

**LAKE OROVILLE AREA PUBLIC UTILITY DISTRICT
BOARD OF DIRECTOR REGULAR MEETING
FEBRUARY 9, 2010**

SALUTE TO THE FLAG

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

MOMENT OF SILENCE

President Onken asked for a moment of silence.

CALL TO ORDER

President Onken called the meeting to order at 2:00 P.M. Directors present were Fraser, Ball, Dennis, and Kiely. Representing the District were Manager Brown, Field Operations Supervisor Sanders and Clerk Rustenhoven. Also representing the District was Engineer Knibb and Legal Counsel Meith. Also attending was Mr. Costel Angeluta a customer of the District.

At this time, President Onken moved to Item No. 15 of today's agenda.

CAPACITY CHARGE REIMBURSEMENT

Manager Brown opened the discussion with an update for the Board regarding the areas of active developer interest within the District. Manager Brown continued the Community of Palermo and the South of Las Plumas Basin are two areas of such interest. The consultants from both groups have inquired if the District had the provision in place for a developer to receive future reimbursement for constructing facilities that will eventually be used by others. Whereas the developer would receive future relief from other vested parties as they begin to use the constructed facilities.

Legal Counsel Meith discussed the attributes providing such a provision to developers outlining the District's benefits as well as the Developer's benefits. Legal Counsel Meith detailed the mechanics of a Fee Credit Program recommending this option to the Board to encourage District development.

At this time, President Onken moved to Item No. 20 of today's agenda.

BCSDA REPRESENTATIVES' AND LAFCo REPORT

Legal Counsel Meith led a discussion regarding the LAFCo correspondence of November 5, 2009 and responding correspondence thereafter from all interested parties. Many questions and comments arose, with the recommendation from the Board to directly respond in writing to the November 5, 2009 LAFCo correspondence and state the unified position of SC-OR and its member entities to LAFCo's request.

Director Kiely excused himself from the meeting at 3:03 P.M.
Legal Counsel Meith left the meeting at 3:05 P.M.

BOARD MEETING MINUTES

The Board reviewed the minutes of the Regular Board Meeting of January 12, 2010. After discussion, it was moved by Director Ball and seconded by Director Fraser that the minutes of the Regular Board Meeting be approved as corrected. The motion passed with a majority vote. The results were as follows:

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

FINANCIAL REPORT AND AUTHORIZATION OF WARRANTS

The Board reviewed the Financial Report for the month ending January 31, 2010. After discussion it was moved by Director Dennis and seconded by Director Ball that the Financial Report ending January 31, 2010 be approved and Warrants No. 12479 through 12564 and Bank Transfers No. 978073 and 634791 (Account #191047059) totaling \$128,099.84 and Warrant No. 1025 through Warrant No. 1026 (Account #191047035) totaling \$120.00 and Warrant No. 1051 through No. 1051 (Account #191047047) totaling \$1,241.52 and be approved for payment. The motion passed with a majority vote. The results were as follows:

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

REQUEST FROM MARIAN Omut TO MAKE PAYMENTS FOR NEW SEWER SERVICE CONNECTION FEES AND CHARGES

Manager Brown summarized the circumstances regarding the request received from Marian Omut for the District to finance the connection fees and charges associated with APN 079-180-001. Manager Brown referred to his Manager Report stating the various elements of the financing instrument for consideration, along with his recommendation.

After discussion, it was moved by Director Fraser and seconded by Director Dennis to enter into a Financing Agreement with Marian Omut with the terms as stated, Principal Amount \$6923.00, Annual Interest Rate of 4% accrued monthly on unpaid balance, for period of 18 months, commencing March 10, 2010, with all remaining payments of \$ 396.91 due on the 10th day of each month until paid in full. The motion passed with a majority vote. The results were as follows:

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

REFUND RECONNECTION OF SEWER CHARGES

Manager Brown revisited the circumstances which brought his attention to this matter of possibly refunding various reconnection fees paid and believed it should be brought to the Board for consideration. Manager Brown referred to his report which detailed the specific transactions up for review.

