

**LAKE OROVILLE AREA PUBLIC UTILITY DISTRICT
BOARD OF DIRECTOR REGULAR MEETING
APRIL 14, 2015**

SALUTE TO THE FLAG

President Dennis opened the meeting with the salute to the flag.

MOMENT OF SILENCE

The Board observed a moment of silence.

CALL TO ORDER

President Dennis called the meeting to order at 2:00 P.M. Directors present were Fairbanks, Kiely, Kuehner and Onken. Representing the District were Manager Long, Field Supervisor Sanders, Engineer Keith Knibb and Clerk Quigley. Also present in the audience were Mr. Costel Angheluta and Mr. Scott Koch.

CONSENT AGENDA

The Board reviewed the minutes of the Regular Board Meeting of March 10, 2015 the Financial Report and Warrant List for month ending March 31, 2015. After discussion, it was moved by Director Kiely and seconded by Director Onken that the items on the consent agenda be approved as presented. The motion passed with the following vote,

Ayes: Directors Dennis, Fairbanks, Kuehner, Kiely and Onken.

COSTEL ANGHELUTA REQUEST TO REDUCE SEWER SERVICE BILLING BY ONE (1) EDU

General Manager Long stated that Mr. Angheluta's request to disconnect one (1) edu was before the Board due to the fact that there was only one (1) physical connection so there would be no cut and cap of the second edu. The Board needed to decide if the District could stop billing for the second edu without a physical disconnection.

Director Onken explained to Mr. Angheluta a sequence of events, if he disconnected one (1) residential edu, and then wanted to reconnect that residential unit in the future there would be no charge to reconnect and this edu could be converted to a non-residential edu in the future. However if he chose to reconnect a non-residential unit the SC-OR Regional Facility Charge would have to be paid at the time of reconnection rate.

SC-OR Manager Scott Koch stated that for the reduction of an edu to happen, SC-OR requires a written request from the home owner along with the LOAPUD Field Operation Supervisor site inspection. At that time LOAPUD would take the edu off the list and it would be placed back into the kitty to be sold again. He also noted that if the property owner wished to reconnect in the future he would pay the SC-OR Regional Facility Charge (RFC) at the time of reconnection rate. Manager Long asked for clarification that the property owner would only pay the SC-OR RFC if he was reconnecting a non-residential edu. Manager Koch stated that was correct, however at the time of disconnection the property was classified as non-residential. When was classified as residential it should have lost its non-residential edu.

President Dennis clarified Mr. Angheluta's request that he wanted to pay the service charges on one (1) edu but retain ownership of the second edu without paying the quarterly service charge. Mr. Angheluta stated this was correct. Manager Long noted this could be done as long as it was a residential reconnection. Director Onken reiterated the sequence of events that would enable the property owner to reconnect the second edu without paying the SC-OR RFC. Manager Long clarified that for a residential edu there is no requirement that the property owner has to pay to have the edu restored. He again stated because there would be no physical disconnection of the second edu per LOAPUD Board Policy, it was up to the Board to grant or deny this request.

Director Kiely questioned whether or not the property owner did in fact keep the residential edu after it had been disconnected. Manager Koch stated that the property should have been reclassified from light non-residential to residential and the edu reduced from two

(2) to one (1) prior to being disconnected, the second non-residential edu would be forfeited. President Dennis inquired if the property owner put a duplex on the single parcel with one physical service connection would it still be considered one (1) edu. Manager Koch said a duplex would still be considered one (1) residential edu.

Director Onken made reference to comments made in Mr. Angheluta's letter regarding General Manager Long, stating that the General Manager is closely watched by the Board of Directors and is doing an outstanding job. Mr. Angheluta explained he had been upset at the time of writing this letter and had since apologized to Manager Long.

Director Fairbanks asked for clarification of edu policy. Manager Koch read SC-OR Policy 8125 Article 4 Paragraph 3 "a listed connection for residential dwelling unit shall not cease to be listed solely of its destruction or disconnection from the regional sewage system unless requested by the owner" He then stated that if the Mr. Angheluta requested the edu be taken off the list, when he wants to reconnect he has to buy back into the plant, in other words pay the SC-OR RFC. Manager Long asked if this applied to a residential edu and Manager Koch confirmed that it does.

