

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
OLIVEHURST PUBLIC UTILITY DISTRICT**

October 15, 2009

President Patty called the regular meeting of the Board of Directors of the Olivehurst Public Utility District (OPUD) to order at 7:00 p.m., at 1970 9th Avenue, Olivehurst.

PLEDGE OF ALLEGIANCE

Everyone was asked to stand and give the Pledge of Allegiance to the Flag of the United States of America.

ROLL CALL

Responding to roll call was: Director Morrison, Peeples, Hollis, Dougherty and Patty.
Others present were:

Timothy R. Shaw	General Manager
Cindy Van Meter	District Clerk/Resource Coordinator
John Tillotson	Director of Public Works
Glen Phillips	Accountant/Officer Manager
Karl Cozad	Operations Manager
Wade Harrison	Fire Chief
Greg Axline	WWTF Chief Plant Operator
Jeff Meith	Legal Counsel
Jim Townsend	SDRMA Insurance
Ellen Doughty	SDRMA Insurance
Dave Ward	Interwest Insurance
Kurt Hoffman	Interwest Insurance
George Pappas	Gladfelter Insurance
Ron Erny	

And other interested people.

RECOGNITION OF AUDIENCE

In response to President Patty's invitation for comments from the audience:

John Taylor, Plumas Lake resident, expressed his displeasure at the language on the OPUD water/sewer bills.

James Carpenter, Olivehurst resident, commented on some recent missives placed on the Plumas Lake web site regarding the use of the term South Olivehurst versus Plumas Lake.

Ron Purta, Plumas Lake, commented that Plumas is a census designated place.

CONSENT AGENDA

A MOTION WAS MADE BY DIRECTOR HOLLIS, SECONDED BY DIRECTOR MORRISON, AND PASSED UNANIMOUSLY TO APPROVE ITEMS ON THE CONSENT AGENDA, INCLUDING: (a) APPROVE MINUTES OF SEPTEMBER 3, 2009, SPECIAL MEETING; (b) APPROVE MINUTES OF SEPTEMBER 29, 2009, SPECIAL MEETING; (c) APPROVE CLAIMS FOR PAYMENTS FOR SEPTEMBER 2009 IN THE AMOUNT OF \$247,558.45; (d) APPROVE AUGUST 2009 OVERTIME REPORT IN THE AMOUNT OF \$8,091.57; (e) APPROVE SEPTEMBER 2009 OVERTIME REPORT IN THE AMOUNT OF \$1,271.51; and (f) APPROVE MERIT INCREASE FOR MATT HEWITT, WASTEWATER COLLECTIONS SYSTEM OPERATOR II, STEP 1 TO STEP 2, EFFECTIVE OCTOBER 6, 2009.

DISTRICT DEVELOPMENT

SSG Joe Barker, California National Guard Drug Reduction Program working with Net 5, gave a brief presentation on a grant proposal he is working on for drug prevention and education. He would like to use the Youth Center building (YCB) as a "Safe Haven" for the youth in the community.

Mr. Shaw stated that the District would need to work out the compatibility with the current tenants at the YCB and SSG Barkers proposed usage. The common obstacle the District experiences when an entity wishes to use the YCB is ability to obtain insurance. Generally these issues are all worked out through a lease agreement.

SSG Barker stated that he has to send in his grant proposal before November 20, 2009 and would like to list the YCB as the designated "Safe Haven".

Mr. Meith stated that in order to address this item tonight it would have to be added to the agenda.

A MOTION WAS MADE BY DIRECTOR DOUGHERTY, SECONDED BY DIRECTOR MORRISON, AND PASSED UNANIMOUSLY TO CONSIDER A MEMORANDUM AUTHORIZING THE USE OF THE YCB BY THE OLIVEHURST PROJECT, SUBJECT TO THE NEGOTIATION AND APPROVAL OF AN ACCEPTABLE LEASE.

A MOTION WAS MADE BY DIRECTOR MORRISON, SECONDED BY DIRECTOR DOUGHERTY, AND PASSED UNANIMOUSLY TO APPROVE A MEMORANDUM AUTHORIZING THE USE OF THE YCB BY THE OLIVEHURST PROJECT, SUBJECT TO THE NEGOTIATION AND APPROVAL OF AN ACCEPTABLE LEASE.

