

**MINUTES**  
**LASSEN MUNICIPAL UTILITY DISTRICT**  
**REGULAR BOARD MEETING**  
**November 24, 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 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, Accounting & Finance Manager Bill Stewart, Attorney Eugene Chittock, Business Office Manager Keri Richards, Energy Services and Compliance Specialist Theresa Phillips, IT/GIS Technician Mike Malone, Engineering Technician Liz Griffin, Accounting Technician Cady Schroeder, Executive Assistant Karen Rollings, Administrative Assistant Chris Yarbrough and Board Secretary Jerri Kresge.

*President Nagel called for a moment of silence in memory of LMUD's Legal Counsel Hal Gartner, who passed away on Friday, November 20, 2009.*

*Accounting & Finance Manager Stewart stated that there will be a gathering of friends and family in the EEA Hanger at the Susanville Airport on Saturday, November 28<sup>th</sup> between 10 AM & 1 PM to celebrate Hal Gartner's life.*

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

President Nagel stated that due to the untimely passing of Mr. Gartner, an emergency item should be added to the

agenda regarding re-appointment of a lead attorney from the Law Offices of Eugene B. Chittock.

Director Dow made a motion to approve the agenda with the addition of Emergency Item 2A. Director Vial seconded the motion. Floor opened for public comment. No comment. Motion passed unanimously.

**ITEM NO. 2A:**     **Emergency Item:** Presentation by Attorney Eugene Chittock on the re-appointment of lead attorney in accordance with the contract for legal services between Lassen Municipal Utility District (LMUD) and the Law Offices of Eugene B. Chittock.

- Mr. Chittock stated that Hal Gartner was an integral part of the Chittock Law Firm and will be greatly missed. Mr. Chittock has had public utility experience and felt confident in assuming the duties of lead attorney. He is re-arranging his workload so that he can act as interim lead attorney for LMUD until a final decision is made by the Board. He felt this transition, if approved by the Board, would be transparent to LMUD and the Chittock Law Firm.
- The Board discussed the District's existing contract for legal services with the Chittock Law Firm and the possibility of Mr. Chittock becoming the lead attorney.

A letter from the Law Offices of Eugene B. Chittock will be sent to LMUD formally requesting that Eugene Chittock assume the duties of lead attorney for LMUD. This will be an action item on the next board agenda (12/22/09).

No further action was taken by the Board.

**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:**

- Web Site Update: Energy Services & Compliance Specialist Theresa Phillips reported that she is working with the vendor who is updating the web site and having weekly meetings with them (via conference call). The rollout date should be by the end of December, 2009, or the first of January, 2010. At that time, the web site will be usable, but not completely updated. There are plans to add an information page for renewable energy developers during the course of the update. The web site will be very professional-looking when it is complete.

Board discussion ensued. Energy Services & Compliance Specialist Phillips responded to the Board of Directors' questions.

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

- No Report.

- Board Members' Meetings Attended:

President Nagel attended the meeting at LMUD's Roop Street Office on November 9<sup>th</sup> with representatives from the Western Area Power Administration (WAPA) regarding the proposed 230 KV transmission line project. He said General Manager Luhring would report on this meeting during his Manager's Report.

**ITEM NO. 6:        APPROVAL OF THE MINUTES FROM THE  
OCTOBER 27, 2009 REGULAR BOARD MEETING:**

Director Langston made a motion to approve the Minutes as presented. Director Bowden seconded the motion. Floor opened for public comment. No comment. A call for the vote was as follows:

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

Motion passed unanimously.

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

- Accounting & Finance Manager Stewart reported on (1) the Cash Position Report at 10/31/09; (2) the Check Register dated October 23 – November 13, 2009; (3) the Financials at September 30, 2009; and (4) the Legal Cost Analysis.

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. Met with representatives from the Transmission Agency of Northern California (TANC) on 10/28/09. They are a good resource and very interested in the proposed 230 KV transmission project.
  - b. Meeting on 11/5/09 with Assemblyman Dan Logue and members of five different environmental groups. These groups do not see any “red flags” in regard to the proposed 230 KV transmission line project. They like the concept of fewer structures being built, double circuits and using existing right-of-ways.
  - c. Met with WAPA representatives on 11/9/09. They feel the proposed 230 KV transmission line project is a win-win for everyone as it would be an extreme benefit to the east/west electricity grid.
  - d. Letters of support for the proposed 230 transmission line project have been received from the Lassen County Board of Supervisors, Assemblyman Dan Logue, Senator Dave Cox and Congressman Tom McClintock. It is anticipated that a letter of support will also be received from Governor Schwarzenegger.

