

MINUTES
LASSEN MUNICIPAL UTILITY DISTRICT
SPECIAL BOARD MEETING
MARCH 10, 2009
1:00 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 1:00 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, Legal Counsel Hal Gartner, Accounting & Finance Manager Bill Stewart, Business Office Manager Keri Richards, Facilities Manager Paul Glau, Energy Services and Compliance Specialist Theresa Boucher, Engineering Technician Liz Griffin, IT/GIS Coordinator Mike Malone, Accounting Technician Cady Schroeder, and Executive Assistant Karen Rollings.

ITEM NO. 2: APPROVAL OF AGENDA:

President Nagel requested that Item No. 6 and 7 be heard in reverse order to better coordinate with the presentation by WAPA Representatives. A motion was made by Director Dow and seconded by Director Bowden to approve the agenda with this change. 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.]

- None.

ITEM NO. 4: STAFF MEMBERS' REPORTS:

- None.

ITEM NO. 5: BOARD MEMBERS' REPORTS:

- President Nagel wanted to clarify his thoughts at a previous board meeting regarding the review of draft governance policies. He felt the format was confusing because the Board should have had the old policies in front of them, as well as the updated policies (perhaps redlined) to make comparisons.
- Director Dow stated that the Board did have a policy workshop and the draft governance policies presented to the Board for review was a product of this workshop. He felt that staff did proceed as directed by the Board.
- Director Dow inquired about the SIR base allocation. Staff will give a report regarding this matter at the 3/31/09 board meeting.

ITEM NO. 6: BOARD WORKSHOP: PRESENTATION BY WESTERN AREA POWER ADMINISTRATION (WAPA) REPRESENTATIVES ON CAISO (CALIFORNIA INDEPENDENT SYSTEM OPERATOR) AND MRTU (MARKET REDESIGN AND TECHNOLOGY UPDATE:

- General Manager Ray Luhring introduced WAPA Representatives, Sonya Anderson, Jeanne Haas, Harry Hirahara, Tom Patton and Masoud Shafa.

THE FOLLOWING TOPICS WERE DISCUSSED:

- Historical Perspective of the CAISO – The Restructuring of California’s Electric Utility Industry – Harry Hirahara.
- CAISO Settlements – Pre and Post MRTU – Masoud Shafa.
- Western’s Purchasing Strategies and Goals for Its Full Load Service Customer Portfolios – Tom Patton.

- Base Resource Displacement Program Description – Jeanne Haas.

Board discussion ensued. WAPA Representatives responded to the Board of Directors' questions.

ITEM NO. 7: CONSIDERATION OF ALLOWING LMUD'S BASE RESOURCE ALLOCATION TO BE USED IN THE "DISPLACEMENT PROGRAM".

- General Manager Luhring thanked Accounting & Finance Manager Stewart for working with WAPA representatives on the Displacement Program.

Board discussion ensued. Jeanne Haas responded to the Board of Directors' questions. Director Dow requested that LMUD receive status reports on how the program is working. Ms. Haas said WAPA will receive monthly reports which will be shared with the participating entities.

Director Dow made a motion to allow the General Manager to enter into an agreement with the Western Area Power Administration and place LMUD's Base Resource Allocation in the Displacement Program. Director Langston seconded the motion.

Director Vial asked about the risks of participating in this program. Ms. Haas replied that there could possibly be some risks involved, but WAPA will be monitoring this program very closely to safeguard the participating entities. There being no further discussion, the floor was opened for public comment. No comment. Motion passed unanimously.

ITEM NO. 8: CLOSED SESSION:

The Board adjourned to Closed Session at 3:35 PM.

- A. Conference with Legal Counsel – Existing Litigation (Subdivision (a) of Government Code §54956.9):
 1. David L. Jenne vs. Lassen Municipal Utility District Lassen County Superior Court Case #42831.
 2. Eileen Spencer vs. Lassen Municipal Utility District, California Court of Appeal, 3rd Appellate District, Case #36791, C048829, C047584 .

ITEM NO. 9: REPORT OF ACTION TAKEN (IF ANY) IN CLOSED SESSION:

The Board returned to Open Session at 4:42 PM

The following was reported by President Nagel for Closed Session Items 8A1 and 8A2:

- No reportable action was taken.

ITEM NO. 10: ADJOURN:

There being no further business, the meeting was adjourned at 4:43 PM.