Mr. Shaw stated that at the last Board meeting there was a great deal of discussion regarding the Bear River Park sign. In summary, there seems to be an identity issue.

Mr. Shaw is proposing tonight a compromise to the existing park sign specifications as follows:

BEAR RIVER PARK
AT PLUMAS LAKE
OLIVEHURST PUBLIC UTILITY DISTRICT (530) 743-4657

Donald Rae, Plumas Lake Resident, stated that he is happy with OPUD's effort to emphasize the Plumas Lake identity.

Director Peeples, commented that she would still like to see the sign say "OPUD" and Director Morrison retorted that the proper name of the District is "Olivehurst Public Utility District".

A MOTION WAS MADE BY DIRECTOR MORRISON, SECONDED BY DIRECTOR HOLLIS, AND PASSED UNANIMOUSLY TO APPROVE CHANGES TO THE PARK SIGN SPECIFICATIONS, AS PRESENTED.

Mr. Shaw explained that the "Park Maintenance Period Policy" before the Board tonight is regarding the Bear River Park currently under construction.

The current practice is that once a park is completed by the developer, the District staff does a "walk through" to ascertain that all of the components are in place and that the specifications of the park master plan has been met. This begins a 90-day maintenance period prior to OPUD accepting the park. The District uses this period as a leverage to ensure that the District receives a park that meets all of the master plan specifications.

The item which has been requested to be considered tonight, is to allow the 90-day maintenance period to commence at Bear River Park even though the park sign has not been installed. Mr. Shaw expressed that he would suggest that the requested policy change be made to the Bear River Park only. Director Peeples concurred. She stated that she would only like an exception made for this park.

Mr. Shaw further explained that if the Board chooses to make this exception, the park will not be opened tomorrow. There is still the 90-day maintenance period.

Jeff Smith, Land Development Manager Cresleigh Homes, commented that the District still has some leverage with regard to the park sign. OPUD could withhold the last of the reimbursements until the sign is installed. In answer to a question from Mr. Shaw, Mr. Smith stated that once the sign is ordered there is a 4-6 week lead time for delivery.

Mr. Meith stated that the District is not without security. He sees no problem with making the exception in this case.

In answer to a question from Director Morrison, Deanna Ellis Cresleigh Homes, stated that they chose not to order the park sign because they had been contacted by several residents expressing their concern with the existing park sign specifications.

A MOTION WAS MADE BY DIRECTOR PEEPLES AND SECONDED BY DIRECTOR DOUGHERTY TO MAKE AN EXCEPTION (TO THIS PARK ONLY) TO THE EXISTING PARK MAINTENANCE POLICY PERIOD AND BEGIN THE 90-DAY PARK MAINTENANCE PERIOD AT THE BEAR RIVER PARK PRIOR TO INSTALLATION OF PARK SIGN. THE MOTION DID NOT PASS DUE TO THE FOLLOWING:

AYES, AN IN FAVOR THEREOF: DIRECTOR PEEPLES AND DOUGHERTY.

NOES : DIRECTOR MORRISON, HOLLIS AND PATTY.

Mr. Shaw reported that staff took a “time out” on the Capacity Fee Study due to the Wheeler Ranch bankruptcy impact on the Capacity Fees. The bankruptcy settlement went through the bankruptcy court and had a ten day protest period which began on the 5th of October and ends today.

The most significant change to the study will be the combining of the North and South zone fees.

PUBLIC WORKS ENGINEER’S REPORT

A written report on the status of development and other District projects was submitted to the Board. Additionally, Mr. Tillotson updated the Board on the status of the proposed Plumas Lake interchange.

Mr. Meith stated the Board has been presented an amended Assignment and Assumption agreement that he prepared from Forsgren Engineering. Mr. Meith has re-structured the agreement to make it a clear assignment from Forsgren to Affinity Engineering to provide services related to the detailed design of Plumas Lake Well No. 34.