- e. Met with representatives from the Bureau of Land Management (BLM) on 11/12/09 regarding the AT&T Site at Viewland. There have been discussions on a long-term lease of 50 years while LMUD pursues purchasing this property, but it is felt that a lease is not in LMUD's best interest. BLM is requesting an inspection of the site and hopefully, can accelerate the purchase of the AT&T site.
  - President Nagel urged the Board members to visit the site – possibly hold a special board meeting and then the Board can adjourn to the site.

➤ Status of LMUD Transmission Tariff:

- a. No Report.

➤ Upcoming Meetings and Conferences:

- a. General Manager Luhring and Electric Operations Manager Folce will be on local radio station KSUE's Viewpoint Program on 11/30/09 to discuss the proposed 230 KV transmission line project.
- b. Meeting with Lassen County on 12/8/09 regarding the Hayden Hill line.
- c. Organizational meeting of the Board of Directors of the Municipal Utility Financing Authority on 12/9/09 in the LMUD Boardroom.
- d. UAMPS Annual Meeting December 14-17.

Board discussion ensued. General Manager Luhring, Electric Operations Manager Folce and Accounting & Finance Manager Stewart responded to the Board of Directors' questions.

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

- Outage Report: Electric Operations Manager Folce stated the outages for November were mainly due to phases slapping together and tripped breakers caused by windstorms.

- Director Langston who lives in Janesville said when the weather is inclement, it is usually a given that the power will go out in the Janesville area. There has been a big improvement within the last 4 to 5 months and he thanked staff for their efforts.

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

**ITEM NO. 10: REPORT ON DISTRICT STAFFING AND ORGANIZATIONAL PLAN: INCLUDES NEW JOB DESCRIPTIONS FOR EXEMPT AND NON-EXEMPT POSITIONS; AND AUTHORIZED POSITIONS PURSUANT TO PUBLIC UTILITIES CODE SECTIONS 11883 THROUGH 11886:**

- General Manager Luhring stated that staff is recommending changes to the District's Staffing and Organizational Plan, including modifications to various job descriptions. Changes include: (1) New Organizational Chart effective 1/1/10; (2) Job Description modifications for non-represented employees; (3) pay grade changes for the Electric Operations Manager, Accounting & Finance Manager and Energy Services & Compliance Specialist. These changes are to bring these positions in alignment with industry standards, not for a salary increase; and (4) title change for the Energy Services & Compliance Specialist to Energy Services Manager. The reason for this change is that the industry relates "compliance" to meeting federal regulations & guidelines which is not germane to this position.

Board discussion ensued. General Manager Luhring responded to the Board of Directors' questions.

- Director Dow thanked staff for their efforts, but stated that these recommended changes were a large undertaking and it may take a special board meeting to set up a Staffing Plan. He felt that the way the District handles/addresses human resource matters needed more discussion.

- Director Bowden felt that the Board did not have to take this matter any further as they had given the General Manager direction on what to do.

No further action was taken by the Board.

**ITEM NO. 11:      RESOLUTION 2009-16 ADOPTING THE STAFFING AND ORGANIZATIONAL PLAN AS RECOMMENDED BY THE GENERAL MANAGER AND ABOLISHING PREVIOUSLY AUTHORIZED POSITIONS INCONSISTENT WITH THE NEW ORGANIZATIONAL PLAN:**

- Director Bowden made a motion to adopt Resolution 2009-16. Director Langston seconded the motion.

Floor opened for public comment. No comment. A call for the vote was as follows:

- Director Bowden – **aye**
- Director Dow – **no**
- Director Nagel – **aye** – agreed with General Manager Luhring’s recommendations and felt the Staffing and Organizational Plan was flexible enough to allow changes in the future, if necessary.
- Director Langston – **aye** – did his own research on this matter and felt comfortable with these changes, which are inevitable as the District changes.
- Director Vial – **aye**

Motion passed.

