

**LAKE OROVILLE AREA PUBLIC UTILITY DISTRICT
BOARD OF DIRECTORS REGULAR MEETING
OCTOBER 13, 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 was Engineer Knibb.

BOARD MEETING MINUTES

The Board reviewed the minutes of the Regular Board Meeting of September 8, 2009. After discussion, it was moved by Director Dennis and seconded by Director Onken that the minutes of the Regular Board Meeting of September 8, 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 September 2009. After discussion it was moved by Director Kiely and seconded by Director Ball that the Financial Report ending September 30, 2009 be approved and that bank transfers No. 25822 and 07127 (Account #11697-80000) totaling \$9,797.32 and Warrants No. 12135 through 12230 (Account #191047059) totaling \$377,335.88 and Warrant No. 1015 through Warrant No. 1017 (Account #191047035) totaling \$100.00 and Warrant No. 1035 through No. 1037 (Account #191047047) totaling \$2,495.85 and be approved for payment. The motion passed with a unanimous affirmative vote.

STATE LINE SEWER REPLACEMENT PROJECT 2009 PHASE 2, PPE No. 1

Manager Brown reported Duke Sherwood Contracting has completed the Base Bid work at Lincoln in Stumps Field, and will be doing clean up and punch list work. The contractor will start the Mt. Ida work next week and is anticipating on completion by the end of October. Manager Brown stated the District had received the Project Pay Estimate from Duke Sherwood; it had been reviewed and approved for payment. Manager Brown recommended the PPE #1 for the State Line Rehabilitation Project in the amount of \$98,662.00.

After discussion it was moved by Director Ball and seconded by Director Kiely to Approve Progress Pay Estimate No. 1 for State Line Phase 2, 2009 Project, submitted by Duke Sherwood Contracting in the amount of \$98,662.00. The motion passed with a unanimous affirmative vote.

ADOPT RESOLUTION NO. 7-09 APPROVING DEVELOPMENT AGREEMENT FOR CHRIS & SAMANTHA CARTER, COTTAGE COVE PHASE 2A SUBDIVISION MAIN LINE EXTENSION (068-410-025)

Manager Brown reported the Cottage Cove Phase 1 & 2 Plans were previously approved in 2004. Project Phase 1 has been construction. A portion of Phase 2, which we are now calling Phase 2A has now been revised, to reflect current District Standards, and is adding an additional service lateral to the adjoining property to the east.

After discussion, it was moved by Director Dennis and seconded by Director Onken to Table this discussion, to the next Regularly Scheduled Board Meeting. The motion passed with a unanimous vote.

PROPOSED AMENDMENT TO THE JOINT POWERS AGREEMENT

Manager Brown provided the JPA defines SC-OR Service Area as the Sphere of Influence and Jurisdictional Boundary of its three Member Entities. Changes in these boundaries of the Entities now require an amendment of the JPS by a unanimous approval if the Governing Boards of the Member Entities. Of the Proposed Modification of the Amended and Restated Joint Powers Agreement will allow approval of by a majority vote of the SC-OR Board.

11. AMENDMENT OF AGREEMENT; "This Agreement may be amended by an agreement approved by all of the entities. Approval of the Board shall not be required for amendment of the Agreement. Notwithstanding the generality of the foregoing, changes in the service area of ant member or members, shall be approved by a majority of the Board, after which such changes shall be reflected on Exhibit "A".

After discussion it was moved by Director Kiely and seconded by Director Onken for the Approval of the Proposed Modification of Amended and restated Joint Powers Agreement. The motion passed with a unanimous vote.

ADOPT RESOLUTION NO. 8-09 DECLARATION OF 1977 FORD F-700 DUMP TRUCK AS SURPLUS AND TRANSFER TO SEWERAGE COMMISSION – OROVILLE REGION

Manager Brown updated the Board regarding the status of the District's 1977 Ford Dump Truck. For quite some time now the Dump Truck has been stored at the SC-OR Plant. Manager Brown added that the District has very little use for this piece of equipment; therefore he recommended the Board declare the 1977 Ford F-700 Dump Truck as surplus equipment, with the Adoption of Resolution No. 9-09 Approving the Declaration of the 1977 Ford F-700 Dump Truck as Surplus and Transfer to Sewerage Commission – Oroville Region.

After discussion it was moved by Director Ball and seconded by Director Onken to Adopt Resolution No. 8-09 Approving the Declaration of the 1977 Ford F-700 Dump Truck as Surplus and Transfer to Sewerage Commission – Oroville Region. The motion passed with a unanimous affirmative vote. President Fraser asked for a roll call. The results were as follows:

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

NOES: None

ABSENT: None

BCSDA EXECUTIVE BOARD CALL FOR NOMINATIONS

Manager Brown reported The Butte County Special District Association (BCSDA) is seeking qualified individuals for nomination to the Executive Board. On December 31, 2009, there will be four-vacancies on the BCSDA Executive Board, including two Enterprise District and two Non-Enterprise District Directorships. Nominations are now being requested.

