

AGENDA

LAKE OROVILLE AREA PUBLIC UTILITY DISTRICT

BOARD OF DIRECTORS

Regular Meeting Scheduled 2:00 p.m. November 10, 2020

1960 Elgin Street, Oroville, CA 95966

Materials related to an item on the open meeting agenda that are provided to the Board of Directors, including those provided to the Board after distribution of the agenda packet, are available on the District website.

During this difficult time, we invite you to join today's scheduled meeting via Zoom by using your phone to attend the meeting.

Please call the District office at **(530) 533-2000** for assistance in participating in the teleconference.

Dial in: 1-669-900-9128

Meeting ID: 821 0940 4756

Passcode: 765528

To ensure that our meetings are as orderly as possible, and to enable public participation at the proper times during the meeting, we are asking that everyone take a moment to ensure your line stays muted until public comment is invited. When it comes time for public comment, we will leave enough time for participants to unmute and speak to the entire group and our board.

Because attendees cannot see each other's mute status, we will simply need to be patient as we wait in between comments, and do our best not to speak over each other. Please state your name for the record before sharing comments. We're committed to keeping the public engaged throughout this crisis and appreciate your help in making that happen.

ACTION ITEMS

- 1. SALUTE TO THE FLAG OF THE UNITED STATES OF AMERICA**
The meeting will open with a salute to the flag of the United States of America.
- 2. MOMENT OF SILENCE**
The Board of Directors will observe a moment of silence.
- 3. ROLL CALL AND ACKNOWLEDGMENT OF VISITORS**
Individuals will be provided the opportunity to address the Board regarding matters not scheduled on the agenda. No action will be taken by the Board on these matters; however, the Board may ask questions for clarification and refer to staff or other resources for information and request staff report at a subsequent meeting. Comments on items scheduled on the agenda may be made as they are considered by the Board.

4. CONSENT AGENDA

All items listed under the Consent Agenda are considered routine and will be enacted by one motion unless an item is removed. Consent agenda items will be read by title only. There will be no separate discussion of these items unless members of the Board or person in the audience request specific items to be removed from the Consent Agenda to the Regular Agenda for separate discussion, prior to the time the Board votes on the motion to adopt the Consent Agenda. If any item(s) is removed from the Consent Agenda, the item(s) will be considered immediately following action on the Consent Agenda.

4.1 BOARD MEETING MINUTES–REGULAR BOARD MEETING OF OCTOBER 13, 2020 AND THE SPECIAL BOARD MEETING OF OCTOBER 29, 2020.

4.2 FINANCIAL REPORT-MONTH ENDING OCTOBER 31, 2020

4.3 PAYMENT OF WARRANTS–MONTH ENDING OCTOBER 31, 2020

5. ITEMS REMOVED FROM CONSENT AGENDA

DISCUSSION WITH POSSIBLE ACTION

6. PRESENTATION OF THE 2019-20 INDEPENDENT AUDIT REPORT

The Board will review and consider approving the Independent Audit Report prepared by SingletonAuman for the fiscal year ending June 30, 2020

DISCUSSION WITH POSSIBLE ACTION

7. BCSDA CALL FOR NOMINATIONS

The Board will consider submitting nominations for two (2) Enterprise and two (2) Non-Enterprise representatives on the Butte County Special Districts Association board.

8. REQUEST AUTHORIZATION TO ENGAGE MATHEWS HUTTON & WARREN FOR ACCOUNTING SERVICES AS PER BOARD POLICY #3035 “EMPLOYMENT OF OUTSIDE CONTRACTORS”

The Board will consider authorizing the General Manager McCutcheon to engage Mathews Hutton & Warren for Accounting Services.

DISCUSSION WITH POSSIBLE ACTION

9. REQUEST AUTHORIZATION TO AMEND BOARD POLICY #2151 “EMPLOYEE COMPENSATION SCHEDULE”

The Board will consider an amendment to Board Policy #2151 “Employee Compensation Schedule”.

DISCUSSION WITH POSSIBLE ACTION

REPORTS AND CONSULTATIONS

- 10. SC-OR COMMISSIONERS' REPORT**
- 11. BCSDA REPRESENTATIVE & LAFCO COMMISSIONER REPORTS**
- 12. BOARD MEMBERS, MANAGERS AND STAFF COMMENTS**
 - FIELD OPERATIONS SUPERVISOR REPORT
 - PROJECT UPDATES
 - DISCUSSION REGARDING DISTRICT FINANCING OF CUSTOMER CONNECTIONS
- 13. BOARD MEETING ADJOURNMENT**



Manager's Report

To: Board of Directors
From: Scott McCutcheon, General Manager
Date: November 10, 2020
RE: Item No. 4 – Consent Agenda

Item No. 4.1 **Board Meeting Minutes** - Minutes from the October 13, 2020 regular and October 29, 2020 special board meetings are included for the Board's review and approval.

Attachment Included

Item No. 4.2 **Financial Reports** - Profit and Loss report through October 2020 are complete and ready for review, comment, and approval.

Attachment Included

Item No. 4.3 **Payment of Warrants** - The pending October 2020 Claims and warrants are attached for review and Board approval for payment.