Director Kiely moved to reduce Mr. Angheluta's edu from two (2) to one (1) edu at 3387 Myers St., Director Kuehner seconded the motion. After discussion Director Kiely amended his motion as follows to reduce Mr. Angheluta's edu to one (1) residential edu per the customer's request with the understanding any request for additional edu would be provided in accordance with Board policy, Director Kuehner seconded the amendment to the motion.

After discussion, Mr. Angheluta asked that the Board postpone their decision until he has time to review the options further. He also requested that Manager Koch add him to the SC-OR Commission Agenda. Director Kiely then moved to rescind his motion and Director Kuehner seconded the motion.

No action was taken by the Board.

Mr. Angheluta left the meeting at 3:35pm

BLUE SHIELD EMPLOYEE HEALTH INSURANCE PLAN 2015 & 2016 POTENTIAL RATE INCREASES

Manager Long noted the Board approved early renewal meant the District will not have to renew until December 2015. He stated the Personnel Advisory Committee met and discussed the current rates, possible increases for 2016 and health insurance options for the future.

No action was taken by the Board

RENEWAL HUMANA SPECIALTY BENEFITS FOR LIFE AND DENTAL INSURANCE PLAN FOR 2015-16

Manager Long stated he had met with the Budget Personnel Advisory Committee for review of the dental/life insurance renewal policies for 2015-16. The Committee recommended renewal with Humana Specialty Benefits.

After discussion, it was moved by Director Fairbanks and seconded by Director Onken to approve the renewal for 2015-16 with Humana Specialty Benefits for life and dental insurances plans as provided by Dayton Sayer Insurance Agency. The motion passed with the following vote,

Ayes: Directors Dennis, Fairbanks, Kiely, Kuehner and Onken.

BUDGET FINANCE COMMITTEE APPROVAL OF THE SC-OR RATE INCREASE NOTICES

Manager Long noted the Budget Finance Committee had approved the SC-OR Rate Increase Notice, to be mailed to LOAPUD customers, in order to meet the 45-day notification requirement before the hearing scheduled during the regular Board meeting Tuesday, June 9, 2015.

No action was taken by the Board.

SC-OR COMMISSIONER'S REPORT

Directors Dennis and Kiely noted the draft minutes were included in the Board packet.

BCSDA REPRESENTATIVES' AND LAFCo REPORT

Manager Long noted the BCSDA Executive Board meeting March 24, 2015 did not have a quorum.

No LAFCo report.

QUARTERLY INVESTMENT SCHEDULE AND CASH FLOW ANALYSIS

Manager Long presented to the Board the 3rd quarter District investment schedule and cash flow analysis.

BOARD MEMBER'S, MANAGER AND STAFF COMMENTS

Field Operations Supervisor Sanders the new computer and software for the CCTV van were installed and up and running. He shared some photographs from the old system and the new system for comparison. He also showed some photographs of 2 broken laterals near Oakvale and Crane that had since been repaired.

Director Fairbanks thanked Manager Koch for attending the meeting and for his input regarding Mr. Angheluta's request.

Manager Long asked Manager Koch for clarification regarding if a residential dwelling requests to be disconnected from sewer service, the District disconnects them they stop paying for sewer service, but when a residential wants their sewer service back all they have to do is start paying their monthly sewer service fees there is no RFC required for a residential reconnection. Manager Koch responded if the property owner requests the service termination then yes they should pay the SC-OR RFC however, he continued that basically the unwritten rule over the years is the agencies (LOAPUD, TWSD & City of Oroville) deal with residential, until the SC-OR Commission feels the plant has reached a point of capacity. He stated this was because the SC-OR doesn't know what is going on in the field, they don't have the customers' addresses. Manager Long noted that the District provides SC-OR with a quarterly update of how many edu came on or went off the list, whether it was residential or non-residential. Manager Koch responded that he just sees a number that is the reason the agencies handle residential connection and disconnection.

Manager Long again asked for clarification if Mr. Angheluta continues to pay for two (2) edu the property maintains both edu. If he reduces from two (2) to one (1) edu and stops paying the monthly sewer service charge, when he wants that second edu back he has RFC to pay on the second edu. Manager Koch responded that was correct. Manager Koch also noted that as a LOAPUD Board they could make any arrangements they chose regarding LOAPUD fees and charges, but SC-OR fees and charges had to be brought before the SC-OR Commission.

ADJOURNMENT

There being no further business to come before the Board the meeting was adjourned 4:05 P. M.

Respectfully submitted,

Cindy Quigley,
Clerk of the Board