

**LAKE OROVILLE AREA PUBLIC UTILITY DISTRICT
BOARD OF DIRECTOR REGULAR MEETING
JANUARY 8, 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 United States of America.

CALL TO ORDER

President Fairbanks called the meeting to order at 2:00 P.M. Directors present were Dennis, Kiely, and Onken. Representing the District were Manager Long, Field Operations Supervisor Sanders, Engineer Knibb, Foreman Christensen and Clerk Quigley. Director Ball was absent.

BOARD MEETING MINUTES

The Board reviewed the minutes of the Regular Board Meeting of December 11, 2012. After discussion, it was moved by Director Onken and seconded by Director Kiely that the minutes of the Regular Board Meeting of December 11, 2012 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 ending December 31, 2012. After discussion, it was moved by Director Dennis and seconded by Director Onken that the Financial Report ending December 31, 2012 be accepted and Warrants No. 15142 through 15210 and Bank Transfers No. Bank Transfers 1000264538, 1000268475, 1000264539, 1000268476, 0436593152, 1953436160, 01036977 and 82774251. (Account #191047059) totaling \$233,305.77 be approved for payment. The motion passed with a unanimous affirmative vote.

APPOINTMENT OF SC-OR COMMISSIONERS FOR 2013

After discussion, President Fairbanks appointed T.C. Dennis and John J. Kiely to the 2013 SC-OR Commission with John J. Kiely being the voting commissioner.

APPROVAL TO PURCHASE PIPE PATCHES FROM GROENIGER & CO

Manager Long presented the quote from Groeniger & Co. for the 79 patches in the amount of \$29,835.55. He also noted this was the third and final year of SC-OR's Pipe Patch Reimbursement Program.

After discussion, it was moved by Director Onken and seconded by Director Kiely to approve the purchase of pipe patches from Groeniger & Co in the amount of \$29,835.55. The motion passed with a unanimous affirmative vote.

APPROVAL OF BOARD POLICY NO. 2005 "PERSONNEL"

Manager Long explained the proposed changes to Policy No. 2005 "Personnel"

After discussion, it was moved by Director Onken and seconded by Director Kiely to approve the changes to Board Policy No. 2005 "Personnel" The motion passed with a unanimous affirmative vote.

APPROVAL OF BOARD POLICY NO. 2020 "VACATIONS"

After discussion, it was moved by Director Kiely and seconded by Director Dennis to approve the changes to Board Policy No. 2020 "Vacation" The motion passed with a unanimous affirmative vote.

APPROVAL OF BOARD POLICY NO. 2040 "SICK LEAVE"

Manager Long explained the proposed changes to Policy No. 2040 "Sick Leave" are the result of the Pension Reform Act that went into effect January 1, 2013.

After discussion, it was moved by Director Onken and seconded by Director Kiely to approve the changes to Board Policy No. 2040 "Sick Leave." The motion passed with a unanimous affirmative vote.

DISPOSAL OF SURPLUS PROPERTY

Manager Long reviewed the list of items presented to the Board to be declared surplus.

After discussion, it was moved by Director Onken and seconded by Director Kiely to declare the listed items as surplus property and authorize the General Manager to advertise them for sale. The motion passed with a unanimous affirmative vote.

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 would be February 5, 2013 at the Hof Brau.

QUARTERLY INVESTMENT SCHEDULE AND CASH FLOW ANALYSIS

Manager Long presented the Quarterly Investment Schedule and Cash Flow Analysis for the Board's review.

INDIAN GAMING LOCAL COMMUNITY BENEFIT FUND

Manager Long stated that the District would be submitting the same two projects as were submitted last year. He noted that the amount of money available was low and was not optimistic that the projects would be sponsored.

WHISPER RIDGE GOLF RESORT AT LAKE OROVILLE UPDATE

Manager Long noted that the project EIR was progressing. He also stated Butte County had issued a "Notice of Availability and Public Hearing" for the draft Environmental Impact Report and that he and Engineer Knibb would be attending the Butte County Planning Commission public hearing January 24, 2013.

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.

SPHERE OF INFLUENCE UPDATE

Manager Long stated De Novo had completed the "Administrative Draft Notice of Preparation" and received comments back for the District's Sphere of Influence Update EIR. They will now distribute the public Notice of Preparation to initiate the 30-day review period. He noted that a public scoping meeting would be scheduled within that period.

BOARD MEMBER'S, MANAGER AND STAFF COMMENTS

President Fairbanks asked staff how the Trakit program was being utilized and how it benefited the District. Both Field Operations Supervisor Sanders and Clerk of the Board Quigley stated it was of benefit to the District.

Field Operations Supervisor Sanders stated that field staff appreciated the approval of the patch program, and that it had brought about significant changes in the District I & I issues. He noted that he and Manager Long would be working on easement acquisition for the next phase of the Villa Verona project. He also noted that the reimbursement request for safety products purchased this year had been submitted to SDRMA and a check for \$1,000 had been received. He congratulated General Manager Long on his one-year anniversary and thanked him for his hard work and changes in the working environment.

ADJOURNMENT

There being no further business to come before the Board the meeting was adjourned 3:01 P. M.

Respectfully submitted,

Cindy Quigley,
Clerk of the Board