Attachment Included

**UNADOPTED
LAKE OROVILLE AREA PUBLIC UTILITY DISTRICT
BOARD OF DIRECTORS REGULAR MEETING
OCTOBER 13, 2020**

CALL TO ORDER

President Kuehner called the meeting to order at 2:00 P.M. Directors present were Fairbanks, Hosley, Kuehner, & Mastelotto. General Manager McCutcheon, Field Operations Supervisor Sanders, District Engineer Knibb, and Clerk of the Board Hamblin represented the District.

SALUTE TO THE FLAG

President Kuehner led the meeting with the salute to the flag.

MOMENT OF SILENCE

President Kuehner asked the Board to observe a moment of silence.

CONSENT AGENDA

The Board reviewed the minutes of the Special Board Meeting of September 11, 2020, the Financial Report and the Warrant List for month ending September 30, 2020. After discussion, it was moved by Director Fairbanks and seconded by Director Mastelotto that the items on the consent agenda be approved as presented. The motion passed with the following vote:

Ayes: Directors Fairbanks, Hosley, Kuehner and Mastelotto

COVID 19 UPDATE

General Manager McCutcheon updated the Board on the District's status regarding the COVID 19 Pandemic.

No action was taken.

NORTH COMPLEX – WEST ZONE FIRE UPDATE

General Manager McCutcheon updated the Board on the District's status regarding the North Complex – West Zone Fire.

No action was taken.

Director Sharman joined the meeting at 2:12 P.M.

REQUEST AUTHORIZATION TO PROCEED WITH THE BLACK MOUNTAIN SOFTWARE UPGRADE FOR ACCOUNTING AND PAYROLL

General Manager McCutcheon requested authorization to proceed with the purchase of the budgeted item of the Black Mountain Software upgrade for the accounting and payroll modules. After discussion, it was moved by Director Kuehner and seconded by Director Hosley that General Manager McCutcheon proceed with the purchase of the Black Mountain Software upgrade for the accounting and payroll modules. The motion passed with the following roll call vote:

Ayes: Directors Fairbanks, Hosley, Kuehner, Mastelotto and Sharman

BUTTE LAFCo SPECIAL DISTRICT REGULAR ENTERPRISE MEMBER NOMINATION

After discussion, Director Kuehner nominated Director Sharman to be placed on the ballot to serve as a member of the LAFCo Commission's "Special District Regular Enterprise Member". The motion was seconded by Director Fairbanks. The motion passed with the following vote:

Ayes: Directors Fairbanks, Hosley, Kuehner, Mastelotto and Sharman

REQUEST APPROVAL TO HIRE A PART-TIME UTILITY WORKER

General Manager McCutcheon requested approval to hire a part-time utility worker. After discussion, Director Fairbanks made a motion to authorize the request to hire a part time utility worker. The motion was seconded by Director Kuehner. The motion passed with the following roll call vote:

Ayes: Directors Fairbanks, Hosley, Kuehner, Mastelotto and Sharman

SC-OR COMMISSIONERS' REPORT

Director Kuehner noted Manager Scott Koch retired and Glen Sturdevant would serve as the interim Manager with Ray Sousa consulting as needed.

No action was taken.

BCSDA REPRESENTATIVE & LAFCo COMMISSIONER REPORTS

General Manager McCutcheon noted that he will be participating in a zoom conference with our CSDA representative Chris Norton and asked the board members if they had any questions or items of discussion that they would like him to present at the event.

General Manager McCutcheon noted that the LAFCo regular meeting agenda was included in the board package.

No action was taken.

BOARD MEMBERS AND STAFF COMMENTS

Field Operations Supervisor Sanders updated the Board on the flows during the Kelly Ridge evacuations and the status of the Loafer Creek Recreation Area restrooms.

General Manager McCutcheon noted the date for the LOAPUD Facilities Tour would be October 21, 2020 at 8:00 A.M.

General Manager McCutcheon noted that we have two new field staff employees.

District Engineer Knibb updated the Board on the status of the plans for the lift station, force main and lateral lines for the upcoming Ophir / Lincoln project.

General Manager McCutcheon updated the Board regarding the "LEAP" Grant and "REAP" Grant.

ADJOURNMENT

There being no further business to come before the Board the meeting was adjourned at 2:47 P.M.

Respectfully submitted,

Kelly Hamblin,
Clerk of the Board

**UNADOPTED
LAKE OROVILLE AREA PUBLIC UTILITY DISTRICT
BOARD OF DIRECTORS REMOTE SPECIAL MEETING
OCTOBER 29, 2020**

CALL TO ORDER

President Kuehner called the meeting to order at 3:00 P.M. Directors present were Fairbanks, Hosley, Kuehner, and Sharman. Representing the District were General Manager McCutcheon, Field Operations Supervisor Sanders, Engineer Knibb, and Clerk of the Board Hamblin.

SALUTE TO THE FLAG

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

MOMENT OF SILENCE

President Kuehner asked the Board to observe a moment of silence.

Director Mastelotto joined the meeting at 3:03 P.M.

