

**LAKE OROVILLE AREA PUBLIC UTILITY DISTRICT  
BOARD OF DIRECTOR REGULAR MEETING  
NOVEMBER 10, 2009**

**SALUTE TO THE FLAG**

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

**MOMENT OF SILENCE**

President Fraser asked 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, Kiely and Onken. Representing the District were Manager Brown, Field Operations Supervisor Sanders, and Clerk Rustenhoven. Also representing the District were Engineer Knibb of Sauers Engineering and Mr. James Duckett of Davis Hammon & Company. Also attending the meeting were Mr. Costel Angheluta of Rumanian Christian Church, Mr. Dave Quintel of Oroville Association of Realtors. Mr. Scott Perkins of Oroville Association of Realtors who joined the meeting at 2:04 P.M.

**BOARD MEETING MINUTES**

The Board reviewed the minutes of the Regular Board Meeting of October 13, 2009. After discussion, it was moved by Director Ball and seconded by Director Onken that the minutes of the Regular Board Meeting of October 13, 2009 be approved as presented. The motion passed with a unanimous vote.

**FINANCIAL REPORT AND AUTHORIZATION OF WARRANTS**

The Board reviewed the Financial Report for the month of October 2009. After discussion it was moved by Director Kiely and seconded by Director Dennis that the Financial Report ending October 31, 2009 be approved and that bank transfer No. 66791 (Account #11697-80000) totaling \$4,773.98 and Warrants No. 12231 through 12320 and bank transfer No. 8388232 (Account #191047059) totaling \$172,544.97 and Warrant No. 1018 through Warrant No. 1020 (Account #191047035) totaling \$170.00 and Warrant No. 1038 through No. 1041 (Account #191047047) totaling \$449.70 and be approved for payment. The motion passed with a unanimous affirmative vote.

General Manager Brown noted that two examples of Financial Reports had been included in the packet for Board review. The examples illustrate possible format changes which could be incorporated depending on preference. After discussion the consensus expressed a preference, suggested to use the new format for a few months, and would readdress this matter at the end of the fiscal year.

**PRESENTATION OF 2008/2009 INDEPENDENT AUDIT REPORT**

Mr. Jim Duckett addressed the Board concerning the Financial Statements and Auditors' Report for the 2008/2009 Fiscal Year, which had been prepared by Davis Hammon & Company. Mr. Duckett of Davis Hammon & Company presented the Board with several graph illustrations of the Districts steady growth during the past few years and reported that the audit had been completed. Mr. Duckett reviewed several areas of the Audit Report in detail for the Board. Mr. Duckett stated he found the District in sound condition as well as being in compliance with Government Auditing Standards.

After discussion, it was moved by Director Ball to approve the 2008/2009 Independent Audit Report. Director Onken seconded the motion and it was passed with a unanimous vote by the Board.

Mr. Duckett left the meeting at 2:35 P.M.

## **REQUESTS TO WAIVE RE-CONNECTION FEES**

Manager Brown stated Mr. Costel Angheluta, Chairman of the Rumanian Christian Church has made a request to Waive Re-Connection Fees with regard to the service at 3387 Myers Ave. Mr. Angheluta reported the building is not usable in its present condition and therefore would like to terminate the sewer service, however understands if he does disconnect the service sewer he would be responsible to pay re-connection fees at the time service was restored as per current Board Policy. Therefore, Mr. Angheluta would like to Board to consider his request for a waiver of the re-connection fees associated with the referenced property.

After discussion, it was moved by Director Kiely and seconded by Director Ball to Waive the Re-Connection Fee for 3387 Myers Ave, with the limitation of only 2 EDU's will be waived, any additional EDU's accessed will be charged the current connection fees in place at that time. The motion passed with a unanimous vote.

Manager Brown directed the Board to the second request to waive re-connection fees received from Mr. Terry Hawkins. The Sewer Service at 3336 Oro Bangor Hwy has two connections, one residential service and additional service line for a cabinet shop located in the rear. The line to the cabinet shop was disconnected in 2003 following a fire. At that time Board Policy did not require any fees for re-connection, as this was Mr. Hawkins understanding. Mr. Hawkins has re-established service, however would like to request a waiver of reconnection fees due to the Board Policy in place at the time of disconnect.