Following Discussion, Director Kiely made a motion to nominate Alan Brown and Jim Edwards to the BCSDA Executive Board as an Enterprise District Director. Director Onken seconded the motion, the motion pass with a unanimous affirmative vote.

ADOPT RESOLUTION NO. 9-09 APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A PURCHASE AND SALE AGREEMENT AND RELATED DOCUMENTS WITH RESPECT TO THE SALE AND AGREEMENT AND RELATED DOCUMENTS WITH RESPECT TO THE SALE OF THE SELLER'S PROPOSITION 1A RECEIVABLE FROM THE STATE; AND DIRECTING AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

Manager Brown reported the amount of Property Taxes in which the District annually has been reduced by the State to assist the State's Financial Position. Therefore the State will retain 8% of the Tax Revenue received from Property Taxes or \$24,196. Currently, the State is taking the position that the State will repay this amount back to the District in 2013.

The Proposition 1A Securitization Program had developed an agreement which will allow Local Agencies to sell their respective Proposition 1A Receivables to California Communities, a tax exempt structure, who will simultaneously purchase the Propositions 1A Receivable, issue bonds and provide each participating local agency with the cash proceeds in two equal installments.

After discussion it was moved by Director Kiely and seconded by Director Ball to Adopt Resolution No. 9-09 Approving the Form of and Authorizing the Execution and Delivery of a Purchase and Sale Agreement and Related Documents with Respect to the Sale of the Seller's Proposition 1A Receivables from the State; and Directing and Authorizing Certain Other Actions in Connection Therewith. The motion passed with a unanimous vote. President Fraser asked for a roll call. The results were as follows:

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

NOES: None

ABSENT: None

2009 SMOKE TESTING

Manager Brown reported the District Staff has recently completed smoke testing in the Southside Oroville Area. The area test encompassed 976 Parcels. We found approximately 15% of this area had repairs or corrections to be made.

DEFECTIVE LATERAL REPAIR FINANCING AGREEMENT

Manager Brown explained in response to the Smoke Testing results, staff mailed 58 letters requesting necessary repairs, approximately 20 customers responded. Many of the continuants have expressed the lack of ability to pay for the necessary repairs, therefore Legal Counsel was asked for opinion for possible District financing these repair costs.

1910 ELGIN STREET

Manager Brown noted to the Board, the residence located at 1910 Elgin Street is on the real estate market, and wanted to open discussion regarding any interest in acquiring the property. The consensus of the Board, expressed that a future need for the property did not exist.

DRAFT AMENDMENT TO POLICY NO. 3077, SEWER SERVICE CHARGE PAYMENT BY CREDIT CARD

Manager Brown stated that the changes discussed at the last Regularly Scheduled Meeting has been incorporated in the presented today. If all found acceptable, he would bring back the Board Policy Amendment for Adoption at the next Regularly Scheduled Board Meeting.

S-TAC MEETING

Manager Brown reported the three entities met on September 17 for a Sewer-TAC Meeting, along with SC-OR, LAFCo, and Butte County. Some of the items discussed included the Oroville Sewer Draft MSR, EDU Tracking System Update, and the City of Oroville Sewer Master Plan Update, and the status of the District's Lateral Testing and Inspection Program.

ENTITY MEETING

Manager Brown reported the "Kickoff" meeting is scheduled for October 22, hosted by TWSD. Manager Brown stated he would provide a follow-up report at the next meeting.

LAFCo-MUNICIPAL SERVICE REVIEW WASTEWATER SERVICE PROVIDERS-OROVILLE REGION-PUBLIC REVIEW DRAFT

Much discussed ensued regarding the Draft MSR Wastewater Service Providers Oroville Region. There was some focus on the recommendation for a consultant, service provider which was included in the draft.

COLGATE POWER HOUSE TOUR – OCTOBER 24, 2009

Director Onken updated the Board with a few details regarding the Colgate Power House Facility Tour of October 24, 2009. Various elements were discussed and questions answered.

SC-OR COMMISSIONER'S REPORT

Director Dennis reported SC-OR held a Special Meeting on October 6, 2009 to consider increasing the Regional Facility Charge. The Commission approved an increase to \$6,638.00 per EDU, effective November 1, 2009.

BCSDA REPRESENTATIVES' AND LAFco REPORT

Manager Brown had nothing 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 3:20 P.M.

Respectfully submitted,

Janette Rustenhoven,
Clerk of the Board