**ITEM NO. 12:      AGREEMENT FOR INFORMATION TECHNOLOGY (IT) SUPPORT SERVICES FROM ACCTECH SOLUTIONS:**

- Accounting & Finance Manager Stewart stated that this agreement is before the Board for approval as it exceeds the \$10,000 limit that the General Manager can approve. The District has used AccTech for IT Support for several years and is very satisfied with their services.

Board discussion ensued. Accounting & Finance Manager Stewart responded to the Board of Directors' questions. A motion was made by Director Bowden to approve the agreement with AccTech Solutions for IT Support Services. Director Vial seconded the motion. Floor opened for public comment. No comment. A call for the vote was as follows:

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

Motion passed unanimously.

**ITEM NO. 13:      RECOMMENDATION FOR FUNDING OTHER POST EMPLOYMENT BENEFITS (OPEB).**

- Accounting & Finance Manager Stewart stated that the Board had asked him for a recommendation for funding OPEB. The only OPEB liability for the District is the medical plan. Mr. Stewart said that the auditing firm of Baker Tilly developed a template that quantifies this liability. Mr. Stewart suggested adopting a 60% formula (60% of the liability rounded to the nearest hundred thousand dollars). In this instance,  $\$788,585 \times 60\% = \$473,151$  rounded to the nearest one hundred thousand equals \$500,000. He felt this would be a reasonable start toward setting aside funds to provide for the liability.

Board discussion ensued. Accounting & Finance Manager Stewart responded to the Board of Directors' questions. Director Bowden made a motion to adopt the recommended formula of 60%. Director Dow seconded the motion. Floor opened for public comment. No Comment. A call for the vote was as follows:

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

Motion passed unanimously.

**ITEM NO. 14: PURCHASE A 4X4 SUPER CAB SHORT BED COMPACT PICKUP TRUCK:**

- Electric Operations Manager Folce stated that the purchase of this truck is in the District's approved budget for 2009/10. The bid process was followed according to the law and a formal bid opening was conducted. Bids received locally did not meet the District's requirements, so contact was made with dealers out of the area. Mr. Folce recommended accepting the bid from Crown Motors in Redding which meets all the District's requirements.
- President Nagel suggested that the District have a policy which states that if a local vendor is 2% over the cost of other out of town vendors, then the local vendor should be considered. General Manager agreed that this would help support the local economy.

Board discussion ensued. Electric Operations Manager Folce responded to the Board of Directors' questions. Director Dow made a motion to approve the purchase of the compact pickup truck as recommended by Electric Operations Manager Folce. Director Bowden seconded the motion. Floor opened for public comment. No comment. A call for the vote was as follows:

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

Motion passed unanimously.

**ITEM NO. 15: PURCHASE A SERVICE TRUCK – CAB AND CHASSIS WITH AERIAL DEVICE:**

- Electric Operations Manager Folce stated that the purchase of this truck is in the District's approved budget for 2009/10. The bid process was followed according to the law and a formal bid opening was conducted. Two bids were received and Mr. Folce recommended accepting the bid from Altec, as it

met all the District's requirements, as well as being within the approved amount in the budget.

Board discussion ensued. Electric Operations Manager Folce responded to the Board of Directors' questions. Director Langston made a motion to approve the purchase of the service truck as recommended by Electric Operations Manager Folce. Director Vial seconded the motion. Floor opened for public comment. No comment. A call for the vote was as follows:

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

Motion passed unanimously.

**ITEM NO. 16:      FUTURE BOARD MEETING SCHEDULE:**

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

**ITEM NO. 17:      CLOSED SESSION:**

The Board adjourned to Closed Session at 7:27 PM.

A. Conference with Legal Counsel – Existing Litigation (Subdivision (a) of Government Code §54956.9).

1. Kan We Help, Eileen Spencer vs. Lassen Municipal Utility District, Lassen County Superior Court, Case No. 36791.

The Board returned to Open Session at 7:34 PM.

**ITEM NO. 18:      ACTION TAKEN (IF ANY) IN CLOSED SESSION:**

The following was orally reported for Closed Session Item 17 A-1:

- No reportable action was taken.

**ITEM NO. 19:      ADJOURN:**

There being no further business, the meeting was adjourned at 7:35 PM.