After discussion, it was moved by Director Ball and seconded by Director Dennis to Waive the Re-Connection Fees for 3336 Oro Bangor Hwy. The motion passed with a unanimous vote.

Mr. Angheluta and Mr. Perkins left the meeting at 2:45 P.M.

## **APPROVAL TO TRANSFER MONIES FROM THE CAPACITY CHARGE RESERVE FUND**

Manager Brown stated any new connection capacity charges are placed into the Capacity Charge Reserve Fund. This is a Restricted Cash Reserve Fund, these funds are designated for the improvements to the collection system and the balance has grown over the years. Manager Brown continued with proper financial planning the Board can authorize the expenditures from any Restricted Cash Reserve Fund. Manager Brown stated to avoid putting a burden on the Unrestricted Cash Fund which is used for daily operations. He would like the Board to consider the authorization to transfer \$111,500 from the Capacity Charge Reserve Fund into the Unrestricted Cash Fund, for the purpose of funding the State Line Rehabilitation Project, Phase II.

After discussion it was moved by Director Dennis and seconded by Director Kiely for the Approval to Transfer Monies from the Capacity Charge Reserve Fund into the Unrestricted Cash Fund in the amount of \$111,500. The motion passed with a unanimous vote.

At this time, President Fraser moved to Agenda Item #17.

## **OROVILLE ASSOCIATION OF REALTORS LATERAL PROGRAM MEETING**

Manager Brown provided a brief summary of the meeting with the Oroville Realtors, representatives from the City of Oroville and TWSD. Mr. Quintel offered comments stating the position of the Oroville Realtors and thanking the District for considering their input with regard to the District's Sewer Lateral Ordinance.

Mr. Quintel left the meeting at 3:03 P.M.

## **STATE LINE SEWER REPLACEMENT PROJECT 2009 PHASE 2 CONTRACT CHANGE ORDER NO. 1**

Manager Brown reported the contractor for the State Line Sewer Replacement Project, Duke Sherwood Contracting had a precast manhole base core drilled to align with the existing sewer line tie-in. This work was necessary at an additional cost of \$1,500.00. Duke Sherwood Contracting has submitted Contract Change Order No. 1 to cover these costs. Manager Brown reported that along with staff, the District Engineer and himself has reviewed the Contract Change Order and he is recommending Board approval.

After discussion it was moved by Director Kiely and seconded by Director Onken to Approve the Contract Change Order No. 1 for the State Line Sewer Replacement Project 2009, Phase 2 in the amount of \$1,500.00. The motion passed with a unanimous vote.

#### **STATE LINE SEWER REPLACEMENT PROJECT PHASE 2, PARTIAL PAYMENT ESTIMATE NO. 2**

Manager Brown summarized the project's progress for the Board. Manager Brown reported that along with staff, the District Engineer and himself has reviewed the Partial Payment Estimate No. 2 and he is recommending Board approval.

After discussion it was moved by Director Ball and seconded by Director Dennis to Approve Progress Pay Estimate No. 2 for State Line Phase 2, 2009 Project, submitted by Duke Sherwood Contracting in the amount of \$51,842.70. The motion passed with a unanimous affirmative vote.

#### **AMENDMENT TO POLICY NO. 3077 SEWER SERVICE CHARGE PAYMENT BY CREDIT CARD**

Manager Brown stated this Amendment was introduced to the Board at last month's meeting, minor modifications have been made, and Board Policy No. 3077, Sewer Service Charge Payment by Credit Card as presented is now ready for consideration.

After discussion it was moved by Director Dennis and seconded by Director Kiely to Approve the Amendments to Board Policy No. 3077, Sewer Service Charge Payment by Credit Card. The motion passed with a unanimous vote.

