

**LAKE OROVILLE AREA PUBLIC UTILITY DISTRICT  
BOARD OF DIRECTORS REGULAR MEETING  
SEPTEMBER 10, 2008**

**SALUTE TO THE FLAG**

President Kiely asked Director Onken 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, Foreman Sanders, Clerk Rustenhoven and Engineer Knibb. Also attending today's meeting were Ms. Pat Fore, Mr. Sam Grimes, Ms. Nancy Shipman and Mr. Robert Tiedemann all District constituents.

**COST OF SERVICE/RATE STUDY**

Engineer Knibb referenced his correspondence regarding the sewer service rate increase dated September 4, 2008. Engineer Knibb concurred with the methodology the District used as the basis for current and future rate proposals as stated in Resolution No. 10-08. Engineer Knibb added it was his opinion that the proposed sewer service rate increase was necessary to keep in step with the rising repairs/maintenance costs of the District's system.

Ms. Fore and Mr. Grimes joined the meeting at 2:08 P.M.

**PROTEST HEARING**

President Kiely opened the Public Hearing at 2:09 P.M., many attendees address the Board with various questions regarding the sewer service fee increase. The Board and Manager Brown provided the information to satisfy each inquiry. General Manager Brown stated that the District office had received 34 letters of protest from it's constituents.

**CLOSE PUBLIC HEARING**

There were no further comments or questions President Kiely closed the Public Hearing at 2:19 P.M.

Ms. Fore, Mr. Grimes, Ms. Shipman and Mr. Tiedemann left the meeting at 2:20 P.M.

**ADOPTION OF RESOLUTION NO. 10-08 SEWER SERVICE RATE INCREASE**

General Manager Brown stated it would now be appropriate for the Board to consider the Adoption of Resolution No. 10-08, following the comments received from the attendees and the Engineer's recommendation.

After discussion, it was moved by Director Fraser and seconded by Director Ball to Approve the Adoption of Resolution NO. 10-08 Sewer Service Rate Increase commencing October 1, 2008. 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 affirmative vote.

## **BOARD MEETING MINUTES**

The Board reviewed the minutes of the Regular Board Meeting of August 12, 2008. After discussion, it was moved by Director Dennis and seconded by Director Onken that the minutes of the Regular Board Meeting of August 12, 2008 to 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 August 2008. After discussion it was moved by Director Onken and seconded by Director Dennis that the Financial Report ending August 31, 2008 be approved and that Warrants No. 11060 through 11136, as well as bank transfers No. 53380 and 14328, (Account #11697-80000) totaling \$92,770.42 and Warrant No. 585 through Warrant No. 588 totaling \$1,131.18 (Account #11694-80238), and Bond #1 Payment totaling \$12,650.00 (Account #11690-80235) be approved for payment. The motion passed with a unanimous affirmative vote.

## **SEWER SERVICE RATE COMPARISON**

Manager Brown stated he had prepared this schedule as reference material for the Board's knowledge and understanding of District's rate when compared to other local service providers. This was an informational item only.

## **CSDA 2008 COMMITTEE PARTICIPATION**

Manager Brown reported the District had received a 2009 Committee and Volunteer Interest Form from CSDA. Manager Brown asked if any Board Member was interested in serving, please let him know.

## **O.E.D.Co. PETITION TO LAFCo REQUESTING A SEWER ENTITIES CONSOLIDATION FEASIBILITY STUDY**

Manager Brown reported O.E.D.Co. has made a request of LAFCo to prepare a Sewer Entities Consolidation Feasibility Study. This was disclosed at the SC-OR Commission Meeting of August 27, 2008. The District also received correspondence from O.E.D.Co. dated August 27, 2008, of which a copy was included in the Board packet for reference.

## **INFLOW INFILTRATION PROGRAM**

Manager Brown reported the Lateral Committee is continuing to meet twice monthly. The committee has completed 4 of the 10 sections. Currently both section 3 and 4 are being reviewed by Legal Counsel.

## **DRAFT CREDIT CARD BOARD POLICY**

Manager Brown stated as a follow up to the Annual District Audit, a recommendation was made for the creation of a Board Policy outlining a procedure for Credit Card purchases made by District Employees. Additionally, the District Employees who possess a credit card would be required to sign an Agreement of Responsibility for proper usage.

## **APPOINTMENT OF NOMINEES IN LIEU OF ELECTION**

Manager Brown stated California Elections Code provides for appointment by the Board of Supervisors when the number of persons filing a declaration of candidacy is equal to or less than the number of offices to be filled. There was no opposition for the three Board positions that were up for re-election this year. Butte County Elections has set September 9, 2008 for the Board of Supervisors to appoint the three nominees to the District Board. Manager Brown congratulated Director Fraser, Director Dennis and Director Onken on the successful reappointment to the District Board. The oaths of office will be administered at the December Board meeting.

**2007-08 AUDIT**

Davis Hammon and Company completed the annual District audit last month. They had some recommendations, but no significant problems. Mr. Jim Duckett will make the Audit presentation in October.

**SC-OR COMMISSIONER'S REPORT**

Director Dennis referenced the Meeting Minutes; he added O.E.D.Co did make a presentation to the SC-OR Commission regarding the LAFCo Feasibility Study for the Oroville sewer service.

**BCSDA REPRESENTATIVES' AND LAFCO REPORT**

Manager Brown reported that the BCSDA Annual General Membership Meeting was held on August 23<sup>rd</sup> at the Merlo Park in Sterling City. Mr. Jim Nielson a candidate for the 2<sup>nd</sup> Assembly District was the keynote speaker.

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

Engineer Knibb opened discussion regarding him providing his services for the developing Palermo Sewer System. Engineer Knibb suggested that Palermo may be circulating a proposal for Engineering Services and before his office responded he wanted to inquire about the Board's position regarding the matter. President Kiely stated he felt it was in the best interest of the District for Sauers Engineering to remain the District representative when or if he attended and Palermo Sewer System planning meetings.

**ADJOURNMENT**

There being no further business to come before the Board the meeting was adjourned at 2:49 P.M.

Respectfully submitted,

Janette Rustenhoven,  
Clerk of the Board