**REQUEST AUTHORIZATION TO EXECUTE ANY AGREEMENTS WITH REGARDS TO THE
“COMMUNITY POWER RESILIENCY ALLOCATION TO SPECIAL DISTRICTS PROGRAM RFP
GRANT OPPORTUNITY”**

General Manager McCutcheon requested authorization from the Board to enter into and execute any agreements on behalf of the District in regards to the Community Power Resiliency Allocation to Special Districts Program RFP.

After discussion, it was moved by Director Kuehner and seconded by Director Hosley to authorize General Manager McCutcheon the authority to enter into and execute any agreements on behalf of the District in regards to the Community Power Resiliency Allocation to Special Districts Program RFP and any amendments and extensions thereof. The motion passed with the following roll call vote:

Ayes: Directors Fairbanks, Hosely, Kuehner, Mastelotto and Sharman.

BOARD MEMBER’S, MANAGER AND STAFF COMMENTS

General Manager McCutcheon updated the Board on the proposed and possible uses for the Community Power Resiliency Allocation to Special Districts Program RFP grant funds should the request be approved.

ADJOURNMENT

There being no further business to come before the Board the meeting was adjourned at 3:09 P.M.

Respectfully submitted,

Kelly Hamblin,
Clerk of the Board

Lake Oroville Area Public Utility District
Profit & Loss Budget Performance
 October 2020

| | Oct 20 | Budget | Jul - Oct 20 | YTD Budget | Annual Budget |
|--|-------------------|-------------------|-------------------|-------------------|---------------------|
| Ordinary Income/Expense | | | | | |
| Income | | | | | |
| 41100 · Sewer Service Charge | 126,355.21 | 126,535.00 | 506,168.21 | 506,140.00 | 1,518,420.00 |
| 41150 · Pumping Charge | 10,663.89 | 10,674.00 | 42,709.07 | 42,696.00 | 128,088.00 |
| 41200 · Kelly Ridge Pumping Chg (Taxes) | 0.00 | 0.00 | 0.00 | 0.00 | 45,000.00 |
| 41250 · Permit/Inspection Fees | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 41300 · Connection Fee | -1,550.00 | 0.00 | -2,046.57 | 0.00 | 0.00 |
| 41350 · Other Services | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 41400 · Sales | 0.00 | 0.00 | 10.90 | 0.00 | 0.00 |
| Total Income | 135,469.10 | 137,209.00 | 546,841.61 | 548,836.00 | 1,691,508.00 |
| Gross Profit | 135,469.10 | 137,209.00 | 546,841.61 | 548,836.00 | 1,691,508.00 |
| Expense | | | | | |
| 60000 · Office Salaries & Wages | 21,561.03 | 21,505.00 | 109,154.58 | 97,963.00 | 272,834.00 |
| 61000 · Field Salaries & Wages | 25,514.94 | 28,477.00 | 95,336.61 | 113,965.00 | 343,012.00 |
| 62000 · Office Emp Benefits | 17,757.70 | 17,760.50 | 82,569.93 | 79,037.00 | 222,083.00 |
| 63000 · Field Emp Benefits | 16,832.62 | 19,830.00 | 70,129.98 | 79,319.00 | 237,135.00 |
| 64000 · Professional Services | 8,590.92 | 15,500.00 | 51,192.91 | 54,200.00 | 172,800.00 |
| 65000 · Utilities | 6,553.61 | 7,874.00 | 32,363.95 | 31,496.00 | 94,488.00 |
| 66000 · Services & Supplies | 1,602.98 | 5,450.00 | 9,922.41 | 54,850.00 | 106,195.00 |
| 67000 · Training/Membership/Fees | 5,679.00 | 4,900.00 | 12,674.82 | 20,750.00 | 82,700.00 |
| 68000 · Operations and Maintenance | 4,372.82 | 4,415.00 | 20,645.36 | 45,695.00 | 105,635.00 |
| 69000 · Fuel, Oil, Grease & Auto | 613.37 | 6,000.00 | 10,625.28 | 19,500.00 | 55,500.00 |
| Total Expense | 109,078.99 | 131,711.50 | 494,615.83 | 596,775.00 | 1,692,382.00 |
| Net Ordinary Income | 26,390.11 | 5,497.50 | 52,225.78 | -47,939.00 | -874.00 |
| Other Income/Expense | | | | | |
| Other Income | | | | | |
| 70100 · Capacity Charge | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 70110 · Annexation Fee | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 70150 · Sewer Service Late Fees | 12,360.38 | 0.00 | 12,350.11 | 0.00 | 0.00 |
| 70200 · Interest | 5,931.45 | 0.00 | 7,213.48 | 6,403.00 | 25,498.00 |
| 70250 · RD Surcharge | 30,134.90 | 30,179.00 | 120,721.20 | 120,716.00 | 362,148.00 |
| 70300 · Other Income | 416.30 | 0.00 | 5,815.95 | 0.00 | 0.00 |
| 70349 · Taxes (Parent Account for Taxes Receiv | 0.00 | 0.00 | 0.00 | 0.00 | 245,600.00 |
| 75000 · Special Income | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 75100 · Gain/Loss Sale of Fixed Assets | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Other Income | 48,843.03 | 30,179.00 | 146,100.74 | 127,119.00 | 633,246.00 |
| Other Expense | | | | | |

