

**MINUTES
LASSEN MUNICIPAL UTILITY DISTRICT
REGULAR BOARD MEETING
NOVEMBER 27, 2018
5:30 P.M.**

ITEM NO. 1: CALL TO ORDER, FLAG SALUTE AND ROLL CALL:

The meeting of the Lassen Municipal Utility District was called to order at 5:30 PM by President Nagel.

Director Hagata – present
Director Bowden – present
Director Nagel –present
Director Urionaguena – present (arrived at 5:33 p.m.)
Director Ernaga – present

Also Present: General Manager Doug Smith, Assistant General Manager Pat Holley, Electric Operations Manager Cort Cortez, General Counsel Eugene Chittock, IT Manager Nick Dominguez, Public Relations Manager Theresa Phillips, Customer Service Supervisor Christina Nystrom, Senior Accountant Cady Schroeder and Administrative Services Manager/Board Secretary Karen Rollings.

ITEM NO. 2: APPROVAL OF AGENDA:

- Director Bowden made a motion to approve the agenda as submitted. Director Hagata seconded the motion.

Motion passed unanimously by consent.

ITEM NO. 3: INVITATION FOR PUBLIC COMMENT:

[President Nagel opened the floor for public comment after pointing out the Rules for Public Comment.]

- Martin Balding said he looked on our website and couldn't find the current agenda, and asked why draft minutes aren't posted on the website. He was advised the agenda was on the website, and we post approved minutes on the website, but not draft versions.

ITEM NO. 4: STAFF MEMBERS' REPORTS:

- IT Manager Dominguez updated the Board on the NISC project and advised that we now have dates for on-site training and go-live dates from NISC.
- PR Manager Phillips reminded the Board about the Employee Service Awards event on December 7.

ITEM NO. 5: BOARD MEMBERS' REPORTS:

- None.

ITEM NO. 6: PRESENTATION OF FINAL ANNUAL AUDIT REPORT:

- Baker Tilly staff presented the final audit to the Board, advising that the audit was an unmodified (“clean”) audit, with no material or significant deficiencies, just a couple of recommendations, including development of a Carbon Emission Allowance policy and additional segregation of duties in the billing area.
- Director Ernaga made a motion to accept the Audit Report. Director Bowden seconded the motion.

A call for the vote was as follows:

- Director Hagata – aye
- Director Bowden - aye
- Director Nagel – aye
- Director Urionaguena – aye
- Director Ernaga – aye

Motion passed unanimously.

ITEM NO. 7: MINUTES FROM THE OCTOBER 30, 2018 REGULAR BOARD MEETING:

- Director Ernaga made a motion to approve the minutes as submitted. Director Hagata seconded the motion.

Motion passed unanimously by consent.

ITEM NO. 8: FINANCIAL REPORT:

- Senior Accountant Schroeder reported on the Cash Position Report at 10/31/18 and the Check Register from 10/26/18 through 11/15/18.
- ~\$1,249,000 paid out to date on the Skedaddle Sub project (including ~ \$120,000 year-to-date)
- ~\$346,000 paid to date for Eagle Lake Line temporary generator and fuel related to Whaleback Fire; \$2,334,000 paid to date toward rebuilding the Eagle Lake Line, for total-to-date costs of approximately \$2,680,000.

ITEM NO. 9: REPORT FROM GENERAL MANAGER:

Meetings Attended:

- UAMPS November meeting
- Meeting with NV Energy

Upcoming Meetings:

- CMUA Strategic Planning Meeting – Dec. 12
- UAMPS Annual Meeting – December 18-19

Updates on Major Ongoing Projects:

- Skedaddle Substation ~
 - Received new proposal from NV Energy – we would still pay approx. \$24 million for switching station (in 3 installments), then NV Energy will provide a discount on transmission service for the first 20 years. After that, the regular NITS rate will apply.
 - Asst. GM will have more info on the project in his report.
- Carbon Free Power Project ~
 - ~120MW is currently subscribed, and they continue to market shares to other utilities. UAMPS is also still working to firm up the energy pricing.
- Solar Project – UAMPS & Navajo Tribal Authority ~
 - Projected Commercial Operation Date of 2022.
 - Projected rate is under \$30/MWH.

