

**LAKE OROVILLE AREA PUBLIC UTILITY DISTRICT
BOARD OF DIRECTORS REGULAR MEETING
SEPTEMBER 8, 2009**

SALUTE TO THE FLAG

President Fraser asked Manager Brown to open the meeting with the salute to the flag.

MOMENT OF SILENCE

President Fraser asks 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, and Kiely. 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 August 11, 2009. After discussion, it was moved by Director Ball and seconded by Director Dennis that the minutes of the Regular Board Meeting of August 11, 2009 be approved as presented. The motion passed with a majority affirmative vote. The votes were as follows:

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

ABSENT: Director Onken

Director Onken joined the meeting at 2:03 P.M.

FINANCIAL REPORT AND AUTHORIZATION OF WARRANTS

The Board reviewed the Financial Report for the month of August 2009. After discussion it was moved by Director Kiely and seconded by Director Ball that the Financial Report ending August 31, 2009 be approved and that bank transfers No. 48014 and 21378 (Account #11697-80000) totaling \$9,377.76 and Warrants No. 12059 through 12134 (Account #191047059) totaling \$74,489.44 and Warrant No. 1013 through Warrant No. 1014 (Account #191047035) totaling \$100.00 and Warrant No. 1034 (Account #191047047) totaling \$567.81 and be approved for payment. The motion passed with a unanimous affirmative vote.

APPROVAL TO DECLARE SURPLUS EQUIPMENT

Manager Brown stated the District has a good amount of surplus equipment stored, and he would like to see it disposed. Many of the items included are outdated and obsolete field equipment which is no longer being utilized. Manager Brown further explained the Board must declare these items as "surplus" which will enable the District to hold a public sale for the discarding of this equipment.

After discussion it was moved by Director Onken and seconded by Director Dennis to Authorize the Disposing of Surplus Items at a Public Sale to be held at the District Office. The motion passed with a unanimous affirmative vote.

APPROVAL OF ON/OFF ROAD DIESEL 15 YEAR PLAN

Manager Brown reported Field Operations Supervisor Sanders developed an On/Off Road Diesel 15 Year Plan as a compliance component with the Air Resources Board regulations. Manager Brown further reported in order to comply with the Air Resources Board regulations the District will be required to upgrade and/or retire some of the diesel fleet over the next 15 years and this plan provides the manner in which it will be achieved.

After discussion, it was moved by Director Ball and seconded by Director Dennis to Adopt the "On/Off Road Diesel 15 Year Plan". The motion passed with a unanimous vote.

APPROVAL TO SET AND ADOPT A CREDIT CARD CONVENIENCE CHARGE

Manager Brown stated the Board Policy No. 3077 was previously adopted, which addressed the acceptance of a credit card as a method of payment. At that time, the Board elected to not assess a convenience fee until an actual usage amount and associated costs were obtained. At this time, Manager Brown recommended a convenience fee of \$3 be assessed on transactions accepted over the telephone or accepted at the District's office which need staff's assistance to implement the payment process. Manager Brown noted any payments made online which are initiated by the customer exclusively would not incur a convenience charge as it would not involve additional staff time. Manager Brown added with the Approval of a Credit Card Convenience Charge he will draft an amendment to Board Policy No. 3077 for consideration at the next Regularly Scheduled Board Meeting.

After discussion it was moved by Director Kiely and seconded by Director Onken for the Approval to Set and Adopt a Credit Card Convenience Charge of Three Dollars, applied as described above. The motion passed with a unanimous vote.

STATE LINE SEWER REPLACEMENT PROJECT 2009 PHASE 2 BASE BID AND ADDITIVE ALTERNATIVE

Manager Brown stated at the Board Meeting of July 14, 2009, the Board awarded the project contract to Stevens Excavation, who later withdrew his bid. Manager Brown continued the next low bidder was Chico West, DBA Community Construction. At this time Manager Brown asked Engineer Knibb to finish the report to the Board.

Engineer Knibb stated Chico West, DBA Community Construction, had a few project issues and asked to withdraw his bid. Engineer Knibb continued the third low bidder for this project is Duke Sherwood Contracting, Inc. Engineer Knibb added that he has reviewed the project contract documents submitted by Duke Sherwood Contracting, Inc. and is recommending the Board award the project to them.

