

**LAKE OROVILLE AREA PUBLIC UTILITY DISTRICT
BOARD OF DIRECTORS REGULAR MEETING
December 11, 2007**

SALUTE TO THE FLAG

Vice-President Kiely asked Director Ball to open the meeting with the salute to the flag.

MOMENT OF SILENCE

The Board observed a moment of silence to remember the individuals who are no longer with us.

CALL TO ORDER

Vice-President Kiely called the meeting to order at 2:00 P.M. Directors present were Ball, and Dennis. Representing the District were Manager Brown, Field Operations Supervisor Magliocca, Clerk Rustenhoven and Engineer Knibb of Sauers Engineering. Also attending the Board Meeting were Bruce Williams, Arvilla Williams, and Rob Romaquera constituents of the District. Director Simpson and Director Fraser was absent from the Meeting.

BOARD MEETING MINUTES

The Board reviewed the minutes of the Regular Board Meeting of November 13, 2007. After discussion, it was moved by Director Dennis and seconded by Director Ball that the minutes of the Regular Board Meeting November 13, 2007 be approved as submitted. The motion passed with a majority affirmative vote. The results were as follows:

AYES:	Director Ball, Dennis and Kiely
ABSENT:	Director Fraser and Simpson

FINANCIAL REPORT AND AUTHORIZATION OF WARRANTS

The Board reviewed the Financial Report for the month of November 2007. After discussion it was moved by Director Ball and seconded by Director Dennis that the Financial Report ending November 30, 2007 be approved and that Warrants No. 10243 through 10328, as well as bank transfers No. 16927 and 77776, (Account #11697-80000) including Warrant #10228 which was voided, totaling \$100,347.73 and Warrants No. 562 through No. 563 (Account #11694-80238) totaling \$751.54 and Warrants No. 5048 through No/ 5049 in the amount of \$751.75 (Account #11692-80239) and Warrant No. 3007 (Account #11699-80240) totaling \$167,211.57 be approved for payment. The motion passed with a majority affirmative vote. The results were as follows:

AYES:	Director Ball, Dennis and Kiely
ABSENT:	Director Fraser and Simpson

ADOPTION OF RESOLUTION NO. 16-07 APPLICATION FOR SPHERE OF INFLUENCE AMENDMENT AND ANNEXATION OF WILLIAMS PROPERTY ON RIVERVIEW DRIVE

Manager Brown stated that Mr. & Mrs. Williams of 120 Riverview Drive have a failing septic system and are requesting a Sphere of Influence Amendment and Annexation to the District for future service. Mr. Romaquera of 110 Riverview Drive, a neighbor of Mr. & Mrs. Williams, has a parcel map processing at Butte County. He is proposing to do a mainline extension that will provide sewer service to Mr.& Mrs. Williams and to his parcels once his project is approved by the County. In an effort to keep the project moving along, Mr. & Mrs. Williams have made annexation application; Mr. Romaquera property is not involved in this action at this time.

After discussion, it was moved by Director Ball and seconded by Director Dennis to Adopt Resolution No. 16-07 for the Annexation of Bruce and Arvilla Williams Property located at 120 Riverview Drive, APN No. 069-330-018. The motion passed with a majority affirmative vote. The results were as follows:

AYES: Director Ball, Dennis and Kiely
 ABSENT: Director Fraser and Simpson

Mr. Bruce Williams, Mrs. Arvilla Williams and Mr. Rob Romaquera left the meeting at 2:07 P.M.

BOARD MEMBER ATTENDANCE AT MEETING (BP 4020.2 VACANCY SHALL OCCUR AFTER THREE CONSECUTIVE MONTHS OF ABSENCE)

Manager Brown reiterated Board Policy 4020.2 was distributed to the Board at the previous meeting as an informational item. In response to the Board discussion, he has brought this matter back as an action item.

After discussion, it was moved by Director Ball and seconded by Director Dennis to Excuse the Absences of Director Simpson from the October 9, 2007 Regularly Scheduled Board Meeting, the November 13, 2007 Regularly Scheduled Board Meeting, December 11, 2007 Regularly Scheduled Board Meeting and the December 11, 2007 Adjourned Board Meeting. The motion passed with a majority affirmative vote. The results were as follows:

AYES: Director Ball, Dennis and Kiely
 ABSENT: Director Fraser and Simpson

AMENDMENT TO BOARD POLICY NUMBER 3070 SEWER SERVICE CONNECTION

Manager Brown stated this Board Policy in draft form was circulated previously. The intention of the Amendment is to save staff time from administrating duplicate billing. Manager Brown recommended Board approval of this policy change.

After discussion, it was moved by Director Dennis and seconded by Director Ball to Approve Amendments to Board Policy No. 3070 "Sewer Service Connection". The motion passed with a majority affirmative vote. The results were as follows:

AYES: Director Ball, Dennis and Kiely
 ABSENT: Director Fraser and Simpson

"L" SYSTEM MODIFICATION PROJECT – CONTRACT CHANGE ORDER NO. 2, APPROVE OF PARTIAL PAYMENT ESTIMATE NO. 5, ACCEPT THE PROJECT AND NOTICE OF COMPLETION

Engineer Knibb reviewed the Contract Change Order #2 for the Board, closing with his recommendation for approval.