Lake Oroville Area Public Utility District
Profit & Loss Budget Performance
 October 2020

| | Oct 20 | Budget | Jul - Oct 20 | YTD Budget | Annual Budget |
|---|------------------|-------------------|--------------------|--------------------|--------------------|
| 80100 · Capitalized Expenditure | 25,735.75 | 25,000.00 | 48,548.25 | 57,090.00 | 188,893.00 |
| 80150 · District Projects CIP | 0.00 | 27,500.00 | 0.00 | 132,480.00 | 457,780.00 |
| 80200 · Loan Principal | 0.00 | 0.00 | 60,000.00 | 60,000.00 | 60,000.00 |
| 80250 · Loan Interest Expense | 0.00 | 0.00 | 52,700.00 | 52,700.00 | 104,125.00 |
| 82000 · SC-OR Excess Flow Surcharges | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 85000 · Special Expense | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Other Expense | 25,735.75 | 52,500.00 | 161,248.25 | 302,270.00 | 810,798.00 |
| Net Other Income | 23,107.28 | -22,321.00 | -15,147.51 | -175,151.00 | -177,552.00 |
| Net Income | 49,497.39 | -16,823.50 | 37,078.27 | -223,090.00 | -178,426.00 |
| | | | | | |
| 64400 · Depreciation | 47,000.00 | 47,000.00 | 188,000.00 | 188,000.00 | 564,000.00 |
| Change in Net Assets | 2,497.39 | -63,823.50 | -150,921.73 | -411,090.00 | -742,426.00 |

Lake Oroville Area Public Utility District

Warrant List

OCTOBER 1 - 31, 2020

| Date | Num | Name | Memo | Gross | Amount |
|------------|-------|--------------------------------|------------------------------------|-------------|---------------------|
| 10/02/2020 | 21898 | Accularm | Utilities | | \$ 270.00 |
| 10/02/2020 | 21899 | Better Deal Exchange | Repairs and Maintenance | | \$ 43.27 |
| 10/02/2020 | 21900 | Black Mountain Software | Office Expense | | \$ 100.00 |
| 10/02/2020 | 21901 | Comcast | Utilities | | \$ 354.74 |
| 10/02/2020 | 21902 | Oroville Cable & Equipment | Repairs and Maintenance | | \$ 449.90 |
| 10/02/2020 | 21903 | Pacific Gas & Electric | Utilities | | \$ 5,023.42 |
| 10/02/2020 | 21904 | Paygov.us | Office Expense | | \$ 557.69 |
| 10/02/2020 | 21905 | Sharp's Locksmithing | Repairs and Maintenance | | \$ 18.35 |
| 10/02/2020 | 21906 | South Feather Water | Utilities | | \$ 24.42 |
| 10/02/2020 | 21907 | Xerox Corporation | Office Expense | | \$ 176.06 |
| 10/09/2020 | 21909 | Alhambra | Office Expense | | \$ 58.23 |
| 10/09/2020 | 21910 | Black Mountain Software | Office Expense | | \$ 317.00 |
| 10/09/2020 | 21911 | DataTree | Office Expense | | \$ 99.00 |
| 10/09/2020 | 21912 | John D. Christofferson, Inc. | Professional Services | | \$ 1,550.00 |
| 10/09/2020 | 21913 | Kystinz | Office Expense | | \$ 177.62 |
| 10/09/2020 | 21914 | Miry's Cleaning Services | Office Expense | | \$ 260.00 |
| 10/09/2020 | 21915 | Oroville Cable & Equipment | Repairs and Maintenance | | \$ 62.55 |
| 10/09/2020 | 21916 | Recology Butte Colusa Counties | Utilities | | \$ 85.16 |
| 10/09/2020 | 21917 | South Feather Water | Utilities | | \$ 33.11 |
| 10/09/2020 | 21918 | Verizon Wireless | Utilities | | \$ 397.11 |
| 10/09/2020 | 21919 | Vista Net, Inc. | Office Expense | | \$ 185.00 |
| 10/15/2020 | 21920 | BRODERSON, ROBERT L | PPE 10/15/2020 | \$ 2,821.20 | \$ 1,855.45 |
| 10/15/2020 | 21921 | CHRISTENSEN, TYLER W | PPE 10/15/2020 | \$ 2,767.44 | \$ 1,981.33 |
| 10/15/2020 | 21922 | HAMBLIN, KELLY J | PPE 10/15/2020 | \$ 2,045.33 | \$ 1,378.15 |
| 10/15/2020 | 21923 | KAHALEKULU, DARIN K | PPE 10/15/2020 | \$ 2,682.33 | \$ 1,779.39 |
| 10/15/2020 | 21924 | TOMLINSON, LEVI M | PPE 10/15/2020 | \$ 2,783.48 | \$ 1,991.89 |
| 10/16/2020 | 21925 | An Honest Smog | Auto & Truck Maintenance | | \$ 110.25 |
| 10/16/2020 | 21926 | ANSWERLINE COMMUNICATIO | Office Expense | | \$ 257.90 |
| 10/16/2020 | 21927 | Black Mountain Software | Office Expense | | \$ 5,076.25 |
| 10/16/2020 | 21928 | Humana | Insurance | | \$ 776.80 |
| 10/16/2020 | 21929 | Oroville Cable & Equipment | Repairs and Maintenance | | \$ 129.61 |
| 10/16/2020 | 21930 | Sauers Engineering Inc | Professional Services | | \$ 27,315.50 |
| 10/16/2020 | 21931 | SingletonAuman | Professional Services | | \$ 2,400.00 |
| 10/16/2020 | 21932 | Umpqua Bank | Repairs and Maint., Office expense | | \$ 837.82 |
| 10/16/2020 | 21933 | Vista Net, Inc. | Office Expense | | \$ 55.00 |
| 10/16/2020 | 21934 | DataTree | Office Expense | | \$ 297.00 |
| 10/16/2020 | 21935 | MCCUTCHEON, SCOTT A | Education Reimbursement | | \$ 1,000.00 |
| 10/21/2020 | 21936 | DMV | License Fees | | \$ 27.00 |
| 10/21/2020 | 21937 | DMV | License Fees | | \$ 27.00 |
| 10/22/2020 | 21938 | AT & T/SBC | Utilities | | \$ 693.13 |
| 10/22/2020 | 21939 | Better Deal Exchange | Repairs and Maintenance | | \$ 71.42 |
| 10/22/2020 | 21940 | Blue Shield of CA | Insurance | | \$ 9,001.41 |
| | | | | | \$ 67,304.93 |

