

**MINUTES**  
**LASSEN MUNICIPAL UTILITY DISTRICT**  
**REGULAR BOARD MEETING**  
**August 25, 2009**  
**5:30 P.M.**

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**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 Vice-President Dow.

Roll Call by Board Secretary Jerri Kresge:

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

Also Present: General Manager Ray Luhring, Electric Operations Manager Dave Folce, Accounting & Finance Manager Bill Stewart, Legal Counsel Hal Gartner, Facilities Manager Paul Glau, Business Office Manager Keri Richards, Energy Services & Compliance Specialist Theresa Phillips, IT/GIS Coordinator Mike Malone, Engineering Technician Liz Griffin, Accounting Technician Cady Schroeder, Executive Assistant Karen Rollings, Administrative Assistant Chris Yarbrough and Board Secretary Jerri Kresge.

**ITEM NO. 2:      APPROVAL OF AGENDA:**

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

**ITEM NO. 3:      INVITATION FOR PUBLIC COMMENT:**

*[Vice-President Dow opens the floor for public comment after pointing out the Rules for Public Comment.]*

➤ None.

**ITEM NO. 4:        STAFF MEMBERS REPORTS:**

- Update on Policy Manual – Executive Assistant Karen Rollings. Ms. Rollings stated that she expects to receive an update to the California Special District Association’s (CSDA) sample binder by September 15<sup>th</sup>. A meeting has been scheduled with personnel from the Downey Brand Law Firm on September 18<sup>th</sup> to review these materials and to begin the process of updating the District’s policy manual. The update of the policy manual should be completed within 4 to 6 months.

Board discussion ensued. Legal Counsel Gartner and Executive Assistant Rollings responded to the Board of Directors’ questions.

**ITEM NO. 5:        BOARD MEMBERS’ REPORTS:**

- Director Bowden complimented LMUD Foreman Jim Lovercheck’s crew on a job well done. The crew was working near his home recently and the job required extensive digging of the terrain. Director Bowden said that after the job was completed, the crew returned the area to its original condition, if not better, and should be commended for their efforts.
- Meetings Attended:
  - Director Langston reported on the UAMPS Member Conference, August 10-12, which he attended along with Director Nagel and General Manager Luhring. The conference stressed the importance of renewable energy and the need to pursue other sources of sustainable power, while reducing the carbon footprint. Director Langston said that it is important to think outside the box and be proactive, which ultimately benefits the ratepayers. He felt that membership in UAMPS was worthwhile, as LMUD has more in common with what UAMPS is doing than with other California entities.

- Director Nagel submitted a written report to the Board regarding his attendance at the UAMPS Member Conference.

**ITEM NO. 6: APPROVAL OF MINUTES FROM THE JULY 28, 2009 REGULAR BOARD MEETING:**

- A motion was made by Director Langston and seconded by Director Bowden to approve the minutes as presented. Floor opened for public comment. No comment. Motion passed unanimously.

**ITEM NO. 7: ACCOUNTING & FINANCE MANAGER REPORTS:**

- Accounting & Finance Manager Stewart reported on the Cash Position Report at 7/31/09 and the Check Register dated August 19, 2009.

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:

- Meetings Attended:
  - a. Conference call with Renergy regarding a proposed biomass plant in Susanville.
  - b. UAMPS Member Conference, August 10-12. Main focus was on green energy and reducing the carbon footprint.
  - c. Labor/Management meeting on August 13<sup>th</sup>.
  - d. Web site kick-off meeting on August 19<sup>th</sup>. The redesign of LMUD's website should be completed by mid-November.
- Status of LMUD Transmission Tariff:
  - a. Met with personnel from Redding Electric on August 17<sup>th</sup> regarding LMUD's transmission tariff. In order to be in compliance with the regulations of the North American Electric

Reliability Corporation (NERC), it may be necessary to call on other entities that have expertise with NERC to help with the tariff. The Federal Energy Regulatory Commission (FERC) guidelines also need to be followed. Attorney Lisa Gast, who understands FERC's rules and regulations and has worked with the District before on these matters, will be reviewing the District's draft tariff for FERC compliance.

➤ Upcoming Meetings and Conferences:

- a. Meeting scheduled for September 1<sup>st</sup> with the Western Area Power Administration (WAPA) Sub-Regional Planning Group to discuss transmission issues.
- b. Representatives from WAPA will be on-site to meet with LMUD staff on September 9<sup>th</sup>.
- c. Due to the fact that the District has a serious capacity issue to address, a "Renewables" Developers Meeting is planned for September 10<sup>th</sup> in the LMUD Boardroom to explain the District's position on the numerous solar, wind and biomass projects that are proposed in the area and to obtain feedback from the developers on what their plans are and timelines for completion of their projects.
- d. Key staff is considering attending the Northern California Power Association (NCPA) Conference, September 23-24, in Southern California. Recently, there has been interest and discussion regarding LMUD re-joining NCPA. Staff is looking for direction and input from the Board regarding attending this conference and possibly re-joining NCPA.
  - Director Langston said NCPA's Legislative & Regulatory Committee is one of the best. He stated that the District cancelled their membership with NCPA because the fees were too high and remaining with NCPA was not cost effective. This area will need to be looked

at closely before any decision is made to re-join NCPA.

- Director Dow felt that staff should make the decision on whether or not to attend the NCPA Conference.

Board discussion ensued. General Manager Luhring, Accounting & Finance Manager Stewart, Business Office Manager Richards and Energy Services & Compliance Specialist Phillips responded to the Board of Directors' questions.

No further action was taken by the Board.

**ITEM NO. 9:        REPORTS FROM ELECTRIC OPERATIONS  
MANAGER:**

- Outage Report: Electric Operations Manager Folce reported that the outages in August were mainly caused by lightning. There were also planned outages for substation upgrades

**ITEM NO. 10:     STATUS UPDATE ON CONTAMINATED SOIL AT  
CHESTNUT STREET PROPERTY:**

- Electric Operations Manager Folce explained the draft Work Plan for installing monitoring wells at the Chestnut Street Property. Once the Plan is approved, it will go out to bid for drilling the holes for the wells. Excavation should start in the spring. The District is considering land farming on a 70 acre site in Wendel which is the most cost effective.

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

**ITEM NO. 11:     FUTURE BOARD MEETING SCHEDULE:**

- Regular board meeting on September 22, 2009 at 5:30 PM.

**ITEM NO. 12:     ADJOURN:**

There being no further business, the meeting was adjourned at 6:13 PM.