

**LAKE OROVILLE AREA PUBLIC UTILITY DISTRICT
BOARD OF DIRECTORS REGULAR MEETING
APRIL 8, 2008**

SALUTE TO THE FLAG

President Kiely stated that the Salute opened the earlier meeting and therefore this item would not be repeated.

MOMENT OF SILENCE

President Kiely stated that this item was addressed during the earlier meeting and would not be repeated.

CALL TO ORDER

President Kiely called the meeting to order at 2:00 P.M. Directors present were Ball, Dennis, Fraser and Onken. Representing the District were Manager Brown, Field Operations Supervisor Magliocca, and Clerk Rustenhoven. Also present were Engineer Knibb of Sauers Engineering and Jim Cox of James J. Cox Insurance Services.

BOARD MEETING MINUTES

The Board reviewed the minutes of the Regular Board Meeting of March 11, 2008 and the Special Board Meeting of March 21, 2008. After discussion, it was moved by Director Ball and seconded by Director Fraser that the minutes of the Regular Board Meeting of March 11, 2008 and the Minutes of the Special Board Meeting of March 21, 2008 be approved as submitted. The motion passed with a unanimous affirmative vote.

FINANCIAL REPORT AND AUTHORIZATION OF WARRANTS

The Board reviewed the Financial Report for the month of March 2008. After discussion it was moved by Director Dennis and seconded by Director Ball that the Financial Report ending March 31, 2008 be approved and that Warrants No. 10614 through 10721, as well as bank transfers No. 67332 and 18708, (Account #11697-80000) totaling \$241,183.80 be approved for payment. The motion passed with a majority unanimous affirmative vote.

APPROVAL OF MAY 1, 2008 THROUGH APRIL 30, 2009 LIABILITY INSURANCE POLICY WITH AMERICAN ALTERNATIVE INSURANCE CORPORATION JAMES J. COX INSURANCE SERVICES

Mr. Jim Cox addressed the Board stating that this year's renewal rate received from American Alternative Insurance was slightly higher, due to the claim the District filed last year. Mr. Cox also stated the total premium appears to be higher, but in essence due to the improvements and the capital purchases made during the last year, overall the premium increased approximately 6%.

After discussion, it was moved by Director Fraser and seconded by Director Onken to Approve the May 1, 2008 through May 1, 2009 Liability Insurance Policy with American Alternative Insurance Corporation/James J. Cox Insurance Service in the amount of \$44,312.00. The motion passed with a unanimous affirmative vote.

Mr. Cox left the meeting at 2:08 P.M.

RESOLUTION NO. 1-08 APPROVING ADOPTION OF CALIFORNIA PUBLIC EMPLOYEES' DEFERRED COMPENSATION PLAN

Manager Brown stated with the Approval of Resolution No. 1-08, the District employees could participate in the CalPERS Deferred Compensation Plan. The plan is administrated by CalPERS and there will be no cost incurred by the District for plan participation.

After discussion, it was moved by Director Ball and seconded by Director Onken to Adopt Resolution No. 1-08 Approving the Adoption of California Public Employees' Deferred Compensation Plan. The motion passed with a unanimous affirmative vote. President Kiely asked for a roll call, the results were as follows:

AYES: President Kiely, Director Ball, Dennis, Fraser and Onken

RESOLUTION NO. 2-08 APPROVING DEVELOPMENT AGREEMENT FOR MOORETOWN RANCHERIA 2008 MAIN LINE RELOCATION

Manager Brown reported Mooretown Rancheria is proposing to construct a multistory parking structure at the Feather Falls Casino. The proposed site would be in direct conflict with our existing sewer facilities. Mooretown is requesting the realignment of the pipe around the proposed structure. Manager Brown stated although the final plans and Engineer's estimate are almost complete, he would recommend approval of the Development Agreement which would be in place, and the project could move forward once the remaining documents are finalized.

After discussion, it was moved by Director Fraser and seconded by Director Dennis to Adopt Resolution No. 2-08 Approving the Development Agreement for Mooretown Rancheria 2008 Main Line Relocation. The motion passed with a unanimous affirmative vote. President Kiely asked for a roll call, the results were as follows:

AYES: President Kiely, Director Ball, Dennis, Fraser and Onken

RESOLUTION NO. 3-08 APPROVING DEVELOPMENT AGREEMENT FOR ROB ROMAGUERA RIVERVIEW DRIVE MAIN LINE EXTENSION

Manager Brown reported that the documentation for the Development Agreement is not complete and he will bring the item back for consideration when in order.

PERSONNEL POLICY REVIEW AND SDRMA CIP'S

Manager Brown reported the District participates in the Credit Incentive Program sponsored by SDRMA. Manager Brown continued The District can earn points in the CIP by submitting the Personnel Policy to SDRMA. Due to the size of the comprehensive District's Personnel Policy, in lieu of SDRMA will accept the Board's certification of the Personnel Policy in place and forward appropriate documentation to SDRMA in order to qualify for premium reduction points.