After discussion it was moved by Director Onken and seconded by Director Ball to accept Stevens Excavating bid withdrawal with no affect on their bid bond, Accept Community Constructions bid withdrawal with no effect on their bid bond, and Award the State Line Sewer Replacement Project 2009 Phase II, Bid Base of \$118,045.00 and the Additive Alternative Bid Price of \$130,359.00 to Duke Sherwood Contracting, Inc. The motion passed with a unanimous affirmative vote.

FY 2009/10 BUDGET PRESENTATION

Manager Brown stated the District 2009/2010 was adopted by the Board on June 9, 2009; the document included in the Board Packet is the final Budget Report Package. The document includes the Fiscal Year End 2009 closing entries associated with the Audit. The document was discussed, a few questions arose, and Clerk Rustenhoven stated she would provide a written report to the Board addressing these points.

STATE BUDGET SPECIAL DISTRICT PROPERTY TAX SHIFT

Manager Brown reiterated The District will not receive 8% of their Property Tax Revenue for the 2009/2010 Fiscal Year. The reduction will be made in equal parts with the remittance from the County for December 2009 proceeds and April 2010 proceeds.

HWY 162 CROSSING AT KELLY RIDGE ROAD

Manager Brown is awaiting the permit from Caltrans to proceed with the Underground Utility Location process along Hwy 162. Field Operations Sanders added once the permit was received his crew would begin the Pot Holing process.

DAVIS HAMMON & CO 2008/09 AUDIT

Manager Brown stated the Audit was completed and he anticipated the presentation of the Audit Report to be made at the next Regularly Scheduled Board Meeting.

EARLY PAYOFF OF THE RDA "B" BONDS

Manager Brown reported during the discussions with the District's Auditor, Mr. Jim Duckett it was noted that the District may possess the ability to pay down the liability held by USDA Rural Development. Manager Brown asked Mr. Duckett to prepare a cost evaluation for Board review which was included in the packet. Much discussion ensued, the Board asked the Manager to bring this back for discussion during the 2010/2011 Budget Development.

VILLA VERONA LINE EXTENSION

Manager Brown reported that the project is almost ready to begin, and there are just a few details pending. Manager Brown anticipated work to begin on this project within the next two weeks.

BILLING AGING REPORT

Manager Brown included this report as an informational item for review.

CORRESPONDENCE

Manager Brown referenced correspondence the District had received during the month of August. Much discussion followed with the Board expressing support of the General Manager and the direction taken to reduce the inflow and infiltration into the collection system.

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. Director Onken stated he would need to know how many would be attending and asked that information to be available at the next Regularly Scheduled Meeting.

Director Dennis excused himself from the meeting at 3:00 P.M.

SEWER AVAILABILITY & CONDITIONS OF SEWER SERVICE LETTERS

Manager Brown referred to the present "Will Serve Letter" which the District provides to the County stating the District can and will serve a proposed development project. Manager Brown stated these changes were necessitated with the adoption of the SC-OR Resolution requiring a Capacity Study and Pre-Annexation Agreement for projects greater than 20 EDU's, a need to revise the former "Will Service Letter" was implemented. Manager Brown stated two documents were included for the Board's review; the Sewer Availability Letter applies to projects less than 20 EDU's, and the Condition of Sewer Availability Letter applies to projects greater than 20 EDU's. This was an informational item for the Board.

UTILITY WORKER POSITION

Manager Brown reported the Utility Worker Position has been filled; the successful candidate was Luis Alvarez. Luis Alvarez introduced himself to the Board earlier.

SC-OR COMMISSIONER'S REPORT

President Fraser had nothing to report.

BCSDA REPRESENTATIVES' AND LAFco REPORT

Manager Brown had nothing to report.

BOARD MEMBER'S, MANAGER AND STAFF COMMENTS

There were no further comments received.

ADJOURNMENT

There being no further business to come before the Board the meeting was adjourned at 3:12 P.M.

Respectfully submitted,

Janette Rustenhoven,
Clerk of the Board