

MINUTES
LASSEN MUNICIPAL UTILITY DISTRICT
SPECIAL BOARD MEETING
MARCH 15, 2010
5:30 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 5:30 PM by President Langston.

Roll Call by Board Secretary Jerri Kresge:

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

Also Present: General Manager Ray Luhring, Electric Operations Manager Dave Folce, Accounting & Finance Manager Bill Stewart, Business Office Manager Keri Richards, Energy Services Manager Theresa Phillips, Accounting Technician Cady Schroeder, Executive Assistant Karen Rollings, Board Secretary Jerri Kresge, Senior Customer Service Clerk, JoAnn Villalovos and Customer Service Clerks Patsy Padilla and Kerry Claypool.

ITEM NO. 2: APPROVAL OF AGENDA:

Director Bowden made a motion to approve the agenda as presented. Director Vial seconded the motion. Floor opened for public comment. No Comment. Motion passed unanimously.

ITEM NO. 3: INVITATION FOR PUBLIC COMMENT:

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

➤ No public comment.

ITEM NO. 4: BOARD WORKSHOP: REVIEW THE DISTRICT'S – SERVICE, BILLING AND COLLECTION POLICY:

General Manager Luhring stated that the District's Service, Billing and Collection Policy was discussed at a previous board meeting, as staff wanted the Board to be aware that the District was experiencing a sizable amount of lost revenue partly due to business customers who had closed their doors. Staff was concerned that this trend would continue due to the state of the economy and was looking for ideas and input from the Board. General Manager Luhring felt the policy, as a whole, was good, but may need to be updated in some areas. The Board decided to hold this workshop to address issues and concerns and possibly update the policy.

The Board and Staff discussed the following:

- Program glitches and aging of reports have made it difficult to pinpoint exactly where the problems lie with business and residential accounts in regard to the increase in bad debt.
- Business accounts seem to pose the biggest risk in terms of revenue lost, although there have been a substantial number of residential accounts over the years that ended up as a bad debt.
- In some instances, when estimating the deposit for a commercial account, consumption should be based on the type of business, not the building. Regardless of the circumstances, the guidelines in the policy, for both business and residential accounts, should be followed in regard to the deposit amount being based on two months average consumption.
- Raise the bar on credit standards. Given the hard economic times, customers could be given some leeway (depending on their credit rating) when opening an account and paying a deposit. This would be solely at the discretion of staff.
- Establish interest-bearing accounts on deposits and refund according to policy guidelines.
- Change “may” to “shall” where applicable in the policy. Create a policy that states specifics only, with a separate operating procedure behind it. This will make the policy more cost effective and easy to enforce.

- Consider raising the fee for after hours service reconnections. The current fee does not cover the expenses incurred by the District to perform this service. Changing fees may require a public hearing (staff will check with legal).
- Discussed the benefits of a letter of credit from a financial institution rather than a surety bond.
- Prepaying for electricity. This will work when the District implements the Smart Meter Technology, as a method is needed to track usage.
- Staff will check with other electric utilities to see what policies they have regarding service, billing and collections and how they administer these policies.

General Manager Luhring stated that staff will (1) review the Board's suggestions; (2) make modifications to the policy where necessary; (3) bring back to the Board in April for further discussion; and (4) hold a public hearing in May, if necessary.

ITEM NO. 5: FUTURE BOARD MEETING SCHEDULE:

Regular Board Meeting on March 23, 2010.

ITEM NO. 6: There being no further discussion, the meeting was adjourned at 6:53 PM.