A MOTION WAS MADE BY DIRECTOR DOUGHERTY AND SECONDED BY DIRECTOR MORRISON TO APPROVE THE PLUMAS LAKE WELL NO. 34 ASSIGNMENT AND ASSUMPTION AGREEMENT (ASSIGNMENT TO AFFINITY ENGINEERING FROM FORSGREN ENGINEERING AND AFFINITY ENGINEERING ASSUMES RESPONSIBILITY) AS PER LEGAL COUNSELS DRAFT AND SUBJECT TO ANY NON-SUBSTANTIVE CHANGES TO THE FINAL DRAFT. THE MOTION PASSED AS FOLLOWS:

AYES, AN IN FAVOR THEREOF: DIRECTOR MORRISON, HOLLIS,
DOUGHERTY AND PATTY.

NOES : DIRECTOR PEEPLES.

Mr. Tillotson explained that the Dana 70 property is directly south of our existing Plumas Lake Water Treatment Plant. The undeveloped parcel lies directly across the road from Well No. 34. In order to start the project back up, the requirements are to discharge water from the undeveloped Well including test pumping and surging the Well in order to characterize the water quality. This means a significant amount of water to be discharged.

OPUD cannot discharge the water into the canal adjacent to the Well site until the water is tested. The District contacted the Dana 70 property owner to ask if we could discharge the water to their land.

A MOTION WAS MADE BY DIRECTOR HOLLIS, SECONDED BY DIRECTOR DOUGHERTY, AND PASSED UNANIMOUSLY TO APPROVE THE RIGHT OF ENTRY FOR DANA 70 PROPEERTY TO DISCHARGE WATER FROM WELL NO. 34 PROJECT.

Mr. Shaw remarked that at the recent Yuba County/OPUD liaison committee meeting spray parks were one of the items on the agenda. At that time the County disclosed that they need surveying and legal descriptions of the two District parks earmarked for spray parks in order to fill in the blanks on the agreement.

Mr. Tillotson contacted a service provider that can survey and provide legal descriptions for both parks at a cost not to exceed \$2,500.

A MOTION WAS MADE BY DIRECTOR DOUGHERTY, SECONDED BY DIRECTOR MORRISON, AND PASSED UNANIMOUSLY TO APPROVE SURVEYING AND LEGAL DESCRIPTIONS FOR SPRAY PARKS (LINDHURST MEMORIAL PARK AND EUFAY WOOD SR. MEMORIAL PARK) PER YUBA COUNTY'S REQUEST, AT A COST NOT TO EXCEED \$2,500 FOR BOTH PARKS.

Mr. Shaw requested that an item be added to the agenda regarding raising the iron on McGowan Parkway. This issue came up on Tuesday of this week and needs to be addressed before the next Board meeting.

A MOTION WAS MADE BY DIRECTOR MORRISON, SECONDED BY DIRECTOR HOLLIS AND PASSED UNANIMOUSLY TO ADD ITEM 8(d) TO THE AGENDA REGARDING RAISING IRON ON MCGOWAN PARKWAY.

Mr. Shaw explained that when the County does pavement work which covers up OPUD's iron (valve boxes and manholes), the District has an obligation to raise said iron. Mr. Tillotson has coordinated with the County to make the raising iron component part of the County's service providers work, which is a savings to the District.

A MOTION WAS MADE BY DIRECTOR DOUGHERTY, SECONDED BY DIRECTOR HOLLIS AND PASSED UNANIMOUSLY TO AUTHORIZE RAISING IRON ON MCGOWAN PARKWAY AT A COST NOT TO EXCEED \$12,000.

FIRE DEPARTMENT

A written report on the status of the Fire Department was submitted to the Board.

A written District Safety Report was submitted to the Board.

A written committee report was submitted to the Board.

WASTEWATER COLLECTION AND TREATMENT FACILITIES

A written report on the status of the WWTF was submitted to the Board.

A written committee report was submitted to the Board.

PARKS AND PUBLIC FACILITIES

A written report on the status of the parks and district facilities was submitted to the Board.

A written committee report was submitted to the Board.

OPERATIONS AND MAINTENANCE DEPARTMENT

A written report was submitted to the Board concerning the activities in the Operations Department.

A written committee report was submitted to the Board.

BUSINESS OFFICE

A written report was submitted to the Board concerning the activities in the Business Office.

