

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

December 17, 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
MaryJane Griego	Yuba County Supervisor
John Beckett	Olivehurst Resident

And other interested people.

RECOGNITION OF AUDIENCE

There was no response to President Patty's invitation for comments from the audience.

CONSENT AGENDA

A MOTION WAS MADE BY DIRECTOR HOLLIS, SECONDED BY DIRECTOR PEEPLES, AND PASSED UNANIMOUSLY TO APPROVE ITEMS ON THE CONSENT AGENDA, INCLUDING: (a) APPROVE MINUTES OF OCTOBER 9, 2009, SPECIAL MEETING; (b) APPROVE MINUTES OF OCTOBER 15, 2009, REGULAR MEETING; (c) APPROVE CLAIMS FOR PAYMENTS FOR NOVEMBER 2009 IN THE

AMOUNT OF \$714,420.60 and (d) APPROVE MERIT INCREASE FOR JOHN PETERSON, LABORATORY ANALYST, STEP 2 TO STEP 3, EFFECTIVE JANUARY 7, 2010.

COMMENTS FROM OUTGOING PRESIDENT

President Patty summarized all the Districts improvements and accomplishments over the past year. Additionally, he thanked all the District employees for their dedication and hard work.

ELECTION OF OFFICERS

President of the Board – Director Peebles nominated to elect Director Hollis to the position of President of the Board for the year 2010. Director Hollis declined the nomination.

Director Hollis nominated to elect Director Morrison to the position of President of the Board for the year of 2010. The motion passed unanimously.

Vice-President of the Board - Director Morrison nominated to elect Director Dougherty to the position of Vice-President of the Board for the year 2010. Director Dougherty declined the nomination.

Director Dougherty nominated to elect Director Hollis to the position of Vice-President of the Board for the year of 2010. The motion passed unanimously.

DISTRICT DEVELOPMENT

Mr. Shaw stated that Resolution No. 2212 is a follow up to the action that the Board took last month to go with SDRMA for the District's general liability insurance provider.

A MOTION WAS MADE BY DIRECTOR PATTY, SECONDED BY DIRECTOR DOUGHTERTY, AND PASSED UNANIMOUSLY TO APPROVE RESOLUTIN NO. 2212, A RESOLUTION OF THE BOARD OF DIRECTORS OF OPUD APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF AN AMENDED JOINT POWERS AGREEMENT AND AUTHORIZING PARTICIPATION IN THE SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY'S PROPERTY AND LIABILITY PROGRAM.

Mr. Tillotson explained that Resolution 2213 for adoption of the proposed negative declaration, approving the mitigation monitoring program and authorizing filing of the Notice of Determination for the Well No. 34 Water Treatment Plant project.

President Morrison opened up the public hearing.

As no comments were made nor did the District receive any written comments, President Morrison closed the public hearing.

A MOTION WAS MADE BY DIRECTOR HOLLIS, SECONDED BY DIRECTOR DOUGHERTY, AND PASSED UNANIMOUSLY TO APPROVE RESOLUTION NO. 2213, A RESOLUTION OF THE BOARD OF DIRECTORS OF OPUD TO ADOPT THE PROPOSED NEGATIVE DECLARATION, APPROVE THE MITIGATION MONITORING PROGRAM, AND AUTHORIZE FILING OF THE NOTICE OF DETERMINATION FOR PROPOSED WELL NO. 34 WATER TREATMENT PLANT.

Item 9(c), consider Drinking Water Capacity Fee update was tabled.

Mr. Shaw reported that the Bear River Park is complete and the last step necessary is for the District to accept the grant deed in order for the temporary fences to be removed.

A MOTION WAS MADE BY DIRECTOR PEEPLES, SECONDED BY DIRECTOR DOUGHERTY, AND PASSED UNANIMOUSLY TO APPROVE RESOLUTION NO. 2214, A RESOLUTION OF THE BOARD OF DIRECTOR OF OPUD ACCEPTING THE GRAND DEED FOR THE BEAR RIVER PARK (CRESLEIGH HOMES).