After discussion, it was moved by Director Dennis and seconded by Director Onken to provide SDMRA the following Statement of Fact: The Lake Oroville Area Public Utility District has a comprehensive Board Policy with adopted Series 2000 Personnel Policy. The Personnel Policy consists of 43 individual policies and 15 job description. All of these policies were updated and amended in 2005/2006. The Board revisits and amends these policies as required. The motion passed with a unanimous affirmative vote.

AUTHORIZATION FOR SAUER'S ENGINEERING TO UPDATE THE 2000 DISTRICT MASTER SEWER PLAN

Manager Brown reported the District's Master Study was generated in 2000; this document typically is updated every 5 years. Manager Brown stated he had reviewed the 2000 Master Study and discussed the document with Engineer Knibb and they were in agreement that the document should be updated at this time. Manager Brown recommended Sauer's Engineering to update the District's Master Study as proposed.

After discussion, it was moved by Director Ball and seconded by Director Fraser to Authorize Sauer's Engineering to update the District Master Sewer Plan as outlined in their proposal letter dated April 3, 2008, with an estimated fee of \$48,000.00. The motion passed with a unanimous affirmative vote.

APPROVAL/RENEWAL OF NEW POLICY EMPLOYEE HEALTH INSURANCE PLAN AND DENTAL AND LIFE INSURANCE WITH PRINCIPAL FINANCIAL

Manager Brown reported that he had met with Personnel Committee to review the Employee Health and Dental Insurance Plan Options; the Personnel Committee has recommended not renewing the Employee Health Insurance Plan with Blue Cross, however they are renewing this coverage to Blue Shield whose rates are comparably lower. Manager Brown continued the Personnel Committee had also recommended the plan offered be changed to the Shield Spectrum PPO Savings Plan which would incorporate a compatible individual Health Savings Account contribution for reimbursement of the high deductible associated with this plan. Manager Brown recommended the renewal of the Dental and Life Insurance plan in place with Principal Financial.

After discussion, it was moved by Director Fraser and seconded by Director Dennis to Approve the Employee Health Insurance Plan with Blue Shield specific coverage Shield Spectrum PPO Savings Plan with full reimbursement of the High Deductible to an individual H.S.A. for each employee and Renew the existing Dental and Life Insurance policy with Principal Financial. The motion passed with a unanimous affirmative vote.

VILLA VERONA MAIN LINE EXTENSION - ENVIRONMENTAL REVIEW

Manager Brown stated Sauer's Engineering has submitted a proposal for the environmental review in compliance with the CEQA Guidelines for the District's Villa Verona Sewer Main Line Extension Project, adding this is the last significant item to get the project started. Manager Brown recommended authorization of Sauer's Engineering to proceed with the environmental work.

After discussion, it was moved by Director Ball and seconded by Director Dennis to Authorize Sauer's Engineering to Proceed with the Environmental Work as outlined in their Proposal Letter dated April 3, 2008 with an estimated fee of \$16,000.00. The motion passed with a unanimous affirmative vote.

PRELIMINARY BUDGET STATUS UPDATE

Manager Brown reported the Personnel Committee had met as previously discussed and had nothing further to report.

BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT - NOTICE OF NONCOMPLIANCE

Manager Brown reported that the Notice of Non-Compliance from BCAQMD was included in the March 11, 2008 Board packet, and has included his written response as an update. No other comments have been received.

LATERAL TESTING PROGRAM

Manager Brown reported Clerk Rustenhoven and Administrative Assistant Quigley visited both Truckee Sanitary District and North Tahoe PUD last month. Much information was gathered and staff is working on a plan for implementation of a parcel filing system and accompanying database to support the upcoming Lateral Testing Program.

SC-OR COMMISSIONER'S REPORT

Director Fraser made reference to the SC-OR Meeting Minutes included in the Board Packet.

**BCSDA REPRESENTATIVES' AND LAFCO REPORT
BCSDA GENERAL MEMBERSHIP MEETING OF MAY 8, 2008**

Manager Brown reported the 2nd BCSDA General Membership Dinner Meeting is scheduled for Thursday, May 8, 2008. The event will be held at The Depot Restaurant and the Meeting will begin at 7:00. Manager Brown asked anyone interested in attending please notify the Clerk of your dinner preference.

LIFE LOCK – IDENTITY THEFT PROTECTION

Manager Brown reported Life Lock provides identity theft protection. At a recent SDRMA Claim Education Workshop, he attended a presentation regarding Life Lock and thought he would pass this information onto the Board, since identity theft has become a concern for many people.

BOARD MEMBER'S, MANAGER AND STAFF COMMENTS

The Board welcomed newly appointed Board Member Steve Onken.

ADJOURNMENT

There being no further business to come before the Board the meeting was adjourned at 2:58 P.M.

Respectfully submitted,

Janette Rustenhoven,
Clerk of the Board