

**MINUTES
LASSEN MUNICIPAL UTILITY DISTRICT
REGULAR BOARD MEETING
SEPTEMBER 26, 2017
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 Bowden.

Director Hagata – present
Director Nagel – present
Director Bowden – present
Director Urionaguena – present
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:

The agenda was amended to remove “via Teleconference” from Closed Session items A and B.

- Director Nagel made a motion to approve the agenda as amended. Director Ernaga seconded the motion.

Motion passed unanimously by consent.

ITEM NO. 3: INVITATION FOR PUBLIC COMMENT:

[President Bowden opened 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:

- Director Urionaguena met with Electric Operations Manager Cortez at the Chestnut substation - saw torn off AMI meter and jumpered base to steal power. The Sheriff's Office was dispatched and a report filed. General Counsel Chittock wants to write a

letter to the District Attorney's office regarding the danger to staff in similar situations. President Bowden requested General Counsel to follow up on the issue.

ITEM NO. 6: MINUTES FROM THE AUGUST 22, 2017 REGULAR BOARD MEETING:

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

A call for the vote was as follows:

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

Motion passed unanimously.

ITEM NO. 7: FINANCIAL REPORT:

- Senior Accountant Schroeder reported on the Cash Position Report at 8/31/2017 and the Check Register from 8/24/17 through 9/19/17.
- \$863,821 paid out to date on the Skedaddle Sub project (including ~ \$10,000 year-to-date)

ITEM NO. 8: REPORT FROM GENERAL MANAGER:

Meetings Attended:

- UAMPS Special Meeting re Carbon-Free Power Project
- Meetings with WAPA and Truckee Donner PUD re carbon credits procedure

Upcoming Meetings:

- UAMPS Board Retreat in October

Updates on Major Ongoing Projects:

- Carbon-Free Power Project ~
 - Expect to have a Power Purchase Agreement soon – trying to get approvals by March, 2018, but still negotiating with NuScale and Fluor, so PPA delayed slightly
- Skedaddle Substation ~
 - NV Energy still working on developing a rate
 - Cost estimate for LMUD portion is complete (~\$8 to \$9 million including transmission)
- Hamilton Mountain Proposal ~
 - \$14,100 – intend to proceed and seek ratification at October Board meeting. (Budgeted \$60,000, Estimate is \$14,000)

ITEM NO. 9: REPORT FROM ASSISTANT GENERAL MANAGER:

- Scheduled payments to NVE will likely be delayed due to delay in getting financial piece of the agreement worked out.
- Director Ernaga asked about the environmental study for the Skedaddle sub – per Assistant General Manager Holley, any issues should be easily mitigated, there is nothing too sensitive.

ITEM NO. 10: REPORT FROM ELECTRIC OPERATIONS MANAGER:

- Equipment failure caused ~4 hour outage for longest group.
- Planned outage for Diane Drive for equipment maintenance.

ITEM NO. 11: ROOF REPLACEMENT AT ROOP STREET BUILDING:

- Director Urionaguena made a motion to approve the bid from D&D Roofing and authorize the General Manager to approve the contract. Director Hagata seconded the motion.

A call for the vote was as follows:

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

Motion passed unanimously.

General Counsel Chittock advised that we should address the additional siding repairs that are also required as those could cost quite a bit, as well.

- Director Nagel made a motion to withdraw the original motion by Director Urionaguena. Director Ernaga seconded the motion.

Motion passed unanimously by consent.

- Director Nagel made a motion to approve the bid from D&D Roofing for roof replacement, and to authorize the General Manager to approve interim repairs for roof, as well as siding repairs, up to \$20,000. Director Hagata seconded the motion.

A call for the vote was as follows:

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

Motion passed unanimously.

ITEM NO. 12: FUTURE BOARD MEETING SCHEDULE:

- **Regular Board Meeting** ~ Tuesday, October 24, 2017, at 5:30 PM in the LMUD Board Room located at 65 S. Roop Street, Susanville, CA.

ITEM NO. 13: CLOSED SESSION:

President Bowden read the Closed Session items and said there was possible reportable action expected from Closed Session. The Board adjourned to Closed Session at 6:09 p.m.

- A. Conference with Legal Counsel: Existing Litigation pursuant to Government Code §54956.9(d)(1): Amedee Geothermal Venture I vs. Lassen Municipal Utility District, et al, Superior Court of California, County of Lassen, Case No. 59485.
- B. Conference with Legal Counsel: Significant Exposure to Litigation pursuant to Government Code §54956.9(d)(2): Kinross Gold.

ITEM NO. 14: ACTION TAKEN (IF ANY) IN CLOSED SESSION:

- Director Nagel made a motion to authorize the General Manager to provide a written statement to the County assuring that Lassen Municipal Utility District has the financial wherewithal to remove the Hayden Hill line if required by the Board of Supervisors. Director Ernaga seconded the motion.

A call for the vote was as follows:

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

Motion passed unanimously.

The quote from Par Electric is to be included as an exhibit to the letter.

ITEM NO. 15: ADJOURN:

There being no further business, the meeting was adjourned at 6:56 PM.