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BOARD OF DIRECTORS

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In case of an outage: If your electricity is off for more than a few minutes, call 257-4174. Office hours are 8:30 a.m. to 4:30 p.m., Monday through Friday. After-hours and weekend calls will be answered by a local service and immediately forwarded to standby personnel.

The board meets at 5:30 p.m. the fourth Tuesday of each month.

CA-106

Manager's Message

As 2010 begins, we look back at our achievements, challenges, triumphs and tragedies. We also look forward to the coming year with anticipation and enthusiasm.

2009 was financially challenging for most of the country. Even though the year was marked by a major economic downturn, the Lassen Municipal Utility District (LMUD) weathered the shaky economy without any financial impact to our customers.

Not only did the district endure the economic storm, our audited financial statements reflect the board's goal of being fiscally strong and secure. In fact, during fiscal year 2008/2009, LMUD's net assets increased \$2,700,808. LMUD also experienced a decrease in total operating cost of \$1,110,937. This decrease is attributed to a decline in purchase power cost coupled with sound operating policies and procedures.

You may view LMUD's audited financials on our Web site, www.lmud.org.

To bring future economic stability to the district, we are exploring the possibility of a 230-kilovolt transmission line—using existing transmission corridors. Should this project become a reality, it would be built without ratepayer funds. The construction would rely on power developers and, possibly, federal grant money.

The line would be used to "wheel" power out of Lassen County. LMUD and our customers would benefit by charging a wheeling fee to power producers.

The need for this transmission corridor is evident by the amount of interest in our service area from renewable power developers. LMUD would not build or invest in these proposed projects, but we would be the conduit by which the developers export their product. Look for updates on this project throughout 2010 in the Lassen Ruralite.

During 2009, LMUD crews upgraded our power system. Inefficient, outdated equipment was replaced with modern energy-efficient equipment. Power outages were kept to a minimum and the reliability of our system was greatly improved. More improvements and upgrades are scheduled throughout 2010 and beyond.

The progress we have made is the result of the people at this organization. I am honored to be part of this utility and would like to recognize all of our employees who have contributed to achieving the goal of becoming "Your Hometown Energy Provider." Thank you to all of our employees, your dedication and service is greatly appreciated.

Also, thank you to the LMUD Board of Directors. The board has led this organization through some challenging times and together have overcome the obstacles they faced. Its vision for the future of Lassen Municipal Utility District reaches beyond our little community but does not lose sight of local issues and the needs of our customers.

Last, but certainly not least, a huge thanks goes out to you, our customers, for your patience, understanding and support throughout the year.

As I look back at our accomplishments and look forward to the coming year, I fondly remember our friend and associate, Harold "Hal" Gartner. Hal was LMUD's legal counsel for most of 2009. He tragically and unexpectedly passed away November 20, 2009. Hal's insight, humor and wisdom will be greatly missed.

I look forward to 2010 with confidence, pride and enthusiasm, knowing we have accomplished much and that we will continue on this positive path for years to come.

Ray Luhring, General Manager