

**LAKE OROVILLE AREA PUBLIC UTILITY DISTRICT
BOARD OF DIRECTOR REGULAR MEETING
June 20, 2011**

SALUTE TO THE FLAG

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

MOMENT OF SILENCE

President Dennis asked for a moment of silence.

CALL TO ORDER

President Dennis called the meeting to order at 2:00 P.M. Directors present were Ball, Kiely and Onken. Representing the District were Manager Brown, Field Operations Supervisor Sanders, Clerk Rustenhoven and Engineer Knibb. Also in the audience, were Ms. Virginia Brazil-Barnes, Ms. Regina Munster, Mr. Howard Owens, Mr. Wendel Vantine, Mr. Dale White, Mrs. Harrietta White, and Ms. Sandra Willis.

PROTEST HEARING

President Dennis opened the Public Hearing at 2:02 P.M., many attendees addressed the Board with various questions regarding the sewer service fee increase. The Board and Manager Brown provided the information to satisfy each inquiry. General Manager Brown stated that the District office had received 74 letters of protest from District constituents.

CLOSE PUBLIC HEARING

There were no further comments or questions President Dennis closed the Public Hearing at 2:31 P.M.

ADOPTION OF RESOLUTION NO. 5-11 SEWER SERVICE RATE INCREASE

General Manager Brown stated it would now be appropriate for the Board to consider the Adoption of Resolution No. 5-11, noting the District had only received formal protests of 1.2% from its constituents.

After discussion, it was moved by Director Onken and seconded by Director Kiely to Adopt Resolution No. 5-11 "Sewer Service Rate Increase". President Dennis asked for a roll call, the results were as follows:

AYES: President Dennis, Director Ball, Kiely and Onken

All visitors from the audience left at 2:32 P.M., with the exception of Ms. Regina Munster and Ms. Virginia Brazil-Barnes.

APPOINTMENT OF SUCESSOR TO FILL BOARD MEMBER VACANCY

President Dennis opened up Board discussion by asking for a nomination. Director Ball nominated Ms. Virginia Brazil-Barnes to Fill the Board Member Vacancy. Director Onken nominated Mr. Dee G. Fairbanks to Fill the Board Member Vacancy. Director Kiely seconded Director Onken's motion. Director Kiely moved to close the nominations and Director Onken seconded the motion.

Each Director contributed to the discussion regarding both candidates, at the conclusion President Dennis asked the Board to cast their vote for Mr. Dee G. Fairbanks. The results were as follows:

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

President Dennis noted the vote was unanimous and asked Manager Brown to notify Mr. Dee G. Fairbanks of the appointment.

Ms. Regina Munster and Ms. Virginia Brazil-Barnes left the meeting at 2:37 P.M.

ADOPTION OF RESOLUTION NO. 6-11 RESOLUTION OF APPRECIATION, DIRECTOR KEITH J. FRASER

Manager Brown introduced Resolution No. 6-11, Resolution of Appreciation for Director Keith J. Fraser who passed away on May 13, 2011. Director Ball read the entire Resolution for the record.

After discussion, it was moved by Director Ball and seconded by Director Kiely to Adopt Resolution No. 6-11, Resolution of Appreciation, Director Keith J. Fraser. The motion was passed with a majority unanimous vote. President Dennis asked for a roll call, the results were as follows:

AYES: President Dennis, Director Ball, Kiely and Onken

BOARD MEETING MINUTES

The Board reviewed the minutes of the Regular Board Meeting of May 10, 2011. After discussion, it was moved by Director Kiely and seconded by Director Ball that the minutes of the Regular Board Meeting of May 10, 2011 be approved. The motion passed with an affirmative vote. The results were as follows:

AYES: President Dennis, Director Ball, Kiely and Onken

The Board reviewed the minutes of the Special Board Meeting of June 6, 2011. After discussion, it was moved by Director Kiely and seconded by Director Ball that the minutes of the Special Board Meeting of June 6, 2011 be approved. The motion passed with an affirmative vote. The results were as follows:

AYES: President Dennis, Director Ball, Kiely and Onken

FINANCIAL REPORT AND AUTHORIZATION OF WARRANTS

The Board reviewed the Financial Report for the month ending May 31, 2011. After discussion it was moved by Director Ball and seconded by Director Onken that the Financial Report ending May 31, 2011 be accepted and Warrants No. 13756 through 13845 and Bank Transfers No. 85437994, 43474886, 14546502, 10271871056 and 10374396056 (Account #191047059) totaling \$137,747.52 and Warrant No. 1095 through 1097 (Account #191047047) totaling \$846.87 and Warrant No. 1076 through 1081 (Account #191047035) totaling \$360.00 be approved for payment. The motion passed with a unanimous vote. The results were as follows:

AYES: President Dennis, Director Ball, Kiely and Onken

ADOPTION OF RESOLUTION NO. 7-11 SDRMA ELECTION BALLOT

Manager Brown stated the District received the Official 2011 Election Ballot from SDRMA, adding he included a copy in the Board Packet for review.