Currently the District leases our Mailer (folding machine) and Postage Meter for \$800.00 per month from Pitney Bowes and has 35 months left on a 5 year lease. The monthly cost for this lease \$800.00.

Mr. Phillips attempted to cancel the lease with Pitney Bowes and was informed that it would cost \$20,586.60 to get out of the lease. Mr. Phillips then contacted the District's Pitney Bowes' sales representative to ascertain if it would be possible to downgrade the equipment and realize some savings. Instead, the sales representative offered to roll \$16,710.00 of the current lease into a new five-year lease and replace our equipment with newer, smaller equipment for \$664.00 per month.

Since the Business Office began outsourcing the mailing of water/sewer bills and notices to ABS Presort, staff has had nothing but positive feedback from customers with regard to the receipt of their bills. Mr. Phillips would like to continue outsourcing the bills due to the benefits realized as a result. Along with the savings in paper, toner, etc., the District would not need to replace the vacant Account Clerk position due to manpower concerns. This alone results in a savings of more than \$40,000.00 annually to the District.

As a result, Mr. Phillips presented the following four options for the Board to consider:

1. Authorize legal counsel to attempt to negotiate a different lease settlement.
2. Cancel the current lease and incur the expense for \$20,586.60.
3. Modify the lease and incur a lower monthly expense, but for a longer period of time as outlined in the second paragraph above.
4. Stop outsourcing and continue mailing bills and notices ourselves until the lease has ended (35 months from now); however, we currently do not have the manpower to handle the workload.

Mr. Shaw suggested that maybe the District could sublet the equipment to another County agency.

A MOTION WAS MADE BY DIRECTOR DOUGHERTY, SECONDED BY DIRECTOR MORRISON, AND PASSED UNANIMOUSLY TO APPROVE OPTION #1, AUTHORIZE LEGAL TO ATTEMPT TO NEGOTIATE A DIFFERENT LEASE SETTLEMENT.

Mr. Phillips present the first quarter Budget to Actual for the Fire, Parks, Water and Sewr Department.

Mr. Phillips went over with the Board the proposed FY 2009-10 Budget Revisions for each department.

A MOTION WAS MADE BY DIRECTOR PEEPLES, SECONDED BY DIRECTOR HOLLIS, AND PASSED UNANIMOUSLY TO APPROVE FY 2009-10 BUDGET REVISION 1 (FIRE DEPARTMENT), BUDGET REVISION 2 (PARKS DEPARTMENT), BUDGET REVISION 3 (WATER DEPARTMENT) AND BUDGET REVISION 4 (SEWER DEPARTMENT).

Mr. Shaw stated that Resolution No. 2211 is regarding the Proposition 1A Securitization. He further stated that when first presented with the information from CSDA regarding Proposition 1A, he was a bit cynical and was looking for the small print that told the real story. However, it appears to be everything it promises to be.

The emergency suspension of Proposition 1A which allows the State to borrow eight percent (8%) of cities, counties and special districts property tax revenue was approved on July 28, 2009. The state is required to pay back its borrowing with interest by June 30, 2013. The Securitization Program would allow OPUD to sell its tax receivable from the State in exchange for payment of the eight percent property tax revenue this fiscal year. In other words, if we participate, OPUD's tax revenue stream would not be reduced this year by eight percent. The borrowing would be seamless in terms of funds distribution. Payments from the program are scheduled to be disbursed in January and May of 2010, similar to the normal tax distribution.

Another option is to not participate in the Securitization Program. In which case the State will borrow approximately \$47,500.00 from OPUD and the District will have to and wait until June 30, 2013 to be paid back this amount plus two percent interest on the borrowed amount. Total interest for the three year period is approximately \$2,850.00.

The Joint Powers Authority are proposing to issue bonds with the security of the money the State has to pay back.

MOTION WAS MADE BY DIRECTOR HOLLIS, SECONDED BY DIRECTOR MORRISON, AND PASSED UNANIMOUSLY APPROVE RESOLUTION NO. 2211, A RESOLUTION APPROVE THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A PURCHASE AND SALE AGREEMENT AND RELATED DOCUMENTS WITH RESPECT TO THE SALE OF THE SELLER'S PROPOSITION 1A RECEIVABLE FROM THE STATE; AND DIRECTING AND AUTHORIZING CERTAIN OTHER ACTIOS IN CONNECTION THEREWITH.