PUBLIC WORKS ENGINEER'S REPORT

A written report on the status of development and other District projects was submitted to the Board.

Mr. Shaw explained that the contract the District has with First 5 Yuba for the Fluoridation Project calls for a budget. The existing budget stipulates that \$65,000 is for the injection system. The proposed budget would change the amount for the fluoride injection system to \$61,000 and move the remaining \$4,000 under "Training for Water Treatment Operators" for a total of \$5,000. The total dollar amount for the project is still \$100,000.

A MOTION WAS MADE BY DIRECTOR DOUGHERTY, SECONDED BY DIRECTOR HOLLIS, AND PASSED UNANIMOUSLY TO APPROVE THE OPUD FLUORIDATION BUDGET ADJUSTMENTS, AS PRESENTED.

Mr. Tillotson stated that at a previous Board Meeting, the Directors approved a "not-to-exceed" amount of \$35,000 for purchase of fluoridation equipment. Staff now has a more accurate accounting of the total equipment cost.

Per the technical memorandum from Affinity Engineering, the equipment and miscellaneous contract work will cost up to \$55,291. Mr. Tillotson further suggested a 10% contingency or \$5,500.

A MOTION WAS MADE BY DIRECTOR PATTY, SECONDED BY DIRECTOR PEEPLES, AND PASSED UNANIMOUSLY TO AUTHORIZE ADDITIONAL FUNDING OF \$25,791 FOR THE PURCHASE OF FLUORIDATION EQUIPMENT AND MISCELLANEOUS CONTRACT WORK.

In 2000 and 2001 the District was interested in setting up a funding mechanism that would allow the installation of sewer collection infrastructure in the Rancho Road area. This area is believed by many to be a “gold mine” for future commercial/industrial projects.

During that time period, the District began working with the property owners in the area to establish an assessment district to fund the infrastructure. The District was also working with Kennedy Jenks on preparing a feasibility study for said assessment district. The plan was for 20,000 linear feet of 6 inch force main and lift station improvements on McGowan Parkway.

In October 2001, the District had a Special Board Meeting, to discuss this matter with the Ranch Road area property owners. The minutes reflect that the District tabled the matter for another year, due to the property owners anxiety as to why the County wanted to do this project.

The consensus of the Board is to move forward with outreach and exploration of this proposed project.

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.

Chief Harrison went over the proposed changes/additions to Article No. 9 “Non-Safety Personnel” of the Fire Department Rules and Regulations.

Chief Harrison discussed with the Board the benefits to the Department for having access to a counselor and videographer.

A MOTION WAS MADE BY DIRECTOR HOLLIS, SECONDED BY DIRECTOR PATTY, AND PASSED UNANIMOUSLY TO APPROVE CHANGES/ADDITIONS

TO ARTICLE NO. 9 “NON-SAFETY PERSONNEL” OF THE FIRE DEPARTMENT RULES AND REGULATIONS.

A MOTION WAS MADE BY DIRECTOR PATTY, SECONDED BY DIRECTOR HOLLIS, AND PASSED UNANIMOUSLY TO APPROVE THE VIDEOGRAPHER POSITION DESCRIPTION.

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.

Mr. Shaw reported that the District asked for a meeting with Yuba County to discuss the Sanitary Sewer Management Plan (SSMP) and the Inflow and Infiltration (I&I) of storm water in historic Olivehurst. One of the SSMP requirements is for the District do a Capital Improvement Plan (CIP) identifying any infrastructure improvements or repairs.

The District is well aware of the storm water problem in historic Olivehurst. The houses are lower than the streets and during significant rainfall events, the streets and yards of these residences become flooded. Residents, in an effort to prevent flooding of their homes, uncover their cleanouts and allow the storm water to drain into the sewer collection system.