After discussion, it was moved by Director Fraser and seconded by Director Ball to Approving Refunding the Increased Capacity Charge Paid to Re-Establish Sewer Service for the Following District Customers:

Randy Chapman	(APN 035-195-022)	\$2,470.00
Dennis Stevens	(APN 035-084-014)	\$2,470.00
Maryann Miller	(APN 035-222-043)	\$2,470.00
Gerilynn Riley	(APN 069-180-002)	\$ 200.00
Julee Spohn	(APN 069-020-001)	\$ 105.00

The motion passed with a majority vote. The results were as follows:

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

ADOPT RESOLUTION NO. 1-10 APPROVING DEVELOPMENT AGREEMENT FOR CHRIS & SAMATHA CARTER, COTTAGE COVE PHASE 2A SUBDIVISION MAIN LINE EXTENSION (068-410-025)

Manager Brown reported the Plans and Estimate for Cottage Cove Phase 2A are complete. The District has not yet received payment of the appropriate fees however he anticipates payment within this week, therefore he would like the Board to consider this matter, pending the receipt of payment.

After discussion, it was moved by Director Dennis and seconded by Director Fraser to Adopt Resolution No. 1-10 Approving Development Agreement for Cottage Cove Phase 2A, pending the receipt for the associated fees. The motion passed with a majority vote. President Onken asked for a roll call, the results were as follows:

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

PROPERTY OWNER AGREEMENT FOR DISTRICT LATERAL REPAIR FINANCING

Manager Brown stated a Draft of the District Lateral Repair Financing Agreement was included in the Board Packet. This agreement has been reviewed by the Lateral Committee, and Legal Counsel is currently reviewing the document. Manager Brown stated that it was his intention to introduce this Agreement to the Board for review and bring it back to the Board next month for consideration.

AMENDMENT TO BOARD POLICY NO. 3070 AND NO. 3075

Manager Brown introduced amendments to Board Policy No. 3070 and Board Policy No. 3075, the Draft of these Amendments is included along with the highlighted changes for review. Manager Brown stated was his intention to introduce these Amendments to the Board for review and bring it back to the Board next month for consideration.

STATE REVOLVING FUND APPLICATION

Engineer Knibb provided an update on the District's application. Manager Brown stated additional information would be required to continue with the application process and he will keep the Board informed of the progress made.

INTRODUCTION OF BOARD POLICY SERIES 3000, AMINISTRATIVE OPERATIONS

Manager Brown introduced the Deleted Board Policy Series 3000, which will be introduced as Board Policy Series 7000. Manager Brown stated was his intention to introduce these changes to the Board for review and bring it back to the Board next month for consideration.

INTRODUCTION OF BOARD POLICY SERIES 7000, SYSTEM OPERATIONS

Manager Brown introduced the Board Policy Series 7000, System Operations. Manager Brown stated his intention to introduce this series to the Board for review and bring it back to the Board next month for consideration.

INTRODUCTION OF BOARD POLICY NO. 7050 DISTRICT FUNDING LATERAL REPAIRS

Manager Brown stated this is a proposed new policy which was reviewed by the Lateral Committee and is currently being reviewed by Legal Counsel. Manager Brown added he will bring it back to the Board next month with all comments and ask for Board consideration.

SEWER SYSTEM MASTER PLAN 2010 - DRAFT

Manager Brown stated Staff has reviewed the Draft Sewer Master Plan 2010 prepared by the District Engineer. All comments have been incorporated, and the Plan has been updated and is scheduled to be brought back before the Board again in March for adoption.

SEWER CROSSING HWY 162 @ KELLY RIDGE ROAD

Manager Brown stated he along with staff members met with Caltrans to discuss the proposed project. The outcome was favorable for the District; Caltrans will allow the district to do the work in advance of their project, by Encroachment Permit.

INDIAN GAMING LOCAL COMMUNITY BENEFIT

Manager Brown reported the Butte County Gaming Local Community Benefit program has been cancelled this year.

SC-OR COMMISSIONER'S REPORT

Director Dennis reported SC-OR Commissioner Allen of T.W.S.D. passed away and Board Member Reynolds may be assuming his duties.

BCSDA REPRESENTATIVES' AND LAFCo REPORT

This item was discussed previously.

BOARD MEMBER'S, MANAGER AND STAFF COMMENTS

Manager Brown reminded the Board that the Mandatory Ethics Training is required to be completed by the end of the calendar year.

ADJOURNMENT

There being no further business to come before the Board the meeting was adjourned at 3:38 P.M.

Respectfully submitted,

Janette Rustenhoven,
Clerk of the Board