

**LAKE OROVILLE AREA PUBLIC UTILITY DISTRICT
BOARD OF DIRECTORS REGULAR MEETING
AUGUST 11, 2009**

SALUTE TO THE FLAG

President Fraser opened the meeting with the salute to the flag.

MOMENT OF SILENCE

President Fraser asks for a moment of silence.

CALL TO ORDER

President Fraser called the meeting to order at 2:00 P.M. Directors present were Ball, Dennis, Kiely and Onken. Representing the District were Manager Brown, Field Operations Supervisor Sanders, and Clerk Rustenhoven. Also representing the District was Engineer Knibb.

BOARD MEETING MINUTES

The Board reviewed the minutes of the Regular Board Meeting of July 14, 2009. After discussion, it was moved by Director Dennis and seconded by Director Onken that the minutes of the Regular Board Meeting of July 14, 2009 be approved as presented. The motion passed with a unanimous affirmative vote.

FINANCIAL REPORT AND AUTHORIZATION OF WARRANTS

The Board reviewed the Financial Report for the month of July 2009. After discussion it was moved by Director Kiely and seconded by Director Onken that the Financial Report ending July 31, 2009 be approved and that bank transfers No. 64115 and 19510 (Account #11697-80000) totaling \$9,773.76 and Warrants No. 11978 through 12058 (Account #191047059) totaling \$219,388.56 and Warrant No. 1011 through Warrant No. 1012 (Account #191047035) totaling \$150.00 and Warrant No. 1032 through Warrant No. 1033 (Account #191047047) totaling \$129.00 and be approved for payment. The motion passed with a unanimous affirmative vote.

CSDA BOARD OF DIRECTOR ELECTION 2009

Manager Brown stated the District had received a Ballot for the CSDA 2009 Board Elections. Manager Brown noted that accompanying the Ballot received were the individual candidate statements submitted for review.

After discussion it was moved by Director Ball and seconded by Director Kiely to cast the District's vote for Noelle Mattock as the CSDA Board of Directors, Region 2 Representative. The motion passed with a unanimous affirmative vote.

EMERGENCY RESPONSE PLAN UPDATE

Manager Brown reported as part of the USDA Rural Development Bond administration, the District was required to create an "Emergency Response Plan" document. Manager Brown recommended the Board approve the update of this document as this time.

After discussion, it was moved by Director Ball and seconded by Director Onken to Approve the Emergency Response Plan Update. The motion passed with a unanimous vote.

APPROVAL OF PROPOSAL FROM DAVIS HAMMON AND COMPANY FOR DISTRICT YEARLY AUDITS FOR THE PERIOD OF JULY 1, 2009 THROUGH JUNE 30, 2012.

Manager Brown reported the current contract with Davis Hammon and Company expires and the conclusion of the fiscal year's end. Therefore, Manager Brown asked Mr. Jim Duckett for a proposal for continued service over the next three years. Manager Brown included a copy of the proposal for Board review, and recommended approval for continued accounting services.

After discussion it was moved by Director Kiely and seconded by Director Onken for the Approval from Davis Hammon and Company for District Yearly Audits for the Period of July 1, 2009 through June 30, 2012. The motion passed with a unanimous vote.

AUTHORIZE THE PURCHASE OF A NEW 2010 FORD PICKUP

Manager Brown reported the 2009/10 Budget included the purchase of a 2010 Pickup Truck to replace the 2001 Ford Long Bed Pickup Truck in service. Manager Brown recommended the replacement of the 2001 vehicle.

After discussion it was moved by Director Kiely and seconded by Director Ball to Authorize the Purchase of a 2010 Ford XL Pickup Truck for \$20,599 plus sales tax and associated fees. The motion passed with a unanimous affirmative vote.

STATE BUDGET SPECIAL DISTRICT PROPERTY TAX SHIFT

Manager Brown reported the Governor signed a Bill to suspend Proposition 1A. The ramification from this action translates to the District a loss of 8% of the Property Tax Revenue, which the State will retain to fund their fiscal Budget 09/10. Manager Brown continued the District will lose approximately \$23,000 of revenue this upcoming year. Closing, Manager Brown stated the Governor also signed another bill which outlines the repayment of these funds by the State. Following discussion, it was the consensus of the Board not to raise the current service fees to compensate for the lost revenue, however if the State acted again in this manner, the Board would reconsider their position.

LATERAL TESTING PROGRAM

Manager Brown reported the District has conducted a few meetings with various Real Estate Associates and local Plumbers to discuss the implementation of the Lateral Testing Program. Manager Brown added there will be more meetings conducted to express the District's motivation and position; he felt the program could be implemented by the first of January 2010.

CREDIT CARD PAYMENTS

Manager Brown referred to the credit card activity summary report included in the packet. Manager Brown stated the District has been accepting credit cards as a form of payment for approximately six months, and before any type of a convenience fee was implemented he thought it was best to track the actual expense to the District. Discussion ensued regarding the payment receiving process, and the consensus of the Board was for the Manager to bring back a recommendation to implement a convenience fee for the acceptance of credit cards as payment to offset direct District expenses incurred.

HWY 162 CROSSING AT KELLY RIDGE ROAD

Manager Brown reported the District surveyor has completed the research work the preliminary design of the Hwy 162 sewer crossing and the District Engineer is working on the preliminary design. Manager Brown stated he would keep the Board update on this subject.

STATE LINE REPLACEMENT PROJECT 2009, PHASE II

Engineer Knibb reported the Pre-Construction Meeting was held earlier today, and although the Notice to Proceed was not issued, awaiting final Liability Insurance documentation, he anticipated the required documentation next week.

YUBA COUNTY WATER COLGATE POWER HOUSE FACILITY TOUR

Director Onken gave a brief description and history of the powerhouse, noting that during the month of October the power house shuts down for maintenance. At that time tours may be accommodated and offered to provide a tour for the District Board and staff. Various dates were discussed and Director Onken stated he would make the appropriate arrangements to facilitate the tour.

SC-OR COMMISSIONER'S REPORT

Director Dennis noted SC-OR's Developer Agreement was unanimously approved at the Regular Commission Meeting of July 22, 2009, and all other details could be found in the included SC-OR minutes.

BCSDA REPRESENTATIVES' AND LAFco REPORT

Manager Brown reported the BCSDA General Membership Meeting was held on August 8, 2009 at the Merlo Park in Stirling City. The speaker was 3rd District Assemblyman Dan Logue and he provided his view of the current condition the State of California is in.

BOARD MEMBER'S, MANAGER AND STAFF COMMENTS

There were no further comments received.

ADJOURNMENT

There being no further business to come before the Board the meeting was adjourned at 3:03 P.M.

Respectfully submitted,

Janette Rustenhoven,
Clerk of the Board