During the meeting, District asked the County for a realistic and feasible amount of storm water reduction that the county could achieve in order to reduce OPUD’s capital improvement costs. For example, if the County can reduce the storm water I&I to OPUD’s sewer collections system by 50% of its current level, then the amount of improvements the District needs to make to its sewer collection system infrastructure would be significantly less, then if there was no reduction.

Mr. Shaw stated that he came away from the meeting with the impression that the County would be unable to achieve any improvements in storm water I&I reduction. This means that the District will have to do a CIP, in accordance with the SSMP requirements, stating that the County will not be doing any improvements, so the District will be collecting the storm water I&I.

Director Dougherty, who was also in attendance at the meeting, agreed that based on the County’s response, the District will have to increase the CIP to the lack of I&I reduction.

Mr. Shaw, explained that the District needs to establish the percentage of I&I reduction and per the responses from the County it should be a small positive number. The consequence of picking a small positive number, is that the CIP will be big. There is a

practice of the Regional Board that if you have a large CIP and a sanitary sewer overflow occurs, they will fine you the amount that is listed in the CIP. This is to prevent agencies from submitting a CIP with no realistic intentions of ever working on funding it.

Supervisor Griego commented that the first time she had heard about the storm water I&I reduction issue was at the liaison committee meeting.

Director Dougherty and Mr. Shaw mentioned discussions with County staff regarding this matter last year. Mr. Shaw stated that he believed the County even applied for grant monies from the American Recovery and Reinvestment Act of 2009 to address storm water under “Green Energy Projects”, but did not rank well.

This item was sent back to committee for further discussion.

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 MOTION WAS MADE BY DIRECTOR DOUGHTERY, SECONDED BY DIRECTOR PEEPLES, AND PASSED UNANIMOUSLY TO ACCEPT PROPOSAL FOR WHEELER RANCH PARKS DESIGN WORK SUBJECT TO LEGAL COUNSEL CLARIFICATIONS.

Mr. Shaw commented that the District’s previous general liability insurance carrier had some specific policies with regard to park usage that was required to adhere to. The new insurance carrier does not require these same types of restrictions, such as “no child under the age of ten in the park without a parent”. Another policy which needs some modification is the “organized events”.

This item was sent back to committee for further discussion.

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.

A written report was submitted to the Board from the temporary Accountant.

Mr. Shaw explained the District needs to advertise for an auditor to perform the annual audit for fiscal year 2008-09. In the past this has been very challenging, due to the GASB 34 requirements.

A MOTION WAS MADE BY DIRECTOR DOUGHERTY, SECONDED BY DIRECTOR HOLLIS, AND PASSED UNANIMOUSLY TO AUTHORIZE ADVERTIZING FOR AUDITOR FOR FY 2008-09.

Mr. Phillips stated that the current message on the District bills could be considered confusing and less the friendly. Staff has been working on changes to the message from recommendations from the water/sewer committee.

This item was sent back to committee for further discussion.

A written status report was submitted to the Board from the temporary Accountant.

RESOURCES COORDINATOR REPORT

A MOTION WAS MADE BY DIRECTOR PATTY, SECONDED BY DIRECTOR DOUGHERTY, AND PASSED UNANIMOUSLY TO APPROVE THE SAFETY FOOTWEAR POLICY, AS PRESENTED.

A MOTION WAS MADE BY DIRECTOR HOLLIS, SECONDED BY DIRECTOR PEEPLES, AND PASSED UNANIMOUSLY TO APPROVE THE CASTASTROPHIC LEAVE POLICY, AS PRESENTED.

A MOTION WAS MADE BY DIRECTOR HOLLIS, SECONDED BY DIRECTOR DOUGHERTY, AND PASSED UNANIMOUSLY TO APPROVE THE LEAVE WITHOUT PAY POLICY, AS PRESENTED.

A MOTION WAS MADE BY DIRECTOR PEEPLES, SECONDED BY DIRECTOR DOUGHERTY, AND PASSED UNANIMOUSLY TO APPROVE THE OCTOBER 2009 OVERTIME REPORT, AS PRESENTED.

