

**LAKE OROVILLE AREA PUBLIC UTILITY DISTRICT
BOARD OF DIRECTORS REGULAR MEETING
MARCH 10, 2009**

SALUTE TO THE FLAG

President Fraser asked Director Kiely to open the meeting with the salute to the flag.

MOMENT OF SILENCE

President Fraser omitted this item, as it was implemented earlier during the Special Board Meeting.

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 Magliocca, Clerk Rustenhoven and Engineer Knibb. Also present was Superintendent Sousa of SC-OR and Jim Cox of James Cox Insurance.

BOARD MEETING MINUTES

The Board reviewed the minutes of the Regular Board Meeting of February 10, 2009. Engineer Knibb noted in section reflecting the Public Hearing narrative, the minutes incorrectly stated an outside consultant had prepared the Mitigated Negative Declaration. Sauers Engineering actually prepared the Mitigated Negative Declaration in house. After discussion, it was moved by Director Dennis and seconded by Director Onken that the minutes of the Regular Board Meeting of February 10, 2009 be approved as corrected. The motion passed with a unanimous affirmative vote.

FINANCIAL REPORT AND AUTHORIZATION OF WARRANTS

The Board reviewed the Financial Report for the month of February 2009. After discussion it was moved by Director Ball and seconded by Director Onken that the Financial Report ending February 28, 2009 be approved and that bank transfers No. 42641, and 81763 (Account #11697-80000) totaling \$9,852.52 and Warrants No. 11579 through 11647 (Account #191047059) totaling \$84,601.71 and Warrants No. 1004 through 1005 (Account #191047035) totaling \$150.00 and be approved for payment. The motion passed with a unanimous affirmative vote.

APPROVAL OF MAY 1, 2009 THROUGH APRIL 30, 2010 GENERAL LIABILITY POLICY RENEWAL / JAMES J. COX INSURANCE SERVICE

Manager Brown stated that Mr. Cox was here to review the two Liability Insurance quotes he received on the behalf of the District. Manager Brown asked Mr. Cox to provide a report stating the policy differences. Mr. Cox outlined each proposed policy noting any differences in coverage. Mr. Cox did state that the renewal rate for American Alternative Insurance reflected a ten percent decrease in the annual premium.

After discussion it was moved by Director Ball and seconded by Director Kiely to Approve the May 1, 2009 through April 30, 2010 General Liability Policy Renewal with American Alternative Insurance Corporation/James J. Cox Insurance Service in the amount of \$39,717.00. The motion was passed with a unanimous affirmative vote.

Mr. Jim Cox left the meeting at 2:11 P.M., at this time, President Fraser moved to item #15, to oblige Mr. Sousa.

SC-OR DRAFT DEVELOPER AGREEMENT

Superintendent Sousa updated the Board on the progress of the Draft Developer Agreement; adding that the proposed Draft before the Board presently will change slightly based on the input received from LAFCo. Superintendent Sousa planned on having this item approved at the April Commission Meeting; however due to the recent changes, that original date may not be achieved. Manager Brown stated that once the document was available in the final form, he would bring it back to the Board for consideration/approval.

Mr. Ray Sousa left the meeting at 2:23 P.M. President Fraser moved to item # 7.

APPROVAL OF CEQA NEGATIVE DECLARATION AND ENVIRONMENTAL INITIAL STUDY FOR VILLA VERONA SEWER SYSTEM REPLACEMENT PROJECT PHASE I

Manager Brown stated the comment period for the above project closed on February 25, 2009. Engineer Knibb reviewed the process for the Board, stating all associated documents had been properly circulated; the District held the appropriate Public Hearing at the February 10, 2009 Board Meeting, and only one project comment was received from State Agency Water Quality Control Board which included no significant comments. Manager Brown stated at this time it would be appropriate for the Board to take action on this item.

