

**LAKE OROVILLE AREA PUBLIC UTILITY DISTRICT
BOARD OF DIRECTOR REGULAR MEETING
MAY 11, 2010**

SALUTE TO THE FLAG

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

MOMENT OF SILENCE

Vice-President Dennis asked for a moment of silence.

CALL TO ORDER

Vice-President Dennis called the meeting to order at 2:00 P.M. Directors present were Fraser, Ball, and Kiely. Representing the District were Manager Brown, Field Operations Supervisor Sanders, Clerk Rustenhoven and Engineer Knibb. President Onken was absent.

BOARD MEETING MINUTES

The Board reviewed the minutes of the Regular Board Meeting of April 13, 2010. After discussion, it was moved by Director Kiely and seconded by Director Ball 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 April 30, 2010. After discussion it was moved by Director Ball and seconded by Director Fraser that the Financial Report ending April 30, 2010 be approved and Warrants No. 12728 through 12803 and Bank Transfers No. 696882 and 29856 including voided Warrant #12693 (Account #191047059) totaling \$118,400.39 and Warrant No. 1058 through 1062 (Account #191047047) totaling \$545.00 and be approved for payment. The motion passed with a unanimous vote.

ADOPTION OF RESOLUTION NO. 3-10 APPROPRIATIONS LIMIT FOR THE 2010/2011 FISCAL YEAR

Manager Brown identified the Adoption of Resolution No. 3-10 Appropriations Limit for the 2010/2011 fiscal year as the formula for mandated percentages provided by the State of California for the purpose of determining exactly how much money the District could receive in taxes from Butte County.

After discussion it was moved by Director Kiely and seconded by Director Ball for the Adoption of Resolution No. 3-10 setting the Appropriations Limit in the amount of \$493,640.68. The motion was passed with a majority affirmative vote. Vice-President Dennis asked for a roll call, the results were as follows:

AYES: Vice-President Dennis, Director Ball, Fraser, and Kiely

ABSENT: President Onken

APPROVAL OF RESOLUTION NO. 4-10 CALLING A GENERAL DISTRICT ELECTION AND REQUEST FOR CONSOLIDATION

Manager Brown stated that three Director's term expire this year; therefore the District must file with Butte County a Resolution Calling for a General Election and Request for Consolidation. The result of the filing allows the District to share in the General Election costs which is a fraction of the expense when compared to the total costs associated with a District Election.

After discussion, it was moved by Director Fraser and seconded by Director Ball for the Approval of Resolution No. 4-10 Calling for a General District Election and Request for Consolidation. The motion was passed with a majority affirmative vote. Vice-President Dennis asked for a roll call, the results were as follows:

AYES: Vice-President Dennis, Director Ball, Fraser, and Kiely

ABSENT: President Onken

ADOPTION OF RESOLUTION NO. 5-10 AUTHORIZING SUBMITTING KELLY RIDGE ESTATES MAINTENANCE/OPERATION CHARGE TO THE BUTTE COUNTY 2010/2011 TAX ROLL

Manager Brown stated the following resolution is a standard document required by Butte County, which authorizes the District to submit service charges for Maintenance and Operation charges as direct assessments for the Butte County 2010/2011 Tax Rolls.

After discussion, it was moved by Director Ball and seconded by Director Kiely to Authorize Submission of Kelly Ridge Estates Maintenance/Operation Charges to the Butte County 2010-/2011 Tax Roll. The motion was passed with a majority affirmative vote. Vice-President Dennis asked for a roll call, the results were as follows:

AYES: Vice-President Dennis, Director Ball, Fraser, and Kiely

ABSENT: President Onken

ADOPTION OF RESOLUTION NO. 6-10 AUTHORIZING SUBMITTING DELINQUENT SERVICE ACCOUNTS TO THE BUTTE COUNTY 2010/2011 TAX ROLL

Manager Brown stated the following resolution is a standard document required by Butte County, which authorizes the District to submit service charges for delinquent service account as direct assessments for the Butte County 2010/2011 Tax Rolls.