A MOTION WAS MADE BY DIRECTOR PATTY, SECONDED BY DIRECTOR DOUGHERTY, AND PASSED UNANIMOUSLY TO APPROVE THE NOVEMBER 2009 OVERTIME REPORT, AS PRESENTED.

The dates and times for the January committee meetings will be determined once the committee assignments have been completed.

CORRESPONDENCE

The following correspondence was noted:

1. Appeal Democrat article 12/10/09, "Beale Land Deal Dies".
2. Letter from CRLA to Yuba County 11/30/09.

GENERAL MANAGER'S REPORT

Mr. Shaw requested that an item be added to the agenda regarding "risk factor" to Cafeteria Plan. This issue came up after the agenda was posted and needs to be addressed before the next Board meeting.

A MOTION WAS MADE BY DIRECTOR PATTY, SECONDED BY DIRECTOR DOUGHERTY, AND PASSED UNANIMOUSLY TO ADD ITEM 18(e) TO THE AGENDA REGARDING "RISK FACTOR" TO CAFETERIA PLAN.

Per the memo from Cynthia Cosby, Office Manager, if an employee elects to fund the medical portion of the Cafeteria plan and uses the full amount in the first month for braces, etc., and then quits their employment, the District will still be responsible for paying the plan the remaining balance due.

The mitigation measures Ms. Cosby has recommended are as follows:

- 1) Plan Eligibility:
 - a) Not allow an employee to enter the plan until passing probation or working for the District for one year and upon the following January (new plan year).
- 2) Limiting Amount:
 - a) Placing a limit on how much can be contributed to a plan during the plan year.

A MOTION WAS MADE BY DIRECTOR DOUGHERTY, SECONDED BY DIRECTOR HOLLIS, AND PASSED UNANIMOUSLY TO AMEND THE MEDICAL PORTION OF THE CAFETERIA PLAN TO INCLUDE CAPPING THE AMOUNT AT \$1,000, NOT ALLOW AN EMPLOYEE TO ENTER THE PLAN UNTIL PASSING PROBATION, AND MODIFY THE FUNDING FROM THE RECENT MEDICAL PREMIUM SAVINGS TO DESIGNATE \$3,000 TO COVER FALL-OUT FROM

POTENTIAL EMPLOYEE PARTICIPANT EARLY TERMINATION AND
REMAINING BALANCE FOR PLAN ADMINISTRATIVE COSTS.

Mr. Shaw gave a brief status report on the WWTF Regionalization.

The Board tabled the designation of representatives to attend the WWTF service area meetings until the committee assignments are addressed.

A MOTION WAS MADE BY DIRECTOR PATTY, SECONDED BY DIRECTOR HOLLIS, AND PASSED UNANIMOUSLY TO APPROVE THE 2010 ANNUAL MEMBERSHIP DUES WITH THE CALIFORNIA SPECIAL DISTRICTS ASSOCIATION.

A MOTION WAS MADE BY DIRECTOR PATTY, SECONDED BY DIRECTOR DOUGHERTY, AND PASSED UNANIMOUSLY TO APPROVE THE 2010 ANNUAL MEMBERSHIP DUES WITH CALIFORNIA RURAL WATER ASSOCIATION.

Mr. Shaw stated that there was no need for a closed session, as the Fire Department representatives have approved the changes to the MOU and no additional action needs to be taken.

When the MPEA MOU was presented to the Board, one of the tables under “maximum District contributions” was originally taken from the Fire Departments MOU. This does not address if an employee lives in an area outside of that which is addressed in the table.

A MOTION WAS MADE BY DIRECTOR PATTY, SECONDED BY DIRECTOR PEEPLES, AND PASSED UNANIMOUSLY TO APPROVE THE MANAGEMENT AND PROFESSIONALS EMPLOYEES ASSOCIATION MEMORANDUM OF UNDERSTANDING, AS PRESENTED.

ADJOURNMENT

As there was no further business to come before the Board at this time, the meeting was adjourned at 9:54 p.m.