After discussion, it was moved by Director Kiely and seconded by Director Ball to cast the District's vote for the following three candidates; Sandy Raffelson, Mike Scheafer, and Bethzabe Yanez. The motion passed with a unanimous vote, the results were as follows:

AYES: President Dennis, Director Ball, Kiely and Onken

CONSIDERATION OF DRAFT BUDGET FOR FISCAL YEAR 2011/12 AND ADOPTION OF RESOLUTION NO. 8-11 "ADOPTING BUDGET FOR FISCAL YEAR 2011/12"

Manager Brown stated the Budget presented today was in "Draft" form, and reflects the recommendations of the Personnel and Finance Advisory Committees. Manager Brown continued the proposed sewer service fees included the Sewer Service Rate Increase approved earlier today. Director Ball inquired about the detail of "Draft Exhibit VII", Manager Brown provided the detail.

After discussion, it was moved by Director Kiely and seconded by Director Onken for the Approval of Resolution No. 8-11 "Adopting Budget for Fiscal Year 2011/2012". The motion passed with a unanimous affirmative vote.

APPROVAL OF BOARD POLICY NO. 2151 "EMPLOYEE COMPENSATION SCHEDULE"

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 no COLA wage increase, with the exception of those individuals who have already qualified for a merit step increase for the 2011/2012 Fiscal Year.

After discussion, it was moved by Director Kiely and seconded by Director Ball for the Approval of Board Policy No. 2151 "Employee Compensation Schedule". The motion passed with a unanimous affirmative vote.

2011 CSDA PROPOSED BYLAWS AMENDMENTS

Manager Brown provided a summary of the CSDA proposed Bylaws Amendments.

After discussion, it was moved by Director Ball and seconded by Director Kiely for the Approval of the Adoption of the 2011 CSDA Bylaws Amendments. The motion passed with a unanimous affirmative vote.

REQUEST TO MAKE PAYMENTS ON CONNECTION FEES AND CHARGES

Manager Brown reported Mrs. Stouky has an interest in connecting her single family residence located at 2991 Lower Wyandotte Road, to District service lines. The District has provided an estimated cost to Mrs. Stouky of \$30,000, in which, she has submitted a request to the District to amortize this amount.

After discussion, it was the consensus of the Board not to approve Mrs. Stouky's request. No other action was taken, the Board directed Manger Brown to notify Mrs. Stouky of their decision.

APPROVAL OF AMENDMENT TO BOARD POLICY NO. 7080 "SEWER SERVICE CHARGE DELINQUENCIES"

Manager Brown stated this Board Policy was introduced in "Draft" form at the Regularly Scheduled May 10, 2011 Meeting. Manager Brown added the amendment to the Board Policy is now ready for approval.

After discussion, it was moved by Director Kiely and seconded by Director Onken to Approve the Amendment to Board Policy No. 7080 "Sewer Service Charge Delinquencies". The motion passed with a unanimous vote, the results were as follows:

AYES: President Dennis, Director Ball, Kiely and Onken

TRAKIT SYSTEM

Manager Brown reported staff is continuing to work with Butte County to become a user of their Trakit System. Butte County is developing a formula for cost sharing, along with a Memorandum of Understanding (MOU) which will become our “Agreement” for the District’s use. These should be ready for review by the next Board meeting. Also included was a revised schedule from our Trakit contact Pat Stockton.

DECOMMISSIONING VILLA VERONA ELECTRICAL FACILITIES

Manager Brown reported the District has made application to PG&E to decommission the electrical facilities on the Villa Verona tanks that we have taken out of service with the gravity mainline extension. They are currently engineering the work, and have told us there would not be any cost to the District.

RIO D’ORO PROJECT

Manager Brown stated Butte County DDS is circulating a Notice of Preparation for an Environmental Impact Report for the Rio D’Oro Project Specific Plan. The project proposes 2700 dwelling units, commercial, open space and public facilities. They are proposing to construct a regional pump station in Wyman Ravine near the UPRR tracks. For the District to provide service, they will need to be included in our Sphere of Influence and annex to the District.

LAFCO SPHERE OF INFLUENCE UPDATE

Manager Brown reported a Memo from LAFCo staff regarding the status of the District Sphere of Influence Update has been included in the Board Packet for review. Manager Brown continued he had received positive responses for funding participation from Mr. Jeff Ashlock and the Rio D’Oro Project.

SC-OR COMMISSIONER’S REPORT

Director Kiely reported he was sworn in on the SC-OR Commission Meeting of May 12, 2011 and attended the SC-OR Commission Meeting of May 25, 2011. Director Onken provided a report on the SC-OR’s Hydro Project at the after bay, reporting he has been attending meetings discussing the proposed project, and will continue to provide updates to the Board as they become available.

BCSDA REPRESENTATIVES’ AND LAFCo REPORT

Manager Brown reminded the Board that the upcoming BCSDA General Membership is scheduled for Saturday, August 6th at the Clotide Merlo Park in Stirling City. The event starts at noon, noting a menu/reservation was included in the Board Packet.

BOARD MEMBER’S, MANAGER AND STAFF COMMENTS

Director Onken complemented President Dennis on his handling of the Public Hearing. Manager Brown announced Creative Imaging will be here at the next Regular Scheduled Board Meeting of July 12, 2011 to update the Board Member’s photographs, the time to be determined.

ADJOURNMENT – NEXT REGULAR MEETING TO BE HELD TUESDAY, JULY 12 2011, 2:00 P.M.

There being no further business to come before the Board the meeting was adjourned at 3:22 P. M.

Respectfully submitted,

Janette Rustenhoven,
Clerk of the Board