

**LAKE OROVILLE AREA PUBLIC UTILITY DISTRICT
BOARD OF DIRECTORS REGULAR MEETING
JULY 14, 2009**

SALUTE TO THE FLAG

President Fraser asked newly promoted Field Operations Supervisor Sanders to open the meeting with the salute to the flag. President Fraser noted former F.O.S. Magliocca retired as of June 30, 2009.

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, and Onken. Representing the District were Manager Brown, Field Operations Supervisor Sanders, and Clerk Rustenhoven. Also representing the District were Engineer Knibb and Legal Counsel Meith. In attendance also were Superintendent Sousa of SC-OR and Mr. Tony Rushing a local realtor. Director Kiely was unable to attend today's meeting.

At this time, President Fraser announced the Board would be entering into a closed session, therefore asked Mr. Rushing to excuse himself from the Board Meeting during the closed session.

CLOSED SESSION – CONFERENCE WITH LEGAL COUNSEL – SIGNIFICANT EXPOSURE TO LITIGATION – GOVERNMENT CODE § 54956.9(B) (1) LETTER FROM GREENBERG TRAUIG, DATED July 1, 2009

The Board moved into Closed Session at 2:02 P.M.

The Board moved out of Closed Session at 2:51 P.M.

President Fraser announced that no action was taken.

Attorney Meith and Superintendent Sousa left the meeting at 2:52 P.M.

BOARD MEETING MINUTES

The Board reviewed the minutes of the Regular Board Meeting of June 9, 2009 and the Special Board Meeting of June 24, 2009. After discussion, it was moved by Director Dennis and seconded by Director Ball that the minutes of the Regular Board Meeting of June 9, 2009 and the minutes of the Special Board Meeting of June 24, 2009 be approved as presented. The motion passed with a majority affirmative vote. The results were as follows:

AYES: President Fraser, Director Ball, Dennis and Onken

ABSENT: Director Kiely

FINANCIAL REPORT AND AUTHORIZATION OF WARRANTS

The Board reviewed the Financial Report for the month of June 2009. After discussion it was moved by Director Ball and seconded by Director Onken that the Financial Report ending June 30, 2009 be approved and that bank transfers No. 31593 and 10579 (Account #11697-80000) totaling \$9,738.46 and Warrants No. 11886 through 11977 (Account #191047059) totaling \$123,127.08 and Warrant No. 1010 (Account #191047035) totaling \$50.00 and Warrant No. 1030 through Warrant No. 1031 (Account #191047047) totaling \$1,47300 and be approved for payment. The motion passed with a majority affirmative vote. The results were as follows:

AYES: President Fraser, Director Ball, Dennis and Onken

ABSENT: Director Kiely

APPROVAL OF AMENDED BOARD POLICY NO. 2150 "EMPLOYEE COMPENSATION"

Manager Brown noted this Board Policy is submitted as part of the Budget Adoption package as prepared based on the Personnel Committee recommendations. The Personnel Committee recommended the District provide the employees who are responsible for the overnight standby call to be compensated at the per diem rate of \$15 per day.

After discussion it was moved by Director Ball and seconded by Director Dennis for the Approval of the Amendment of Board Policy No. 2150 "Employee Compensation". The motion passed with a majority affirmative vote. The results were as follows:

AYES: President Fraser, Director Ball, Dennis and Onken

ABSENT: Director Kiely

CONTRACT FOR STATE LINE SEWER REPLACEMENT PROJECT 2009 PHASE II

Manager Brown reported that the bid opening for the project was held on June 17, 2009, the apparent low bidder was Stevens Excavation. As part of the project process, Engineer Knibb began screening the bid and bid applicant. Upon further investigation, Engineer Knibb discovered errors in the bid calculation. Engineer Knibb contacted Stevens Excavation to discuss the situation and alternatives for resolution. In conclusion, Stevens Excavation withdrew their bid from the project.

Engineer Knibb reported he contacted the next apparent low bidder, Chico West, DBA Community Construction and proceeded with the bid and bid applicant screening process. Engineer Knibb stated that he found the bid and applicant sound and recommended the Board accept the bid from Chico West along with the additive alternative project work.

