

**LAKE OROVILLE AREA PUBLIC UTILITY DISTRICT  
BOARD OF DIRECTOR REGULAR MEETING  
November 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 in remembrance of Mr. Les Chapin who served on the District Board.

**CALL TO ORDER**

President Onken called the meeting to order at 2:00 P.M. Directors present were Ball, Dennis, Fraser and Kiely. Representing the District were Manager Brown, Field Operations Supervisor Sanders, Clerk Rustenhoven and Engineer Knibb. Also attending the meeting were Mr. Jim Duckett, Davis Hammon and Company and Ms. Sandra Willis a constituent of the District.

**BOARD MEETING MINUTES**

The Board reviewed the minutes of the Regular Board Meeting of October 12, 2010. After discussion, it was moved by Director Dennis and seconded by Director Fraser that the minutes of the Regular Board Meeting of October 12, 2010 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 October 31, 2010. After discussion it was moved by Director Kiely and seconded by Director Ball that the Financial Report ending October 31, 2010 be accepted and Warrants No. 13208 through 13276 and Bank Transfers No. 412970 and 857415 (Account #191047059) totaling \$121,735.42 and Warrant No. 1080 through 1081 (Account #191047047) totaling \$1,010.72 and Warrant No. 1050 through 1051 (Account #191047035) totaling \$90.00 be approved for payment. The motion passed with a unanimous vote.

**PRESENTATION OF 2009/2010 INDEPENDENT AUDIT REPORT**

Mr. Jim Duckett addressed the Board concerning the Financial Statements and Auditors' Report for the 2009/2010 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 2009/2010 Independent Audit Report. Director Dennis seconded the motion and it was passed with a unanimous vote by the Board.

Mr. Duckett left the meeting at 2:34 P.M.

### **SANDRA WILLIS REQUEST TO WAIVE THE RDA SURCHARGE**

Manager Brown stated, Ms. Willis who resides at 125 Loma Vista is requesting the RDA Surcharge be removed from her utility billing from the District. Manager Brown continued, Ms. Willis has paid all other sewer service charges, with the exception of the RDA Surcharge. Due to the fact this amount remained unpaid and became delinquent, staff placed the \$102.18 on the Butte County Tax Rolls for collection. Manager Brown further stated this process is standard procedure for the District. Ms. Willis asked the Board to consider removing the \$102.18 from her property tax bill and cease charging in the future for the RDA Surcharge.

After consideration and some discussion, President Onken noted no action was taken; Ms. Willis left the meeting at 2:52 PM.

### **PUMP TRUCK AIR QUALITY COMPLIANCE**

At the last Regularly Scheduled Board Meeting, the Board requested the General Manager bring this matter back before them at the next meeting of November 9, 2010. Manager Brown stated during the Finance Committee meetings, purchasing an air quality compliant pump truck versus retro-fitting our existing pump truck with a particulate matter (PM) filter was discussed. The finalized approved Budget incorporated a \$15,000 filter upgrade. Manager Brown continued, the PM Filter will make the truck compliant, but it will need to be regenerated after every 3-4 hours of use. Manager Brown stated although he is reluctant to invest this much money in an 18 year old vehicle that needs work done on it, a new air quality compliant 2010 pump truck is \$90,000. Manager Brown is recommending the PM filter upgrade at this time as a short term solution; with the thought of purchasing a newer compliant pump truck when economic conditions improve. Action on the pump truck needs to be done by the end of the calendar year to avoid penalties from the Air Quality Control Board.

After discussion, the Board requested the General Manager to advertise and obtain bids for a new compliant pump truck and bring the results back to the Board next month for consideration.

### **APPROVAL TO WITHDRAW FUNDS FROM NATIONWIDE AND ROLLOVER TO CALPERS RETIREMENT PLAN FOR EMPLOYEE JAN RUSTENHOVEN**

Manager Brown received a request from employee Jan Rustenhoven for the withdrawal and rollover portions from her Nationwide 457 Deferred Compensation Plan. Manager Brown reported the Clerk Rustenhoven is currently purchasing her service credit prior to CALPERS membership via a payroll deduction, and in addition to would also like to purchase ARSC (Additional Retirement Service Credit). In order to effect this change, she would like to rollover a substantial amount as a downpayment for the ARSC purchase and also at the same time pay off some personal debt in order to balance her budget, while taking on this additional CALPERS purchase commitment.

After discussion, it was moved by Director Kiely to Approve the Request to Withdraw Funds Nationwide 457 Deferred Compensation Plan and Rollover to CALPERS Retirement Plan for Janette Rustenhoven. Director Dennis seconded the motion and it was passed with a unanimous vote by the Board.

