

**LAKE OROVILLE AREA PUBLIC UTILITY DISTRICT
BOARD OF DIRECTORS REGULAR MEETING
NOVEMBER 12, 2008**

SALUTE TO THE FLAG

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

MOMENT OF SILENCE

The Board observed a moment of silence in remembrance of our country's troops.

CALL TO ORDER

President Kiely called the meeting to order at 2:00 P.M. Directors present were Ball, Dennis, Fraser and Onken. Representing the District were Manager Brown, FOS Magliocca, Clerk Rustenhoven and Engineer Knibb. Also attending the meeting were Mr. Michael Evans, Mr. Scott Perkins and Mr. Jace Rash.

BOARD MEETING MINUTES

The Board reviewed the minutes of the Regular Board Meeting of October 14, 2008. After discussion, it was moved by Director Fraser and seconded by Director Onken that the minutes of the Regular Board Meeting of October 14, 2008 be approved as presented. The motion passed with a unanimous affirmative vote.

FINANCIAL REPORT AND AUTHORIZATION OF WARRANTS

The Board reviewed the Financial Report for the month of October 2008. After discussion it was moved by Director Dennis and seconded by Director Ball that the Financial Report ending October 31, 2008 be approved and that Warrant No. 11278, as well as bank transfers No. 60208, 19469 and 20661 (Account #11697-80000) totaling \$150,837.60 and Warrants No. 11246 through 11333 (Account #191047059) totaling \$96,293.24 and Warrant No. 1004 through 1007 (Account #191047047) totaling \$2,017.23 be approved for payment. The motion passed with a unanimous affirmative vote.

At this time, President Kiely moved to Agenda Item #7, Board Policy No. 3077.

ADOPTION OF BOARD POLICY NO. 3077 SEWER SERVICE CHARGE PAYMENT BY CREDIT CARD

Manager Brown remarked a Draft Policy No. 3077 was presented to the Board at the October Meeting for review. There were no further changes made to the Draft and at this time Manager Brown was recommending Adoption of Board Policy No. 3077, Sewer Service Charge Payment by Credit Card.

After discussion it was moved by Director Ball and seconded by Director Onken to Adopt Board Policy No. 3077 Sewer Service Charge Payment by Credit Card. President Kiely asked for a Roll Call, the results were as follows:

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

The motion passed with a unanimous vote.

AMEND BOARD POLICY NO. 3080 – SEWER SERVICE CHARGE DELIQUENCIES AND APPROVE PROMISSORY AGREEMENT

Manager Brown remarked a Draft Policy No. 3080 was presented to the Board at the October Meeting for review. The amendments discussed during the October Meeting have been incorporated into the Draft and at this time Manager Brown was recommending Adoption of Board Policy No. 3080, Sewer Service Charge Delinquencies and Approve Promissory Agreement.

After discussion it was moved by Director Ball and seconded by Director Onken to Adopt Board Policy No. 3080 Sewer Service Charge Delinquencies and Approve Promissory Agreement. President Kiely asked for a Roll Call, the results were as follows:

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

The motion passed with a unanimous vote.

ADOPT RESOLUTION NO. 11-08 EMPLOYER PICK UP

Manager Brown stated the Internal Revenue Code allows public agencies to designate required employee contribution as being “picked up” by the employer and recognized as an employer contribution for tax purposes. CalPERS has requested that the District Adopt a Resolution to fulfill the IRS requirement as proper documentation.

After discussion it was moved by Director Ball and seconded by Director Onken to Adopt Resolution No. 11-08 Employer Pick Up. The motion passed with a unanimous vote. President Kiely asked for a roll call, the results were as follows:

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

The motion passed with a unanimous vote.

PALERMO SEWER COMMITTEE PRESENTATION

Mr. Jace Rash addressed the Board providing a summary of the potential Palermo Sewer project. The initial discussion regarding project development included incorporating District’s standards as a part of the construction process, to provide the possibility of the District and the Palermo Sewer Project joining as a future venture. Mr. Evans discussed the possibility of the Board permitting Engineer Knibb to provide input to the planning of the Palermo system, not as a consultant but as a representative of the District. The consensus of the Board was positive for Engineer Knibb to represent the District’s interest with regard to the Palermo Sewer Project.