ITEM NO. 10: REPORT FROM ASSISTANT GENERAL MANAGER:

- HL Solar – due to HLP islanding, they couldn't do planned outage for maintenance, so we were unable to make the interconnection to their facilities.
- Skedaddle Project – permitting is still proceeding. There have been some delays due to Whaleback Fire keeping crews busy.
- Eagle Lake Line Rebuild – line is doing well – will be purchasing equipment to improve power factor and quality.

ITEM NO. 11: REPORT FROM ELECTRIC OPERATIONS MANAGER:

- We have been islanded with HL Power since ~November 8, 2018 due to the Camp Fire. Will remain islanded until PG&E can assess the Caribou line – hopefully tomorrow we will be back on-line.
- HLP says they have sufficient fuel to keep the plant running until PG&E gets us back on-line.

ITEM NO. 12: RESCHEDULE DECEMBER 2018 REGULAR BOARD MEETING – CURRENTLY FALLS ON A DISTRICT HOLIDAY:

- Director Urionaguena made a motion to reschedule the meeting to Thursday, December 20, 2018 at 5:30 p.m. Director Ernaga seconded the motion.

A call for the vote was as follows:

- Director Hagata – aye
- Director Bowden - aye
- Director Nagel – aye
- Director Urionaguena – aye
- Director Ernaga – aye

Motion passed unanimously.

ITEM NO. 13: EVERGREEN JOB & SAFETY TRAINING 2019 SERVICE CONTRACT FOR MONTHLY SAFETY TRAINING FOR OPERATIONS DEPARTMENT:

- Director Bowden made a motion to authorize the General Manager to execute the contract. Director Hagata seconded the motion.

A call for the vote was as follows:

- Director Hagata – aye
- Director Bowden - aye
- Director Nagel – aye
- Director Urionaguena – aye
- Director Ernaga – aye

Motion passed unanimously.

ITEM NO. 14: COASTAL ADMINISTRATIVE SERVICES SERVICE CONTRACT FOR THIRD PARTY ADMINISTRATOR SERVICES FOR EMPLOYEE MEDICAL BENEFIT PLAN:

- Director Bowden made a motion to authorize the General Manager to execute the contract. Director Ernaga seconded the motion.

A call for the vote was as follows:

- Director Hagata – aye
- Director Bowden - aye
- Director Nagel – aye
- Director Urionaguena – aye
- Director Ernaga – aye

Motion passed unanimously.

ITEM NO. 15: QUARTERLY REVIEW OF THE DISTRICT'S KWH CHARGE AS DETERMINED BY THE POWER & DELIVERY COST ANALYSIS ("PDCA") WORKSHEET (AS OF 9/30/18):

- General Manager Smith advised the Board the PDCA shows we are currently under-collecting by \$0.00386/kWh, but recommended increasing the Facility Charge instead of the kWh charge. He reminded the Board that a ½ cent increase to the kWh charge is approximately equivalent to a \$5 increase to the Facility Charge. To meet current needs, there would need to be about a \$4 increase to the Facility Charge due to some significant expenditures not included in this PDCA (i.e., Whaleback Fire, HLP islanding, etc.)
- Director Bowden made a motion to increase the kWh charge by one-half (1/2) cent as of December 2018 usage/January 2019 billings, and ask the General Manager to do a \$14401 report at December 2018 meeting to review the District's Facility Charge. Director Ernaga seconded the motion.

A call for the vote was as follows:

- Director Hagata – no
- Director Bowden – aye
- Director Nagel – aye
- Director Urionaguena – aye
- Director Ernaga – aye

Motion passed.

ITEM NO. 16: FUTURE BOARD MEETING SCHEDULE:

- **Regular Board Meeting** ~ Scheduled for Thursday, December 20, 2018, at 5:30 PM in the LMUD Board Room located at 65 S. Roop Street, Susanville, CA.

ITEM NO. 17: CLOSED SESSION:

President Nagel read the Closed Session items and said there was no reportable action expected from Closed Session. The Board took a five-minute recess, then adjourned to Closed Session at 7:22 p.m.

- A. Conference with Legal Counsel: Existing litigation pursuant to Government Code §54956.9(d)(1): Lassen Gold Mining, Inc. vs. Lassen Municipal Utility District, United States District Court, Eastern District of California, Case No. 2:17-CV-02056-TLN-CML.

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

- None.

ITEM NO. 19: ADJOURN:

There being no further business, the meeting was adjourned at 7:34 PM.