After discussion it was moved by Director Dennis and seconded by Director Kiely to:

- A) Adopt the Final Negative Declaration;
- B) Approve the project for purposes of CEQA;
- C) Adopt the Mitigation Monitoring plan;
- D) Authorize the filing of the Notice of Determination with the Office of the Butte County Clerk and the Governor's Office of Planning and Research;
- E) Adopt a finding that the draft documents as circulated and the negative declaration reflect the District's independent judgment.

The motion was passed with a unanimous affirmative vote.

APPOINTMENT OF 2009-10 PERSONNEL ADVISORY COMMITTEE

President Fraser noted as part of the routine District business, it is now time for him to appoint two Directors to the Personnel Advisory Committee. He appointed Director Ball and Director Onken to the Personnel Advisory Committee.

APPOINTMENT OF 2009-10 FINANCIAL ADVISORY COMMITTEE

President Fraser noted as part of the routine District business, it is now time for him to appoint two Directors to the Financial Advisory Committee. He appointed Director Dennis and Director Kiely to the Financial Advisory Committee.

AMEND BOARD POLICY NO. 3070 SEWER SERVICE CONNECTION

Manager Brown stated this policy amendment was circulated in "draft" form at the February 10, 2009 Regularly Scheduled Board Meeting. Any and all comments received have been incorporated in Board Policy No. 3070 as presented and ready for adoption.

After discussion it was moved by Director Ball and seconded by Director Onken to Amend Board Policy No. 3070 Sewer Service Connection. The motion was passed with a unanimous affirmative vote.

AMEND BOARD POLICY NO. 3075 DISCONTINUATION OF SEWER SERVICE

Manager Brown stated this policy amendment was circulated in "draft" form at the February 10, 2009 Regularly Scheduled Board Meeting. Any and all comments received have been incorporated in Board Policy No. 3075 as presented and ready for adoption.

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

CLEAN WATER STATE REVOLVING FUND – PROJECT PRIORITY LIST

Engineer Knibb summarized the funds available via the Clean Water State Revolving Fund, is a direct result of the Federal Government Stimulus Program. The District is eligible to apply for these funds; applicants are encouraged to submit "shovel ready projects". To meet that requirement Manager Brown and Engineer Knibb submitted a pre-application which would complete the remaining portion of the project cut from the 2003 State Line Rehabilitation Project. Manager Brown added a pre-application has been filed and he will keep the Board updated.

AFLAC

Manager Brown stated each Director should have received an annual Flexible Spending Account application from Aflac. Manager Brown requested each Board Member complete the form and return to Clerk Rustenhoven for administration.

SDRMA PREMIUM REDUCTION

Manager Brown was happy to report the District had received notification from Special District Risk Management Association which has reduced Worker's Compensation Rates by fifteen percent. Manager Brown added this reduction is equivalent to annual savings of \$2,250 for the District.

DRAFT OFF-ROAD DIESEL EQUIPMENT IDLING POLICY

Manager Brown reported the Air Resources Board has adopted a regulation for In-Use Off-Road Vehicles, which became effective on June 15, 2008. This regulation requires an operator of self-propelled diesel vehicles with 25 horsepower or greater, to limit idling time to a maximum of five minutes. Additionally, Manager Brown conveyed a new draft Board Policy will be presented to the Board consideration and adoption.

DISTRICT INVESTMENTS

Manager Brown provided an update on the District's Investments, which included supporting documents for review.

SC-OR COMMISSIONER'S REPORT

Director Dennis referred to the SC-OR Minutes as all pertinent information has been included within the document and had nothing further to report.

BCSDA REPRESENTATIVES' AND LAFCO REPORT

Manager Brown stated there was not a BCSDA Meeting scheduled until April 7, 2009. A report could be expected at the April 14, 2009 Regularly Scheduled District Board Meeting.

BOARD MEMBER'S, MANAGER AND STAFF COMMENTS

Manager Brown reported the District did file an application for grant funding from IGLBF in the amount of \$158,000, assured the Board he would keep them informed regarding the application status.

ADJOURNMENT

There being no further business to come before the Board the meeting was adjourned at 2:43 P.M.

Respectfully submitted,

Janette Rustenhoven,
Clerk of the Board