

**LAKE OROVILLE AREA PUBLIC UTILITY DISTRICT
BOARD OF DIRECTOR REGULAR MEETING
FEBRUARY 12, 2013**

SALUTE TO THE FLAG

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

MOMENT OF SILENCE

President Fairbanks asked for a moment of silence for the families of both the victims and the perpetrators involved in recent crime sprees.

CALL TO ORDER

President Fairbanks called the meeting to order at 2:00 P.M. Directors present were Ball, Dennis, Kiely, and Onken. Representing the District were Manager Long, Field Operations Supervisor Sanders, Engineer Knibb, Utility Worker II Victorino and Clerk Quigley. Also present was Jim Cox of James J. Cox Insurance Services.

CONSENT AGENDA

The Board reviewed the minutes of the Regular Board Meeting of January 9, 2013, the Financial Report and Warrant List for month ending January 31, 2013. After discussion, it was moved by Director Onken and seconded by Director Dennis that the items on the consent agenda be approved as presented. The motion passed with a unanimous affirmative vote.

APPROVAL OF MAY 1, 2013 THROUGH APRIL 30, 2014 GENERAL LIABILITY POLICY RENEWAL/JAMES J. COX INSURANCE SERVICE

Jim Cox of James J. Cox Insurance Service presented two (2) general liability policy quotes to the Board of Directors, noting that Alteris' Allied World quote was significantly lower than Grundy's. Mr. Cox recommended the Board choose the Alteris Allied World policy as the coverage was virtually the same at a lesser cost. After discussion it was moved by Vice President Onken and second by Director Kiely approve the purchase of Alteris' Allied World Assurance Company's General Liability Policy May 1, 2013 through April 30, 2014 in the amount of \$32,621. The motion passed with a unanimous affirmative vote.

APPOINTMENT OF 2013-14 BUDGET PERSONNEL ADVISORY COMMITTEE

After discussion, President Fairbanks appointed Steve Onken and John J. Kiely to the 2013-14 Budget Personnel Advisory Committee.

APPOINTMENT OF 2013-14 BUDGET FINANCIAL ADVISORY COMMITTEE

After discussion, President Fairbanks appointed Jack Ball and T.C. Dennis to the 2013-14 Budget Financial Advisory Committee.

APPROVAL OF BOARD POLICY NO. 7077 "SEWER SERVICE CHARGE PAYMENT BY CREDIT CARD"

Manager Long explained the proposed changes to Policy No. 7077 "Sewer Service Charge Payment by Credit Card"

After discussion, it was moved by Director Onken and seconded by Director Ball to approve the changes to Board Policy No. 7077 "Sewer Service Charge Payment by Credit Card" The motion passed with a unanimous affirmative vote.

DISPOSAL OF SURPLUS PROPERTY

Manager Long stated the District had received no bids for the property declared surplus by the Board of Directors at the January 8, 2013 Board meeting.

After discussion, it was the consensus of the Board to allow General Manager Long to dispose of the surplus property as he saw fit.

NEGOTIATED EASEMENT ACQUISITION PROCESS ROLES AND PROCEDURES

Manager Long presented the Board with a roles and procedures list in association with the easement acquisition process.

After discussion, it was the consensus of the Board suggested wording be added to the Terms and Conditions section assuring developer pays for the appraised value of the easements and that the General Manager's time should be added to the costs estimates.

AUDIT SERVICE PROPOSALS

Manager Long presented audit service proposals from Davis Hammon & Company and Haws, Theobald & Auman, PC.

After discussion it was moved by Director Kiely and seconded by Director Dennis to accept the bid for audit services from Davis Hammon & Company for the years 2013, 2014 and 2015. The motion passed with the following vote

Ayes : President Fairbanks, Director Dennis and Director Kiely

Nos: None

Abstained: Director Ball and Vice President Onken

SC-OR COMMISSIONER'S REPORT

Director Dennis noted the SC-OR minutes were included in the Board packets.

BCSDA REPRESENTATIVES' AND LAFCo REPORT

Vice President Onken noted that the General Membership Dinner and Meeting was held February 5, 2013 with minimal attendance.

INDIAN GAMING LOCAL COMMUNITY BENEFIT FUND

Manager Long stated that he had attended the first review meeting. The applications were forwarded to the tribes with the recommendation that monies should go to public safety first.

WHISPER RIDGE GOLF RESORT AT LAKE OROVILLE UPDATE

Manager Long stated he and Engineer Knibb attended the Butte County Planning Commission public hearing January 24, 2013 for the draft EIR. He noted there was some conversation about the off-site sewer alignment and the cultural resources in the area.

Engineer Knibb stated that in his review of the proposed EIR he was making sure that it met the Districts needs for future infrastructure in the area.

Manager Long stated that LOAPUD, SC-OR and the project Developers met to discuss the project schedule, SC-OR Pre-Annexation Agreements, LOAPUD annexation process and easement acquisitions.

He also noted that the Developer had requested a building permit from Butte County for the hotel and wellness center. In order for the County to issue a building permit, they need sewer clearance from the District. The Developer wishes to start the construction of the hotel prior to the completion of the offsite sewer infrastructure. The District needs to determine what level of security to have in place prior to issuing the sewer clearance. He noted that he was conversing with legal counsel Meith regarding this issue.

SPHERE OF INFLUENCE UPDATE

Manager Long stated Whisper Ridge Golf Resort Developer, De Novo and LOAPUD attended LAFCo's EIR scoping meeting on January 24, 2013.

He also noted he attended the February 7, 2013 LAFCo meeting, and he updated the Commission on the project.

BOARD MEMBER'S, MANAGER AND STAFF COMMENTS

Field Operations Supervisor Sanders directed the Board's attention to the Supervisor's Report included in their packets. He noted that the pipe patch project was in full swing and that 42 of the 79 patches had already been installed.

President Fairbanks welcomed Utility Worker II Vincent Victorino to the meeting.

ADJOURNMENT

There being no further business to come before the Board the meeting was adjourned 3:50 P. M.

Respectfully submitted,

Cindy Quigley,
Clerk of the Board