

**LAKE OROVILLE AREA PUBLIC UTILITY DISTRICT
BOARD OF DIRECTOR REGULAR MEETING
MARCH 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, Clerk Rustenhoven and Engineer Knibb. Also attending was Mr. Jim Cox of James J. Cox Insurance Service.

BOARD MEETING MINUTES

The Board reviewed the minutes of the Regular Board Meeting of February 9, 2010. After discussion, it was moved by Director Dennis and seconded by Director Fraser that the minutes of the Regular Board Meeting be approved. The motion passed with a unanimous vote.

FINANCIAL REPORT AND AUTHORIZATION OF WARRANTS

The Board reviewed the Financial Report for the month ending February 28, 2010. After discussion it was moved by Director Ball and seconded by Director Kiely that the Financial Report ending February 28, 2010 be approved and Warrants No. 12565 through 12635 and Bank Transfers No. 267894 and 564345 including voided Warrant #12560 (Account #191047059) totaling \$96,017.30 and Warrant No. 1027 through Warrant No. 1028 (Account #191047035) totaling \$100.00 and Warrant No. 1054 through No. 1056 (Account #191047047) totaling \$219.13 and be approved for payment. The motion passed with a unanimous vote.

APPROVAL OF MAY 1, 2010 THROUGH APRIL 30, 2011 GENERAL LIABILITY POLICY RENEWAL / JAMES J. COX INSURANCE SERVICE

Manager Brown stated that Mr. Cox was here to review the Liability Insurance quote he received on the behalf of the District. Manager Brown asked Mr. Cox to provide a report stating the policy differences. Mr. Cox outlined the policy for the Board. Mr. Cox did state that the renewal rate for American Alternative Insurance reflected small decrease in the annual premium.

After discussion it was moved by Director Kiely and seconded by Director Ball to Approve the May 1, 2010 through April 30, 2011 General Liability Policy Renewal with American Alternative Insurance Corporation/James J. Cox Insurance Service in the amount of \$39,536.00. The motion was passed with a unanimous affirmative vote.

Mr. Jim Cox left the meeting at 2:10 P.M.

RESOLUTION NO. 2-10 ADDENDUM NO. 1 TO THE AMENDED AND RESTATED JOINT EXERCISE OF POWERS AGREEMENT AMONG THE CITY OF OROVILLE, LAKE OROVILLE AREA PUBLIC UTILITY DISTRICT AND THERMALITO IRRIGATION DISTRICT

Manager Brown stated this addendum is the necessary administration to align the JPA agreement with the most recent SC-OR Developer Agreement creation and also establish the SC-OR service area to be the same as that of it's Member Entities.

After discussion, it was moved by Director Dennis and seconded by Director Kiely to Adopt Resolution No. 2-10 Addendum No. 1 to the "Amended and Restated Joint Exercise of Powers Agreement among the City of Oroville, the Lake Oroville Area Public Utility District, and the Thermalito Irrigation District. President Onken asked for a roll call, the results were as follows:

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

The motion was passed with a unanimous affirmative vote

APPOINTMENT OF 2010-11 BUDGET PERSONNEL ADVISORY COMMITTEE

President Onken 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 Dennis and Director Kiely to the Personnel Advisory Committee

APPOINTMENT OF 2010-11 BUDGET FINANCIAL ADVISORY COMMITTEE

President Onken 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 Ball and Director Fraser to the Financial Advisory Committee.

ADOPT AMENDMENTS TO BOARD POLICY NO. 3070 AND NO. 3075

Manager Brown introduced these amendments to Board Policy No. 3070 and Board Policy No. 3075, at the previous Board Meeting. Manager Brown is recommending Adoption of Amendments.

After discussion it was moved by Director Ball and seconded by Director Dennis to Adopt Amendments to Board Policy No. 3070 and Board Policy No. 3075. The motion was passed with a unanimous affirmative vote.

ADOPT DELETED BOARD POLICY SERIES 3000 ADMINISTRATIVE POLICY

Manager Brown introduced these amendments to Board Policy at the previous Board Meeting. Manager Brown is recommending Adoption of the Deleted Board Policy.

After discussion it was moved by Director Ball and seconded by Director Kiely to Adopt the Deleted Board Policies as follows:

- Board Policy 3040 Easement Abandonment
- Board Policy 3042 Easement Acceptance
- Board Policy 3065 Sewer Use Regulations
- Board Policy 3070 Sewer Service connection
- Board Policy 3075 Discontinuation of Sewer Service
- Board Policy 3077 Sewer Service Charge by Credit Card
- Board Policy 3080 Sewer Service Charge Delinquencies
- Board Policy 3085 Delinquent Payment Penalty Charge
- Board Policy 3090 Connection Fee SC-OR RFC Payment

The motion was passed with a unanimous affirmative vote.

ADOPT BOARD POLICY SERIES 7000 SYSTEM OPERATION

Manager Brown introduced these amendments to Board Policy at the previous Board Meeting. Manager Brown is recommending Adoption of the Board Policy Series 7000.

After discussion it was moved by Director Ball and seconded by Director Kiely to Adopt the Board Policies as follows:

- Board Policy 7040 Easement Abandonment
- Board Policy 7042 Easement Acceptance
- Board Policy 7065 Sewer Use Regulations
- Board Policy 7070 Sewer Service connection
- Board Policy 7075 Discontinuation of Sewer Service
- Board Policy 7077 Sewer Service Charge by Credit Card
- Board Policy 7080 Sewer Service Charge Delinquencies
- Board Policy 7085 Delinquent Payment Penalty Charge
- Board Policy 7090 Connection Fee SC-OR RFC Payment

The motion was passed with a unanimous affirmative vote.