LAFCO SEWER ENTITIES STUDY

Manager Brown reported a subsequent meeting of the Sewer Technical Advisory Committee followed the Lafco Meeting of October 2, 2008, as a result of the Sewer TAC meeting, Lafco has restated their position regarding updating the Oroville Area Sewer Service MSR. Lafco is now recommending the MSR be updated at staff level, in lieu of obtaining an outside consultant for the scope of the work. The focus of their repositioning was due to a renewed sense of cooperation between the sewer collection entities and the treatment plant. Further details of the Sewer TAC Meeting of October 29, 2008 are included can be found in the next item.

SEWER TECHNICAL ADVISORY COMMITTEE MEETING

Manager Brown reported following the Oroville Area Sewer Meeting, the Technical Advisory Committee had their “Kickoff” meeting; attended by SC-OR, the Entities, Butte County and LAFCo. Will Serve Letters were discussed, with the thought of developing a somewhat common letter format, which may be good for longer than one year. SC-OR

stated they were working on a Development Agreement that would become a part of the will serve letters or the Entities Development Agreements. Mr. Ray Sousa of SC-OR anticipated this will be finished by April-May 2009.

Other discussion focused on EDU and map tracking and having a uniform and common tracking system for the County, SC-OR and the Entities. A follow up meeting is scheduled for December.

Mr. Michael Evans left the meeting at 2:45 P.M.

DRAFT BOARD POLICY NO. 3060 – RECORD RETENTION

Manager stated this Draft amends the Board Policy to include a section addressing the length of time the District keeps sewer service payments made by check. With the new system we are using, the customer checks are scanned to the bank, rather than deposited. The Draft as submitted for your review does not include Appendix A, which is quite lengthy. These are not proposed changes to the Appendix. Additionally, comments from Minasian Law Office are included in the Draft.

DISTRICT SAFETY AND SERVICE APPRECIATION DINNER DECEMBER 9, 2008

Manager Brown reported plans for the Annual District Safety and Service Appreciation Dinner are being formulated and a sample menu was included in the packet. Manager Brown requested the Board please RSVP to himself or the Board Secretary.

INFLOW AND INFILTRATION PROGRAM

The Committee is still meeting on a regular basis anticipating completion of the Draft early next year.

SC-OR COMMISSIONER'S REPORT

Director Dennis reported SC-OR is working on a standardized "Development Agreement" in which all the participating entities would utilize. Director Dennis favored using the Minasian Law Firm to assist in writing the "Development Agreement".

At this time President Kiely moved back to Agenda item #6 for discussion.

PROVISION OF SERVICES BY MINASIAN LAW FIRM, LLP FOR SEWERAGE COMMISSION – OROVILLE REGION

Manager Brown stated that Legal Counsel Meith planned on attending the Board Meeting today, however, was detained at an earlier meeting. Therefore General Manager Brown continued the Minasian Law Firm has been asked by SC-OR to assist them in preparing a Development Agreement and/or Pre-Annexation Agreement. The scopes of these services are outlined in the attached letter. Professional Rules of Conduct require them to request a waiver from the LOAPUD Board of any conflict of interest by virtue of representing SC-OR on this matter. Manager Brown stated he and Legal Counsel Meith have discussed the agreement and both feel a conflict of interest is unlikely. In the event of a conflict, their services with SC-OR would be withdrawn.

After discussion, it was moved by Director Fraser to Approve the Execution of the Minasian Conflict of Interest letter dated October 20, 2008 and Authorize the President to Sign the Document. Director Onken seconded the motion and it was passed with a majority vote by the Board. The results were as follows:

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

Mr. Scott Perkins and Mr. Jace Rash left the meeting at 2:55 P.M.

BCSDA REPRESENTATIVES' AND LAFCO REPORT

Manager Brown stated that according to the By-Laws the number of meetings has been reduced therefore, there has not been a meeting recently and has nothing to report.

BOARD MEMBER'S, MANAGER AND STAFF COMMENTS

Director Ball made an inquiry with regard to the Utility Billing processing timeline. He offered some suggestions and asked for clarity on the language contained on the billing statement. Manager Brown responded he and staff would discuss the subject and offer solutions which would be reported back to the Board.

ADJOURNMENT

There being no further business to come before the Board the meeting was adjourned at 2:58 P.M.

Respectfully submitted,

Janette Rustenhoven,
Clerk of the Board