#### **BCSDA EXECUTIVE BOARD ELECTION**

Manager Brown reported the Executive Board Elections Ballot was on the Board Table for review. After discussion it was moved by Director Dennis and seconded by Director Onken to Cast the District's Vote for the following:

Non-Enterprise District	Nan Johnson, Paradise Cemetery District
	Fred Brooks, Chico Area Recreation District
Enterprise District	Alan Brown, Lake Oroville Area PUD
	Jim Edwards, South Feather Water & Power

The motion passed with a unanimous vote.

#### **AGREEMENT TO PROVIDE UTILITY BILLING AUDITING SERVICE WITH UTILITY COST MANAGEMENT, LLC**

Manager Brown stated Utility Cost Management offers a service which reviews all the District Utility Bills for billing rate accuracy. The service also includes the pursuit of any applicable refunds from the individual Utility Company. Further discussion, disclosed the Board favored District staff to pursue any Utility Company Billing errors rather than subscribing the service provided by Utility Cost Management, LLC. No Action was taken.

#### **PURCHASE OF PARTICULATE MATTER FILTER FOR JET RODDER**

Manager Brown reminded the Board as per the On/Off Road 15 year Diesel Plan adopted by the Board schedules the installation of a Particulate Matter Filter for the Jet Rodder Truck by the end of this year. The District obtained several quotes for the work, and Manager Brown recommended the purchase be made from Pape Machinery, in the amount of \$18,750.00.

After discussion it was moved by Director Ball and seconded by Director Dennis to Purchase a Particulate Matter Filter for the Jet Rodder from Pape Machinery in the amount of \$18,750.00. The motion passed with a unanimous vote.

#### **CHANGE DECEMBER 2009 BOARD MEETING DATE**

Manager Brown stated this item was placed on the Agenda prior to receiving confirmation of the availability for the Annual District Dinner Meeting. No Action was necessary.

Director Dennis left the meeting at 3:17 P.M.

#### **NEW PROJECT CONNECTION PROCESS**

Manager Brown reported he has been working with SC-OR, developing the new generation of "Will Serve" letters. Manager Brown included template letters along with the flow chart developed for Board review.

#### **ENTITY-TAC MEETING**

Manager Brown reported he had met with all the Entities, as recommended by the LAFCo's MSR. Discussion topics included common Lateral Testing Programs, and consistency in developing EDU counts. Manager Brown added he felt the meeting was very productive.

#### **PROPOSITION 1A SECURITIZATION**

Manager Brown reported the District and received notice that our Application for the Securitization Program has been accepted, adding he would keep the Board update with the progress.

#### **VILLA VERONA GRAVITY LINE SYSTEM**

Manager Brown provided the Board with the District Project update. FOS Sanders responded with a few job details, concluding all in all the project was progressing well and the weather was cooperating.

#### **BUTTE COUNTY ENVIRONMENTAL HEALTH HAZARDOUS MATERIALS INSPECTION**

Manager Brown reported the District facilities were inspected by a representative from Butte County Division of Environmental Health. A few necessary corrections need to be made, however all were minor and FOS Sanders was addressing the corrections.

#### **DISTRICT SAFETY AND SERVICE APPRECIATION DINNER**

Manager Brown reported the Annual Safety and service Appreciation Dinner is set for December 8, 2009 at The Kelly Ridge Lake View Restaurant Banquet Room at 6:00 P.M. Manager Brown asked for the attendees to please notify staff of the entrée preferences.

**SC-OR COMMISSIONER'S REPORT**

President Fraser referred to the SC-OR minutes for a meeting update.

**BCSDA REPRESENTATIVES' AND LAFCo REPORT**

Manager Brown reported the LAFCo adopted the Oroville Area Sewer MSR this month with no changes. There was nothing further to report.

**BOARD MEMBER'S, MANAGER AND STAFF COMMENTS**

There were no comments received.

**ADJOURNMENT**

There being no further business to come before the Board the meeting was adjourned at 3:35 P.M.

Respectfully submitted,

Janette Rustenhoven,  
Clerk of the Board