ADOPT BOARD POLICY NO. 7050 DISTRICT FUNDING OF LATERAL REPAIR FINANCING

Manager Brown introduced these amendments to Board Policy No. 7050 at the previous Board Meeting. Manager Brown is recommending Adoption of Board Policy.

After discussion it was moved by Director Fraser and seconded by Director Dennis to Adopt Board Policy No. 7050, District Funding of Lateral Repair Financing. The motion was passed with a unanimous affirmative vote.

ADOPT PROPERTY OWNER AGREEMENT FOR DISTRICT LATERAL REPAIR FINANCING

Manager Brown stated this agreement has been reviewed by the Lateral Committee and Legal Counsel. Manager Brown added this agreement will be used for agreement with customers, and each agreement will be presented to the Board for approval. Manager Brown is recommending Adoption of this Agreement.

After discussion it was moved by Director Kiely and seconded by Director Ball to Adopt Property Owner Agreement for District Lateral Repair Financing. The motion was passed with a unanimous affirmative vote.

ADOPT SEWER SYSTEM MASTER PLAN 2010

Manager Brown reviewed Sauer's Engineering has completed the District's Sewer System Master Plan 2010, noting a draft copy was circulated last month. Engineer Knibb provided a brief summary of the document adding this was written utilizing the County's General Land Use Plan Update.

After discussion it was moved by Director Fraser and seconded by Director Kiely to Adopt Sewer System Master Plan 2010. The motion was passed with a unanimous affirmative vote.

AUTHORIZE PURCHASE OF PIPE PATCH SYSTEM

Manager Brown stated the Pipe Patch Packer is a cost effective way to repair cracks in our sewer pipe. The patch is applied internally so there is no need to dig, which will save man hours of labor and materials.

After discussion it was moved by Director Fraser and seconded by Director Ball to Authorize Purchase of a 6"-10" Flow thru Pipe Patch Packer and related accessories. The motion was passed with a unanimous affirmative vote.

AUTHORIZE PURCHASE OF NEW REPEATER AND HAND HELD RADIOS

Manager Brown reported the District's radio repeater is aging and not working well. A radio technician evaluated the situation and reported the repeater is not worth repairing. Furthermore, the FCC is requiring all broad bank frequencies be transitioned to a narrow band by 2013. The District must be compliant; therefore Manager Brown is recommending the replacement of the District's Radio Repeater and Hand Held Radios.

After discussion it was moved by Director Dennis and seconded by Director Ball to Authorize Purchase of a Repeater and 5 Hand Held Radios. The motion was passed with a unanimous affirmative vote.

STATE MANDATED COSTS - BROWN ACT REIMBURSEMENT PORGRAM

Manager Brown reported the District received a letter from Minasian Law Firm notifying the District that the State Mandated Cost Reimbursement Program which had been suspended pending a litigation challenge was overturned and the District could now participate in this program. Manager Brown continued staff worked on the reimbursement claim forms which were filed with the State Controller's Office for the last 4 years.

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.

TWSD MAINLINE SEWER CRACK PATCHING

Manager Brown stated this item was previously discussed during item No.16 and had nothing further to discuss.

JPA-TAC MEETING

Manager Brown stated at the last meeting most of the discussion addressed the Entities' Legal Counsel response to the correspondence received from LAFCo's Legal Counsel and LAFCo's Executive Director to SC-OR. Manager Brown stated a copy of the Entities' response was included in the packet for review.

INTRODUCTION OF BOARD POLICY NO. 2005 NEW PERSONNEL

Manager Brown remarked this was a new Board Policy and once adopted would earn the District CIP points towards a reduction in our Worker's Compensation Program with SDRMA.

SDRMA EDUCATION / CLAIMS DAY - MARCH 30, 2010

Manager Brown reported the SDRMA Claims Safety Day is March 30, 2010. Again the District can earn CIP points towards a reduction in our Worker's Compensation Program with SDRMA.

SC-OR COMMISSIONER'S REPORT

Director Dennis reported at SC-OR Commission Meeting of February 24, 2010 most of the discussion involved the correspondence mentioned above under the heading of "JPA-TAC Meeting".

BCSDA REPRESENTATIVES' AND LAFCo REPORT

Manager Brown had nothing else to report.

BOARD MEMBER'S, MANAGER AND STAFF COMMENTS

Director Ball made an inquiry as to the Salaries and Wages Publication developed by CSDA. Director Ball also asked about the Delinquent Customer Billing Account Balance.

CLOSED SESSION – GOVERNMENT CODE §54957

President Onken announced the Board would be entering into Closed Session for the personnel evaluation of General Manager Brown. Field Operations Supervisor Sanders, Clerk Rustenhoven and Engineer Knibb excused themselves from the meeting.

Closed Session began at 2:55 P.M.

Closed Session ended at 3:17 P.M.

Field Operations Supervisor Sanders, Clerk Rustenhoven and Engineer Knibb rejoined the meeting; President Onken remarked Manager Brown was doing a fine job.

ADJOURNMENT

There being no further business to come before the Board the meeting was adjourned at 3:18 P.M.

Respectfully submitted,

Janette Rustenhoven,
Clerk of the Board