After discussion, it was moved by Director Fraser and seconded by Director Kiely to Authorize Submission of Delinquent Service Accounts to the Butte County 2010/2011 Tax Roll. The motion was passed with a majority affirmative vote. Vice-President Dennis asked for a roll call, the results were as follows:

AYES: Vice-President Dennis, Director Ball, Fraser, and Kiely

ABSENT: President Onken

APPROVAL TO TRANSFER MONIES FROM RESERVED FUND ACCOUNTS TO UNRESTRICTED FUND ACCOUNTS

Manager Brown summarized a portion of the monies collected by the District are designated as Reserve Funds. Upon review of the capitalized expenditures made over the last two years Manager Brown would like to transfer \$520,403.48 from specific Reserved Funds into the Unrestricted Fund Account for ordinary operations. Manager Brown added that a scheduled of the capitalized expenditures had been included in the Board Packet for review.

After discussion it was moved by Director Kiely and seconded by Director Fraser to Approve Transfer \$520,403.48 from Reserved Fund Accounts to Unrestricted Fund Account. The motion was passed with a majority affirmative vote.

AYES: Vice-President Dennis, Director Ball, Fraser, and Kiely

ABSENT: Director Onken

APPROVAL OF WITHDRAWAL OF FUNDS FROM DEFERRED COMPENSATION PLAN 457 FOR EMPLOYEE DANIEL NUSS

Manager Brown stated that Equipment Operator Daniel S. Nuss has requested to withdrawal the remaining funds from his Nationwide 457 Deferred Compensation Plan which is approximately \$3,500.00. Manager Brown added that although this would closeout Daniel Nuss' Nationwide Account he continues to contribute an additional 16% to his CalPERS 457 Deferred Compensation Plan.

After discussion it was moved by Director Kiely and seconded by Director Ball to Approve the Withdrawal of Funds from the Nationwide 457 Deferred Compensation Plan for Employee Daniel S. Nuss in the amount of +/- \$3,500.00, whichever represents the remaining fund balance. The motion was passed with a majority affirmative vote.

AYES: Vice-President Dennis, Director Ball, Fraser, and Kiely

ABSENT: Director Onken

LAFCo SPHERE OF INFLUENCE UPDATE

Manager Brown reported he was prepared to submit the District's application for a Sphere of Influence Update to LAFCo, but hesitated to do so, due to the recent remarks made at the LAFCo meeting of May 6, 2010. Engineer Knibb added filing the District's application with LAFCo was in order according to the MSR document written by LAFCo. Some general discussion continued without any specific conclusions.

HWY 162 SEWER CROSSING

Manager Brown stated the Hwy 162 Sewer Crossing Project is out to bid with a scheduled Bid Opening date of May 26, 2010, here at the District office at 2:00 P.M.

APRIL 23, 1010 SSO

Manager Brown reported the District experienced a Sewer System Overflow in Copley Acres on April 23, 2010. F.O.S. Sanders continued with a detailed report of the incidence, adding a full report was filed with the Regional Board. Manager Brown stated a claim with our insurance carrier was filed and the residential property is currently being restored.

JPA-TAC MEETING

Manager Brown provided a summary of the Quarterly Meeting; items specially discussed were the development of the EDU tracking system and the progression of the Lateral Programs.

PALERMO SEWER

Manager Brown reported the consultant for the Community of Palermo has presented the Palermo Sewer Preliminary Engineering Report, to the Butte County Board of Supervisors. The preferred report alternative suggests annexing to the District, and turning over operations to the District once the system and treatment plant have been constructed.

EASEMENT ACCEPTED

Manager Brown stated the following is a list of Easements which have been accepted by its duly authorized officer on behalf of the District.

<u>Assessor's Parcel Number</u>	<u>Owner's Name</u>
078-310-020	Donald and Christine Button Family Trust
078-310-023	Ellen Stotzky
078-310-063	Wayne A. Douglass
078-310-071	Patricia L. Matthews Raymond C. Kubeja, Trustee Kubeja Trust
078-310-069	Jamie Reynoso Vincente Reynoso Candelaria Reynoso
079-30-079	William E. Crouse Eric M. Nejadian, Trustee Eric Nejadian 2005 Revocable Trust

BUDGET REPORT

Manager Brown stated the Personnel Committee has made their recommendations for the 2010/2011 Budget, adding he anticipates meeting with the Finance Committee this month.

SC-OR COMMISSIONER'S REPORT

Manager Brown reported the District received a letter from SC-OR commending the District's effort in reducing the system's I & I problem.

BCSDA REPRESENTATIVES' AND LAFCo REPORT

Manager Brown stated the General Membership Meeting was held on May 6, 2010, the guest speaker was Doug LaMalfa, the Republican candidate for State Assembly, 2nd District.

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 2:53 P.M.

Respectfully submitted,

Janette Rustenhoven,
Clerk of the Board