### **APPROVAL OF CEQA MITIGATED NEGATIVE DECLARATION AND ENVIRONMENTAL INITIAL STUDY FOR STATELINE REPLACEMENT PROJECT - PHASE 3**

Manager Brown stated that at the last Regularly Scheduled Board Meeting a Public Hearing was held on the Phase 3 Project CEQA Environmental Review. As a follow up to the process Manager Brown is requesting the Board taken the following action to complete the environmental review process.

After discussion, Director Fraser made the following motions:

- 1) Adopt the Final Negative Declaration;
- 2) Approve the Project for purposes of CEQA;
- 3) Adopt the Mitigation Monitoring Plan;
- 4) Authorize the filing of the Notice of Determination with the Office of the Butte County Clerk and Governor's office of Planning and Research;
- 5) Adopt a finding that the draft documents as circulated and the negative declaration reflect the District's independent judgment.

Director Dennis seconded the motion and it was passed with a unanimous vote by the Board.

### **HWY 162 SEWER CROSSING 2010 PROJECT, CCO No. 1 AND PPE No. 1**

Manager Brown was happy to report the Highway 162 Crossing Project has been completed. The contractor had completed a short "punch list" from the project, and Engineer Knibb presented the Board with Contract Change Order No.1 and Progress Pay Estimate No.1 for the Board's review. Engineer Knibb provided project details along with an explanation of CCO No.1 and PPE No. 1. Manager Brown recommended approval of CCO No. 1 and PPE No. 1 for the Hwy 162 Sewer Crossing 2010 Project.

After discussion, it was moved by Director Dennis to Approve the Contract Change Order No. 1 in the amount of \$5,700.00. The motion was seconded by Director Kiely and was passed with a unanimous vote by the Board. It was further moved by Director Dennis to Approve the Progress Pay Estimate No. 1 in the amount of \$86,625.00. The motion was seconded by Director Kiely and was passed with a unanimous vote by the Board.

At this time President Onken announced that an action item for Board consideration was just received today and would like to Amend the Agenda as presented.

Director Dennis made motion to Amend today's Agenda. Director Ball seconded the motion, and was passed with a unanimous vote by the Board.

### **BSCDA ELECTION**

Manager Brown distributed a BCSDA Ballot to the Board Members. Upon review and discussion, Director Dennis made a motion to cast the District's vote for Jan Hill of Feather River Recreation and Park District and Fred Brooks of CARD to the BCSDA Non-Enterprise Executive Board Member. The motion was seconded by Director Kiely and was passed with a unanimous vote by the Board.

### **LOW FLOW TOILET PROGRAM**

Manager Brown reiterated the discussion regarding the Low Flow Toilet Program, although a favorable opinion was expressed, it seems upon further research that the change in flow would be in conflict with SC-OR's NPDES permit. In order to move ahead with a Low Flow Toilet Program a Salinity/EC Study would have to be completed. Manager Brown noted Superintendent Sousa's comments had been included in the Board packet for review.

### **QUARTERLY TAC MEETING**

Manager Brown included an outline of the items discussed in his Manager's Report and further provided details for the Board.

## **VILLA VERONA ACQUISITION OF RIGHT OF WAY BY CONDEMNATION**

Manager Brown reported in order to pursue the Villa Verona Line Extension Project; the District will have to begin the Acquisition of Right of Way by Condemnation in order to obtain the easements necessary. Manager Brown reported the appraisals should be completed this month, then the condemnation process can move forward.

## **SPHERE OF INFLUENCE UPDATE**

Manager Brown reported on October 26, 2010 the Butte County Board of Supervisors adopted the General Plan 2030 along with the EIR. The Environmental Impact Report for the District Sphere of Influence Update (SOIU) will be a supplemental to this EIR; addressing any specific studies not covered in the county EIR. LAFCo has prepared a Draft Request for Proposals for the SOIU. We have returned comments and they anticipate it will be ready to send out to consultants in a few weeks.

## **LOCAL GOVERNMENT COMPENSATION REPORTING PROGRAM FOR SPECIAL DISTRICTS**

Manager Brown reported the California State controller has notified the District that we must begin reporting compensation beginning next month. The report will include salary, compensation and benefit information for all elected, appointed and employed personnel.

## **SC-OR COMMISSIONER'S REPORT**

Director Dennis had nothing further to report; referring to the minutes included in the packet.

## **BCSDA REPRESENTATIVES' AND LAFCo REPORT**

Manager Brown stated BCSDA had not met since our last Board Meeting, therefore has nothing to report.

## **DISTRICT SAFETY AND SERVICE APPRECIATION DINNER, DECEMBER 14, 2010**

Manager Brown stated the Kelly Ridge Lake View Restaurant Banquet Room had been reserved for the District's Annual Safety and Service Appreciation Dinner. Manager Brown further reported in would be held on December 14<sup>th</sup>, 2010 with a social beginning at 6:00 P.M., Dinner at 7:00 P.M. Manager Brown asked all dinner selections to be directed to staff for reservations.

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

There were no further comments.

## **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