After discussion it was moved by Director Dennis and seconded by Director Ball to Approve Contract Change Order No. 2 for a contract increase of \$10,001.10 for the "L" System Modification Project, noting the current total project cost will now be \$967,847.40. The motion passed with an affirmative vote. The results were as follows:

AYES: Director Ball, Dennis and Kiely
 ABSENT: Director Fraser and Simpson

Engineer Knibb stated the project was completed and he was satisfied with the construction. Engineer Knibb requested the Board to consider Accepting the project as complete.

After discussion it was moved by Director Dennis and seconded by Director Ball to Accept the “L” System Modification Project as Complete and Authorize the Certificate of Substantial Completion dated November 7, 2007 for the “L” System Modification Project. The motion passed with an affirmative vote. The results were as follows:

AYES: Director Ball, Dennis and Kiely
 ABSENT: Director Fraser and Simpson

Engineer Knibb reported that the Contractor has written a letter asking the Board for a review of the liquidated damages withheld from the project payments. Engineer Knibb stated the Contractor was looking for relief from the liquidated damages assessed. Engineer Knibb did not recommend considering this request. Engineer Knibb did recommend paying Partial Payment Estimate #5; noting the contract retention amount is not included with this pay estimate.

After discussion, it was moved by Director Dennis and seconded by Director Ball to Approve the Partial Payment Estimate No. 5, for the “L” System Modification Project in the amount of \$17,786.48. The motion passed with an affirmative vote. The results were as follows:

AYES: Director Ball, Dennis and Kiely
 ABSENT: Director Fraser and Simpson

ANNUAL BOARD REORGANIZATION

Vice-President Kiely opened the meeting to nominations for Board Officers. Director Ball nominated Vice-President Kiely for the office of President. Director Ball moved to close the nominations, Director Dennis seconded the motion. Vice-President Kiely asked for a vote on the candidates. The motion passed with a unanimous affirmative vote. The results were as follows:

AYES: Director Ball, Dennis and Kiely
 ABSENT: Director Fraser and Simpson

Director Ball nominated Director Fraser as Vice President. Director Dennis moved to close the nominations, Director Kiely seconded the motion. Vice-President Kiely asked for a vote on Director Fraser for Vice-President. The motion passed with a unanimous affirmative vote. The results were as follows:

AYES: Director Ball, Dennis and Kiely
 ABSENT: Director Fraser and Simpson

STATUS OF DUMP TRUCK

F.O.S. Magliocca reported the 1990 GMC Dump Truck has been sold to Pete Hart. Manager Brown added that the District had received payment of \$5,000.00 for the sale of the equipment.

STATE OF CALIFORNIA ANNEXATION

Manager Brown reported that the State of California Annexation is now complete and the District is +/- 4400 acres larger.

BERRY CREEK RANCHERIA ANNEXATION

Manager Brown reported LAFCo approved the “Hildale” Annexation with modification. The second undeveloped Rancheria Trust parcel was deleted and the undeveloped portion of the Rancheria gymnasium parcel was also deleted.

LATERAL TESTING PROGRAM

Manager Brown reported a Lateral Program web cast is scheduled next week. Following that meeting the committee will meet and continue formulating a program.

SPHERE OF INFLUENCE UPDATE

Manager Brown noted that following a discussion with Steve Lucas, Executive Officer of LAFCo, he recommends the District move forward with the process by obtaining an environmental consultant for the project.

PALERMO SEWER

F.O.S. Magliocca reported that another meeting was held on November 14, 2007. Several Organizational items were discussed; noting specifically a grant application for start up funds had been submitted.

OAKVALE COURT S.S. REPLACEMENT

F.O.S. Magliocca reported the project is stopped for the winter; the crew is putting up fence and cleaning up the surrounding areas. Manager Brown added approximately 2500 lineal feet of pipe had been replaced by District staff.

SC-OR COMMISSIONER'S REPORT

Director Dennis reported the SC-OR Meeting of November 21, 2007 was uneventful, adding the maintenance contract for the Solar System has now expired and any needed repairs/maintenance will be charged to the plant on time and materials basis.

BCSDA REPRESENTATIVES' AND LAFCO REPORT

Clerk Rustenhoven reported Manager Brown had successfully been re-elected to the BSCDA Executive Board, and the Bylaw Amendments had also been successfully approved by ballot. Manager Brown added the Bylaws now require only 4 Regular Meetings annually.

BOARD MEMBER'S, MANAGER AND STAFF COMMENTS

Manager Brown noted President Simpson's birthday was next week. He suggested a small gathering to visit Director Simpson in Honor of his Birthday. Based on the feedback received, Manager Brown will coordinate a visit and notify the Board of the plans.

ADJOURNMENT

There being no further business to come before the Board the meeting was adjourned at 2:40 P.M. to the Feather Falls Casino at 6:00 P.M. today.

Respectfully submitted,

Janette Rustenhoven,
Clerk of the Board