

- Board discussion ensued regarding, (1) the District's current interim attorney does not have E&O insurance; and (2) the possible risks to LMUD without E&O insurance.

Director Bowden made a motion to waive the E&O insurance on an interim basis until the District determines who will be legal counsel. Director Langston seconded the motion.

Board discussion ensued regarding, (1) the District's past policy on this issue; and (2) E&O insurance may be required of the District's permanent legal counsel.

There being no further Board discussion, the floor was opened for public comment. No comment. A call for the vote was as follows:

- Director Bowden – aye
- Director Dow – no
- Director Nagel – aye
- Director Langston – aye
- Director Vial – aye

Motion passed.

ITEM NO. 11: CONSIDERATION OF ADOPTION OF BOARD GOVERNANCE POLICIES:

- Board discussion ensued regarding, (1) tabling this item to allow more time to study the policies; (2) review the policies now; or (3) forming an Ad Hoc Committee to review the policies.

A motion was made by Director Bowden and seconded by Director Vial to table this item until the next board meeting to study and determine if an Ad Hoc Committee should be formed or a Board Workshop should be held.

Board discussion ensued. Director Bowden withdrew his motion and the second to the motion concurred with this withdrawal.

The Board proceeded to review the draft Governance Policies and directed staff to make the recommended changes/additions to the policies for further Board review.

ITEM NO. 12: FUTURE BOARD MEETING SCHEDULE:

- Board Workshop on 3/10/09 at 1:00 PM; and Special Board Meeting on 3/31/09 at 5:30 PM. (*The regular board meeting on 3/24/09 was rescheduled to 3/31/09*)

ITEM NO. 13: CLOSED SESSION:

The Board adjourned to Closed Session at 7:35 PM

- A. Conference with Legal Counsel – Existing Litigation
(Subdivision (a) of Government Code §54956.9):
 - 1. Steven Trevino and Amy Trevino vs. Lassen
Municipal Utility District, et al. U.S.D.C. Eastern
District Action No. 2:07-CV-02106 LKK DAD.
- B. Public Employee Discipline/Dismissal/Release.

**ITEM NO. 14: REPORT OF ACTION TAKEN (IF ANY) IN CLOSED
SESSION:**

The Board returned to Open Session at 8:37 PM

The following was reported by President Nagel for Closed
Session Items 13 A & 13B:

- No reportable action was taken.

ITEM NO. 15: ADJOURN:

There being no further business, the meeting was adjourned at 8:38 PM.