RESOURCES COORDINATOR REPORT

Ms. Van Meter explained that the Board was presented with the project application for the 2002 Resources Bond Act Roberti-Z'berg-Harris (RZH) Block Grant Program to rehabilitate the existing Olivehurst Community Park tennis courts.

A MOTION WAS MADE BY DIRECTOR MORRISON, SECONDED BY DIRECTOR HOLLIS, AND PASSED UNANIMOUSLY TO APPROVE THE OLIVEHURST COMMUNITY PARK TENNIS COURT REHABILITATION PROJECT (RZH BLOCK GRANT PROGRAM), DISTRICT CONTRIBUTION TO COME FROM PARK CAPITAL IMPROVEMENT FUND.

A MOTION WAS MADE BY DIRECTOR MORRISON, SECONDED BY DIRECTOR HOLLIS, AND PASSED UNANIMOUSLY TO CERTIFY THE ELIGIBILITY LIST FOR THE WASTEWATER COLLECTION SYSTEM OPERATOR APPRENTICE POSITION, AS PRESENTED, AND AUTHORIZE THE GENERAL MANAGER TO HIRE FROM THE CERTIFIED LIST.

A MOTION WAS MADE BY DIRECTOR MORRISON, SECONDED BY DIRECTOR HOLLIS, AND PASSED UNANIMOUSLY TO CERTIFY THE ELIGIBILITY LIST FOR THE INTERMITTENT/SEASONAL LABORER POSITION, AS PRESENTED, AND AUTHORIZE THE GENERAL MANAGER TO HIRE FROM THE CERTIFIED LIST.

Mr. Shaw explained that it was recently discovered that the County had repealed the ordinance regarding the alcohol ban at Becker Park. It appears that were updating the ordinance and accidently removed the Becker Park reference.

A MOTION WAS MADE BY DIRECTOR DOUGHERTY, SECONDED BY DIRECTOR PEEPLES, AND PASSED UNANIMOUSLY TO AUTHORIZE A RESOLUTION ASKING YUBA COUNTY TO AMEND THEIR ORDINANCE 1418 (TITLE VIII PUBLIC PEACE AND SAFETY) TO BAN ALL ALCOHOL AT YUBA COUNTY PARKS AND OLIVEHURST PUBLIC UTILITY DISTRICT PARKS.

Mr. Shaw explained that several months ago the Board scheduled and then directed staff to post the dates and times of the Water/Sewer Committee meetings for six months. This month was the sixth month of the Board scheduled Water/Sewer Committee meetings.

Director Peoples stated that her reasoning for wanting a consistent date, day, and time each month for committee meetings was for the public's benefit.

After additional discussion regarding this matter, the Board settled on establishing the committee meeting for each month at the previous months Board Meeting. Committee meeting scheduling will be a standing item on the monthly Board Meeting agenda.

A MOTION WAS MADE BY DIRECTOR PEEPLES, SECONDED BY DIRECTOR DOUGHERTY, AND PASSED UNANIMOUSLY TO SCHEDULE THE NOVEMBER COMMITTEE MEETINGS FOR NOVEMBER 2 THROUGH NOVEMBER 6, 2009 IN THE AFTERNOONS. SCHEDULE TO BE POSTED ON DISTRICT WEB SITE.

GENERAL MANAGER'S REPORT

Mr. Shaw has been invited to the First 5 Yuba Commission meeting next Thursday, October 22, 2009, to update them on the status of the fluoridation system.

Mr. Shaw will be attending a Regionalization Work Shop on October 28, 2009, at Yuba County.

At the last closed session, the Board approved parity of medical benefits for the Fire Department MOU with the other units. It had actually already been approved in November of last year. The change would have happened in January when the medical premiums increase. Staff neglected to make the changes and fire department personnel neglected to notice that the Districts contribution had not increased.

Three fire department employees were affected and staff will be applying the change in the Districts contribution retroactively to January of this year.

ADJOURNMENT

As there was no further business to come before the Board at this time, the meeting was adjourned at 9:20 p.m.