

**LAKE OROVILLE AREA PUBLIC UTILITY DISTRICT
BOARD OF DIRECTOR REGULAR MEETING
JANUARY 12, 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 Ball, Dennis, Fraser, and Kiely. Representing the District were Manager Brown, Field Operations Supervisor Sanders, Engineer Knibb and Clerk Rustenhoven. Also attending was Mr. Greg Burton, Mapping Consultant.

BOARD MEETING MINUTES

The Board reviewed the minutes of the Regular Board Meeting and the Adjourned Board Meeting of December 8, 2009. After discussion, it was moved by Director Fraser and seconded by Director Ball that the minutes of the Regular Board Meeting be approved as corrected and Adjourned Board Meeting of December 8, 2009 be approved as presented. The motion passed with a unanimous vote.

At this time President Onken moved to item #9

GIS CONSULTANT

Manager Brown introduced Mr. Greg Burton, the GIS Consultant working with LAFCo to update the District mapping. Mr. Burton reported to the Board he has reviewed the District annexation files/maps and is updating the current District map. Manager Brown added once the annexation history mapping is completed he would like the collection system layer added to the system, which would provide a valuable tool for daily operations.

FINANCIAL REPORT AND AUTHORIZATION OF WARRANTS

The Board reviewed the Financial Report for the month of December 2009. After discussion it was moved by Director Kiely and seconded by Director Dennis that the Financial Report ending December 31, 2009 be approved and Warrants No. 12398 through 12478 and Bank Transfers No. 31379 and 732862 including the voided warrant #12382 (Account #191047059) totaling \$370,106.62 and Warrant No. 1022 through Warrant No. 1024 (Account #191047035) totaling \$145.00 and Warrant No. 1048 through No. 1050 (Account #191047047) totaling \$1,456.55 and be approved for payment. The motion passed with a unanimous affirmative vote.

APPOINTMENT OF SC-OR COMMISSIONERS FOR 2010

President Onken made the appointment of Director Dennis and Director Fraser as the 2010 SC-OR Commissioners for the District noting this is an annual term. President Onken noted the voting commissioner for the District will be Director Fraser. President Onken added that any other District committees will be appointed as needed for District business.

STATE LINE SEWER REPLACEMENT PROJECT 2009 PHASE 2

Manager Brown reviewed that at the last Board Meeting the Board approved the closeout change order and final payment to the contractor. Engineer Knibb provided an update of the entire project to the Board and recommended the following actions finalize the project as stated in his correspondence to the Board dated December 22, 2009.

After discussion, it was moved by Director Dennis and seconded by Director Kiely to Accept the State Line Sewer Replacement 2009, Phase 2 project as complete; to Direct the Notice of Completion be filed with the Office of the Butte County Clerk; and Authorize the release of the retention following the statutory period, if no claims have been made to the District by material suppliers or laborers. The motion passed with a unanimous affirmative vote.

AMENDMENT TO BOARD POLICY NO. 3075 DISCONTINUATION OF SEWER SERVICE

Manager Brown reviewed this amendment was brought to the Board last month, and the requested revisions have been incorporated and the document is now ready for adoption.

After discussion, it was moved by Director Ball and seconded by Director Fraser to Amend Board Policy No. 3075, Discontinuation of Sewer Service. The motion passed with a unanimous affirmative vote.

PROPERTY OWNER AGREEMENT FOR DISTRICT LATERAL REPAIR FINANCING

Manager Brown introduced the first draft of the Property Owner Agreement for District Lateral Repair Financing, adding the Lateral Committee will be reviewing it next week and he plans on bringing the final version back to the Board for implementation.

RDA BOND PAYMENT

Manager Brown stated this is an informational item for the Board for the purpose of acknowledging the interest payment made by the District.

STATE REVOLVING FUND APPLICATION

Engineer Knibb provided a summary of the meeting with the Project Manager reviewing 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.

ROYAL OAKS PUMP STATION REPAIR

Field Operations Supervisor Sanders reported the Royal Oaks Pump Station was shut down due to a Programmable Logic Controller failure. Field crew manned the station overnight to control the pump and TESCO had a replacement part along with a technician onsite within 24 hours to complete the repair.

2010 MEETING SCHEDULE

Manager Brown stated a 2010 Meeting Schedule was included in the packet for the convenience of the Board.

CAPACITY IMPACT STUDY - ASHLOCK SUBDIVISION

Manager Brown reported the Ashlock Subdivision Capacity Study has been completed; Mr. Ashlock is agreeable to the study recommendations and has requested that a Mitigation Impact Agreement be prepared and submitted for approval. Manager Brown stated he would follow through with Mr. Ashlock's request.

SEWER SYSTEM MASTER PLAN 2010 - DRAFT

Engineer Knibb reported he had completed the updated Master Study Plan 2010, adding a draft copy will be circulated for review. Manager Brown contributed he will include this item on the February 9, 2010 Agenda for discussion.

SPHERE OF INFLUENCE

Manager Brown reviewed the experience the District has encountered with the LAFCo with regard to the SOI update. At this time, now that the MSR for Wastewater Service Providers has been adopted by Lafco, he would like to discuss the pursuit of a SOI update.

SEWER CROSSING HWY 162 @ KELLY RIDGE ROAD

Manager Brown stated Sauers Engineering has completed the preliminary design for a possible sewer crossing at Hwy 162 and Kelly Ridge Road. He and Engineer Knibb plan on meeting with Caltrans later this month to coordinate this work and will provide an update to the Board.

LAIF SEMI ANNUAL REPORT

Manager Brown stated the LAIF Account Statement was included in the packet as an informational item for the Board.

JPA GROUP MEETING

Manager Brown reported that a kick-off meeting was held this week. The members include the Managers and Engineers of SC-OR and the 3 Member Entities. The attendees agreed to prepare an individual Report of Accomplishments of 2009, which would be submitted to LAFCo along with a request for additional time to consider the employment of a Sewer Coordinator and how to Budget for the additional expense.

SC-OR COMMISSIONER'S REPORT

Director Dennis provided a report, stating that Mayor Jernigan stepped down from the Commission due to time constraints and it was not known who was to be appointed to the position.

BCSDA REPRESENTATIVES' AND LAFCo REPORT

Manager Brown reported BCSDA last meeting was held on January 2, 2010. The Guest Speaker Scott Alcantra, Safety and Environmental Officer for SFWP provided an informational update on changes to existing safety and environmental regulations.

BOARD MEMBER'S, MANAGER AND STAFF COMMENTS

President Onken remarked how he enjoyed the Annual Safety Award Dinner. Director Dennis expressed his appreciation for his service recognition gift.

ADJOURNMENT

There being no further business to come before the Board the meeting was adjourned at 2:42 P.M.

Respectfully submitted,

Janette Rustenhoven,
Clerk of the Board