Lake Oroville Area Public Utility District

Warrant List

OCTOBER 1 - 31, 2020

| Date | Num | Name | Memo | Gross | Amount |
|------------|------------|--|--------------------------|-------------|--------------|
| 10/22/2020 | 21941 | DMV | License Fees | | \$ 27.00 |
| 10/22/2020 | 21942 | Minasian Law Firm | Professional Services | | \$ 1,061.92 |
| 10/22/2020 | 21943 | Paygov.us | Office Expense | | \$ 259.70 |
| 10/22/2020 | 21944 | Riebes Auto Parts | Auto & Truck Maintenance | | \$ 60.19 |
| 10/22/2020 | 21945 | Sharp's Locksmithing | Repairs and Maintenance | | \$ 6.50 |
| 10/22/2020 | 21946 | Streamline | Office Expense | | \$ 200.00 |
| 10/22/2020 | 21947 | Xerox Corporation | Office Expense | | \$ 176.06 |
| 10/28/2020 | 21948 | An Honest Smog | Auto & Truck Maintenance | | \$ 36.75 |
| 10/28/2020 | 21949 | Better Deal Exchange | Repairs and Maintenance | | \$ 24.89 |
| 10/28/2020 | 21950 | California Special Districts Assoc | Dues and Subscriptions | | \$ 4,679.00 |
| 10/28/2020 | 21951 | Dan's Electrical Supply | Repairs & Maintenance | | \$ 55.37 |
| 10/28/2020 | 21952 | Hobbs Pest Solutions, Inc | Office Expense | | \$ 124.00 |
| 10/28/2020 | 21953 | Kystinz | Office Expense | | \$ 216.01 |
| 10/28/2020 | 21954 | Mendes Supply Company | Office Expense | | \$ 41.37 |
| 10/28/2020 | 21955 | Oroville Cable & Equipment | Repairs and Maintenance | | \$ 52.99 |
| 10/28/2020 | 21956 | Oroville Ford Lincoln Mercury | Auto & Truck Maintenance | | \$ 92.87 |
| 10/28/2020 | 21957 | Riebes Auto Parts | Auto & Truck Maintenance | | \$ 110.34 |
| 10/28/2020 | 21958 | South Feather Water | Utilities | | \$ 98.34 |
| 10/28/2020 | 21959 | Verizon Wireless | Utilities | | \$ 397.25 |
| 10/28/2020 | 21960 | CA Water Service | Utilities | | \$ 69.54 |
| 10/30/2020 | 21961 | AINSLIE, SHAWN J | PPE 10/31/2020 | \$ 1,499.20 | \$ 1,094.64 |
| 10/30/2020 | 21962 | BRODERSON, ROBERT L | PPE 10/31/2020 | \$ 2,752.92 | \$ 1,814.11 |
| 10/30/2020 | 21963 | CHRISTENSEN, TYLER W | PPE 10/31/2020 | \$ 3,213.00 | \$ 2,308.19 |
| 10/30/2020 | 21964 | HAMBLIN, KELLY J | PPE 10/31/2020 | \$ 2,045.33 | \$ 1,378.14 |
| 10/30/2020 | 21965 | KAHALEKULU, DARIN K | PPE 10/31/2020 | \$ 3,363.45 | \$ 2,175.96 |
| 10/30/2020 | 21966 | TOMLINSON, LEVI M | PPE 10/31/2020 | \$ 2,207.04 | \$ 1,568.43 |
| 10/30/2020 | 21967 | FAIRBANKS (DIRECTOR), DEE | PPE 10/31/2020 | \$ 400.00 | \$ 365.40 |
| 10/30/2020 | 21968 | SHARMAN (DIRECTOR), WILLI | PPE 10/31/2020 | \$ 400.00 | \$ 365.40 |
| 10/30/2020 | 21969 | Aflac Insurance | Insurance | | \$ 193.58 |
| 10/30/2020 | 21970 | HSA Bank | Insurance | | \$ 416.66 |
| 10/30/2020 | 21971 | Patelco Credit Union (Group) | Insurance | | \$ 1,041.65 |
| | | | | | |
| 10/15/2020 | DD1078 | MCCUTCHEON, SCOTT A | PPE 10/15/2020 | \$ 4,093.38 | \$ 2,432.31 |
| 10/15/2020 | DD1079 | RACKLEY, ANNELYN A | PPE 10/15/2020 | \$ 608.18 | \$ 524.34 |
| 10/15/2020 | DD1080 | SANDERS, DAN W | PPE 10/15/2020 | \$ 3,735.33 | \$ 2,125.11 |
| 10/31/2020 | DD1081 | MCCUTCHEON, SCOTT A | PPE 10/31/2020 | \$ 4,093.38 | \$ 2,432.31 |
| 10/31/2020 | DD1082 | RACKLEY, ANNELYN A | PPE 10/31/2020 | \$ 629.64 | \$ 543.53 |
| 10/31/2020 | DD1083 | SANDERS, DAN W | PPE 10/31/2020 | \$ 3,735.33 | \$ 2,125.11 |
| 10/31/2020 | DD1084 | HOSLEY, DON C | PPE 10/31/2020 | \$ 400.00 | \$ 357.40 |
| 10/31/2020 | DD1085 | KUEHNER, LARRY E | PPE 10/31/2020 | \$ 400.00 | \$ 365.40 |
| 10/31/2020 | DD1086 | MASTELOTTO, ANGELA D | PPE 10/31/2020 | \$ 400.00 | \$ 365.40 |
| 10/15/2020 | 35167828 | United States Treasury | | | \$ 5,085.20 |
| 10/15/2020 | 143813076 | EDD | | | \$ 937.83 |
| 10/15/2020 | 1001688920 | CA Public Employers' Retirement System | | | \$ 11,207.01 |
| 10/15/2020 | 1001688921 | CA Public Employers' Retirement System | | | \$ 2,011.43 |
| 10/15/2020 | 1001688922 | CalPERS 457 Remittance | | | \$ 1,832.28 |
| 10/15/2020 | 1001688923 | CA Public Employers' Retirement System | | | \$ 1,512.96 |
| 10/15/2020 | 1001688924 | CA Public Employers' Retirement System | | | \$ 75.04 |