After discussion, it was moved by Director Onken and seconded by Director Dennis to Award the State Line Sewer Replacement Project 2009, Phase II to Chico West Contractors in the project amount of \$115,934.00 in addition to, Award the Additive Alternative project work in the amount of \$122,786.30, both contingents on the District receiving a withdrawal notice from Stevens Excavating. The motion passed with a majority affirmative vote. The results were as follows:

AYES: President Fraser, Director Ball, Dennis and Onken

ABSENT: Director Kiely

ADOPTION OF RESOLUTION NO. 7-09 ELECTION OF BOARD OF DIRECTORS TO THE SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY

Manager Brown stated the District received the 2009 Official Ballot, Special District Risk Management Authority, Board of Directors. Manager Brown stated it would be appropriate for the Board to cast a vote for four candidates, adding the voting ballot is drafted as Resolution No. 7-09.

After discussion it was moved by Director Dennis and seconded by Director Ball for the Adoption of Resolution No. 7-09 Election of Board of Directors to the Special District Risk Management Authority, which cast the District's vote for the following, Jean Bracy, David Aranda, Vincent Ferrante and John Yeakley. The motion passed with a majority affirmative vote. The results were as follows:

AYES: President Fraser, Director Ball, Dennis and Onken

ABSENT: Director Kiely

BCSDA NON-ENTERPRISE RUN OFF ELECTION

Manager Brown reported the Local Agency Formation Commission held an election for a Non-Enterprise Special District Regular Commissioner. The election resulted in a tie, thus necessitating a run-off election. Manager Brown asked the Board to consider the 2009 Run-Off Election Ballot for the Non-Enterprise Special District Regular Commissioner.

After discussion it was moved by Director Dennis and seconded by Director Ball to cast the District's vote for Mark Sweeney as the Non-Enterprise Special District Regular Commissioner. The motion passed with a majority affirmative vote. The results were as follows:

AYES: President Fraser, Director Ball, Dennis and Onken

ABSENT: Director Kiely

SEWER SYSTEM MANAGEMENT PLAN

Manager Brown reported the Sewer System Management Plan has been in the developmental process for the past two years. The final three sections have been completed and the SSMP is ready to be implemented by certifying compliance with all SSMP elements. Manager Brown recommended the Board Certify Complete Compliance with all SSMP elements.

After discussion it was moved by Director Ball and seconded by Director Onken to Certify Complete Compliance with regard to the District's Sewer System Management Plan. The motion passed with a majority affirmative vote. The results were as follows:

AYES: President Fraser, Director Ball, Dennis and Onken

ABSENT: Director Kiely

COMPREHENSIVE SEWER RULES AND REGULATIONS ORDINANCE NO. 1-09

Manager Brown reiterated the Board adopted the Comprehensive Sewer Rules and Regulations Ordinance No. 1-09 in May 2009. Since then, Manager Brown has met with the local realtors and escrow title representatives to discuss the implementation of the Ordinance. Manager Brown stated based on the feedback received he would recommend postponing the publishing of the Ordinance for a reasonable amount of time to provide a window for the effected parties to develop the District's policy into their business plan.

After discussion it was moved by Director Ball and seconded by Director Dennis to suspend the implementation of Ordinance No. 1-09. The motion passed with a majority affirmative vote. The results were as follows:

AYES: President Fraser, Director Ball, Dennis and Onken

ABSENT: Director Kiely

INVESTMENT SUMMARY

Manager Brown noted a District Investment Summary was included in the Board Packet for review. Manager Brown added this report includes the District's most recent transactions made with U.S. Bank.

HWY 162/KELLY RIDGE ROAD SIGNALIZATION IMPROVEMENTS

Manager Brown reported Caltrans is developing plans for improving the existing State Hwy Route 162 at Kelly Ridge Road. The District's Master Sewer Plan proposes the construction of a Regional Pump Station south of this intersection. Manager Brown stated he had been in contact with Caltrans regarding the installation of a gravity sewer crossing at improvement site. Manger Brown asked the Board to consider this sewer crossing for a District improvement project, working in conjunction with the Caltrans project.

After discussion, it was the consensus of the Board to move forward with a preliminary engineering study for the development of this project.

SC-OR COMMISSIONER'S REPORT

President Fraser reported the election results for the SC-OR Commission, were as follows: Commissioner Jernigan elected Chairman for the Fiscal Year 2009/2010 and Commissioner Dennis elected as Vice-Chairman for the Fiscal Year 2009/2010.

BCSDA REPRESENTATIVES' AND LAFco REPORT

Manager Brown reported the next BCSDA General Membership Meeting is scheduled for Saturday, August 8, 2009 and will be held at the Merlo Park in Stirling City.

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 3:37 P.M.

Respectfully submitted,

Janette Rustenhoven,
Clerk of the Board