

**LAKE OROVILLE AREA PUBLIC UTILITY DISTRICT
BOARD OF DIRECTOR REGULAR MEETING
OCTOBER 14, 2014**

SALUTE TO THE FLAG

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

MOMENT OF SILENCE

The Board observed a moment of silence concerning the state of the world.

CALL TO ORDER

President Onken called the meeting to order at 2:00 P.M. Directors present were Dennis, Fairbanks, Kiely and Kuehner. Representing the District were Manager Long, Field Supervisor Sanders, Engineer Keith Knibb and Clerk Quigley. James Duckett of Davis Hammon & Associates was present in the audience

CONSENT AGENDA

The Board reviewed the minutes of the Regular Board Meeting of September 9, 2014 the Financial Report and Warrant List for month ending September 30, 2014. After discussion, it was moved by Director Dennis and seconded by Director Fairbanks 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.

PRESENTATION OF THE 2013-14 INDEPENDENT AUDIT REPORT

Jim Duckett of Davis Hammon & Co. presented the Board with a summary of the 2013/2014 Financial Statement and Independent Audit Report. He noted the District received the highest opinion authorized by an independent auditor, which is an Unqualified Opinion with No Exceptions. He pointed out the District is definitely moving in the right direction, and commended the efforts of the Board, Management and Staff. Mr. Duckett directed the Board's attention to the set of trend graphs that again show growth in the District, both physical and financial, from the previous year and it appears to be a trend for the 2014/2015 fiscal year.

After discussion, it was moved by Director Kiely and seconded by Director Kuehner to approve the 2013/14 Independent Audit Report as prepared and presented by Davis Hammon & Co. The motion passed with the following vote,

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

Jim Duckett of Davis Hammon & Co. left the meeting at 2:47 P.M.

AMENDMENT TO BOARD POLICY NO. 2005 "PERSONNEL"

The Board reviewed the proposed changes to the Board Policy No. 2005 "Personnel."

After discussion, it was moved by Director Kuehner and seconded by Director Fairbanks to accept the amendments to Board Policy No. 2005 "Personnel". The motion passed with the following vote,

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

BCSDA CALL FOR NOMINATIONS

After discussion it was moved by Director Kiely and seconded by Director Dennis to nominate Dwayne Long for one of the Enterprise positions.

The motion passed with the following vote,

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

After further discussion it was moved by Director Kiely and seconded by Director Fairbanks to nominate Jayme Boucher of TWSD for one of the Enterprise positions. The motion passed with the following vote,

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

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 stated BCSDA would hold a General Membership Meeting and Dinner Thursday October 16, 2014 at the Bird Street Café in Oroville. Diane Brown, candidate for the Butte County Assessor will be the guest speaker.

QUARTERLY INVESTMENT SUMMARY & CASH FLOW ANALYSIS

Manager Long presented to the Board the 1st quarter District investment schedule and cash flow analysis.

BUTTE COUNTY PROPOSAL TO PURCHASE DISTRICT PROPERTY UPDATE

Manager Long stated the County's consultant provided the District with a copy of the original deed by which the property was acquired. He noted that legal counsel had reviewed the original deed and hazardous material wording and has recommended that a few changes be made before agreeing to the terms. Along with these changes the District is requesting the property be conveyed to the County using a Quitclaim Deed as opposed to a Grant Deed as proposed in the County packet. The use of the Quitclaim Deed means that the District acquired the property with all associated risks and that we should convey it to the County in the same manner.

JPA MEETING REPORT

Manager Long stated SC-OR conducted a JPA meeting on Monday, September 29, 2014. Items discussed included modification SC-OR is making to their Industrial Pretreatment Program and the creation of a standardized Fats, Oils and Grease (FOG) program that can be implemented by all JPA entities.

BOARD MEMBER'S, MANAGER AND STAFF COMMENTS

Field Supervisor Sanders went over Field Operations Supervisor Report noting that field crew had replaced 100' of concrete line with 8" SDR35 pipe, this eliminated the last piece of concrete pipe in the District's infrastructure. He also stated that hand railings had been built and installed by field crew at the L2 Pump Station as recommended by a recent safety audit by SDRMA.

ADJOURNMENT

There being no further business to come before the Board the meeting was adjourned 3:06 P. M.

Respectfully submitted,

Cindy Quigley,
Clerk of the Board