\$ 54,444.91

Lake Oroville Area Public Utility District

Warrant List

OCTOBER 1 - 31, 2020

| Date | Num | Name | Memo | Gross | Amount |
|----------------------|------------|--|------|-------|----------------------|
| 10/30/2020 | 105245 | EDD | | | \$ 1,127.26 |
| 10/30/2020 | 51440204 | United States Treasury | | | \$ 5,937.52 |
| 10/30/2020 | 1001698551 | CA Public Employers' Retirement System | | | \$ 2,011.43 |
| 10/30/2020 | 1001698552 | CalPERS 457 Remittance | | | \$ 1,913.74 |
| 10/30/2020 | 1001698553 | CA Public Employers' Retirement System | | | \$ 1,730.08 |
| | | | | | \$ 12,720.03 |
| Subtotal from page 1 | | | | | \$ 67,304.93 |
| Subtotal from page 2 | | | | | \$ 54,444.91 |
| Total | | | | | \$ 134,469.87 |

GENERAL CHECKING ACCOUNT FIVE STAR BANK

\$ 134,469.87

THE ABOVE CLAIMS AND WARRANTS WERE APPROVED AT A REGULAR MEETING OF
THE LAKE OROVILLE AREA PUBLIC UTILITY DISTRICT HELD ON:

Tuesday, November 10, 2020

President: _____

Director: _____

Director: _____

Director: _____

Director: _____



Manager's Report

To: Board of Directors

From: Scott McCutcheon, General Manager

Date: November 10, 2020

RE: Item No. 5 – Items Removed From Consent Agenda



Manager's Report

To: Board of Directors
From: Scott McCutcheon, General Manager
Date: November 10, 2020
RE: Item No. 6 – Presentation of the 2019-20 Independent Audit Report

SingletonAuman PC has completed the 2019-20 District audit. Mr. Clay Singleton will be presenting the audit report for Board consideration and approval.

Attachment Included

Recommended Action: Approve the Independent Audit Report prepared by SingletonAuman PC for the fiscal year ending June 30, 2020.

October 28, 2020

Lake Oroville Area Public Utility District
Attn: Board of Directors
1960 Elgin Street
Oroville, CA 95966

Dear Board of Directors:

Enclosed please find ten bound copies of the Audit Report for Lake Oroville Area Public Utility District for the year ending June 30, 2020, as well as the Governance Letter.

If you have any questions regarding this matter, please do not hesitate to contact me at (530)257-1040.

Sincerely,

Clay Singleton
SingletonAuman, PC

Enclosure
CES/mds

Susanville:

1740 Main Street, Suite A, Susanville, CA 96130
530.257.1040 Fax: 530.257.8876

sa@sa-cpas.com
www.sa-cpas.com

Chester:

PO Box 795, Chester, CA 96020
530.258.2272 Fax: 530.258.2282

August 21, 2020

To the Board of Directors
Lake Oroville Area Public Utility District
Oroville, CA 95966

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Lake Oroville Area Public Utility District for the year ended June 30, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 22, 2019. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practice

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Lake Oroville Area Public Utility District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2019/2020. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the District's financial statements was:

Management's estimate of the net pension liability. We evaluated key factors and assumptions used to develop the net pension liability in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of Defined Benefit Pension Plan in Note 8 to the financial statement regarding net pension liability for compliance with GASB 68.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following material misstatements detected as a result of the audit procedures were corrected by management. See enclosed list of journal entries.

Susanville:

1740 Main Street, Suite A, Susanville, CA 96130
530.257.1040 Fax: 530.257.8876

sa@sa-cpas.com
www.sa-cpas.com

Chester:

PO Box 795, Chester, CA 96020
530.258.2272 Fax: 530.258.2282

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 21, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

In our audit testing we noted that the District has some deficiencies in its internal controls, which we do not consider to be significant enough to result in an audit finding. However, we recommend that the District consider implementing the procedures below, which are commonly used by small special districts. The effectiveness of these controls are highly dependent upon the integrity of Management and the "tone-at-the-top" that is maintained by Management and the Board. It is important that the board be active in overseeing the operations of the District and continue to expect transparency from Management. Over time, as management will change, the Board must remain resilient in regards to modifying, or developing internal control procedures that will maintain the safety of the organizations financial resources.

We recommend that the District adopt and implement a Purchasing policy which would specify the dollar threshold at which certain levels of authorization are required prior to an individual being able to obligate the District for a purchase. For example, the District might set a threshold of \$50,000, for which Board approval is required, and perhaps \$5,000 for which General manager approval is required. To document the prior approval, District will often use purchase orders.

Given that the management of the District has responsibilities for both custody of assets (signature authority for cash) as well as authorization of transactions, and recording transaction in the accounting records, the Organization must rely on mitigating controls to decrease the risk that significant fraud could occur and not be detected in a timely manner. These mitigating controls include procedures such as multiple individuals in the business office being involved in financial processes, and Board review of Year-to-Date Activity from Quickbooks reports.

In order to enhance the mitigating controls that are currently in place, we recommend the District review its processes to ensure that procedures, or comparable procedures, have been implemented that include:

- 1. Best practices for separating duties for the cash receipting function would be to ensure that the responsibilities of receiving cash (or checks), bank deposit preparation and posting activity to the general ledger are separated, and always performed by separate individuals.**
- 2. Best practices for the disbursing of funds would be to ensure that the responsibilities of preparing voucher packages, preparing check requests, approving checks for payment and mailing checks are separated.**
- 3. The General Manager and/or Board Treasurer should be responsible for reviewing the following, and initializing that they have done so on the document:**
 - a. Printing bank statements from the online access to bank accounts & providing those to the Bookkeeper to perform the reconciliation.**

- b. **Bank reconciliations once they are completed by the Bookkeeper**
- c. **Credit Card Statements**
- d. **Payroll Summary reports for each payroll and individual paychecks**
- e. **Significant Journal entries and their supporting documentation**

The above recommendations are opportunities for strengthening internal control and increasing operating efficiency.

Restriction on Use

This information is intended solely for the information and use of the Board of Directors and Management of Lake Oroville Area Public Utility District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink, appearing to read 'SingletonAuman, PC', with a stylized flourish at the end.

SingletonAuman, PC



Manager's Report

To: Board of Directors
From: Scott McCutcheon, General Manager
Date: November 10, 2020
RE: Item No. 7 – BCSDA Call for Nominations

On December 31, 2020, four vacancies will open up on the BCSDA Executive Board. This includes two Enterprise District and two Non-Enterprise District staff or board members. Nominations are being requested at this time and must be submitted by November 20, 2020.

The following Executive Board Member terms will be ending:

Non-Enterprise: Shawn Rohrbacker (FRPRD) and Ann Willmann (CARD)
Enterprise: Scott McCutcheon (LOAPUD)

Attachment Included

Recommended Action: Nominate up to two Enterprise and two Non-Enterprise Special District General Managers or Board Members.

Butte County

Special Districts Association

October 25, 2020

Lake Oroville Area Public Utility District
1960 Elgin Street
Oroville, California 95966



Dear BCSDA Member,

As we prepare the membership letter for 2020, we of course start with the letter from last year and edit as needed. This was the opening paragraph from October of 2019 "As we near the end of 2019 I think we can all agree, 2019 has been quite a year for Butte County. It has been a quiet year for the Butte County Special Districts Association as many of our members were severely impacted by the Camp Fire as well as the other challenging emergencies we have had to respond to." Well, little did we know that 2020 would top 2019! Throw in a global pandemic, a local shut down of businesses and another large area fire that devastated many of our citizens. It think it is safe to say that Butte County has weathered many storms lately.

As a Special District in Butte County, we are responsible for daily service to our communities. Water, Sewage, Fire Protection, Mosquito Abatement, Cemetery Services, Land Stewardship, and Recreation. We are essential to our Community and the support we can provide to one another is extremely valuable.

Our goal for 2020 was to hold two General Meetings of the membership. We were able to host our first in February, where we hosted Senator Nielsen who was named Special Districts Legislator of the Year. The remainder of the year has been quiet as we all juggle the constantly changing landscape that COVID has presented. Some of our agencies more affected than others. We will once again make it a goal to hold two General Meetings in the hopes that we will be able to gather soon. If you have a topic for a future general meeting, please take a few minutes to include ideas with your membership renewal.

Lastly, you will also find a ballot for nominations for the Executive Board of Directors. We meet 4 times per year and help determine content for the General Meetings and stay connected with our California Special Districts Association Liaison so we can receive consistent updates from the decision makers in Sacramento. Please take a few minutes to consider nominating someone for the board. Should we have more nominations than positions, we will send out a vote by mail ballot. Nominations are due Friday, November 20, 2020.

So long 2020!!!! We look forward to finding new ways for Special Districts in Butte County to connect and support each other as we make our way through these unprecedented times.

Sincerely,

A handwritten signature in blue ink that reads "Ann Willmann".

Ann Willmann
Secretary/Treasurer Executive Board

Butte County

Special Districts Association

REQUEST FOR NOMINATIONS

Non-Enterprise Executive Board Member (2 positions)

Nominee term: January 2021 to December 2022

| | |
|-------|----------|
| _____ | _____ |
| Name | District |
| _____ | _____ |
| Name | District |

Enterprise Executive Board Member (2 positions)

Nominee term: January 2021 to December 2022

| | |
|-------|----------|
| _____ | _____ |
| Name | District |
| _____ | _____ |
| Name | District |

Signature of Chairman or District Designated Representative

Date

**Nominations must be received via U.S. Mail, Fax or email absolutely no later than
Friday, November 20, 2020**

Mail to Kelly Parsons, Durham Recreation and Park District 9447 Midway, Durham, CA. 95938

Email: kelly@durhamrec.com



Manager's Report

To: Board of Directors

From: Scott McCutcheon, General Manager

Date: November 10, 2020

RE: Item No. 8 – Request Authorization to Engage Matthews Hutton Warren for Accounting Services

The General Manager requests that the Board authorize the selection of Mathews Hutton Warren as a consultant to the District for Accounting Services as needed per Board Policy 3035 'Employment of Outside Contractors and Consultants' and the attached rate sheet.

Attachment Included

Recommended Action: Authorize the General Manager to engage Matthews Hutton Warren for Accounting Services per Board Policy 3035 'Employment of Outside Contractors and Consultants', and the attached rate sheet.

BOARD POLICY
Lake Oroville Area Public Utility District

TITLE: EMPLOYMENT OF OUTSIDE CONTRACTORS NUMBER: 3035
AND CONSULTANTS
ADOPTION DATE: March 13, 1985 AMENDED DATE: June 14, 2005

3035.1 The District employs outside contractors or consultants for construction or engineering projects, legal matters, or for auditing purposes. The District's procedure is as follows:

3035.1.1 Construction projects will be advertised for bid in newspapers and the Contractors Exchange. The bid opening is open to the public and will be specified in the bid documents.

3035.2 Consultants will be selected by the Board of Directors. The Board of Directors will make their selection based on the consultant's experience and qualifications. The consultant will also be required to make a cost estimate for his/her services that will be used in his/her evaluation in the selection process.



Matthews, Hutton & Warren
Certified Public Accountants

RATE SHEET

Partner

Standard rate - \$225/hour

Audit consultation - \$195/hour

Bookkeeping Assistance - \$125/hour

Staff Accountant

Standard rate - \$150/hour

Audit consultation - \$130/hour

Bookkeeping Assistance - \$95/hour



Manager's Report

To: Board of Directors

From: Scott McCutcheon, General Manager

Date: November 10, 2020

RE: Item No. 9 – Approval of Amendment to Board Policy 2151 'Employee Compensation Schedule'

Due to recent hiring and the discovery of some clerical errors, the Employee Compensation Schedule for the 2020-21 budget will need to be amended.

Attachment Included

Recommended Action: Approve amendments to Board Policy 2151 'Employee Compensation Schedule' for the 2020-21 budget.

TITLE: EMPLOYEE COMPENSATION SCHEDULE**NUMBER: 2151****ADOPTED: February 8, 1984****AMENDED: November 10, 2020****EFFECTIVE: October 1, 2020**

| Range No. | Position Title | Step A | Step B | Step C | Step D | Step E | Step F |
|------------------|---|---------------|---------------|---------------|---------------|---------------|---------------|
| 1 | Administrative Aide - Part Time & Temporary | 12.00 | 12.36 | 12.98 | 13.63 | 14.31 | 15.03 |
| 2 | Administrative Aide - Reg. | 16.65 | 17.49 | 18.37 | 19.27 | 20.24 | 21.24 |
| 3 | Utility Worker - Part Time & Temporary | 12.36 | 12.98 | 13.63 | 14.31 | 15.03 | 15.78 |
| 4 | Utility Worker I | 18.74 | 19.65 | 20.64 | 21.66 | 22.74 | 23.88 |
| 5 | Utility Worker II | 19.65 | 20.64 | 21.66 | 22.74 | 23.88 | 25.08 |
| 6 | Acct Receivable Clerk - Reg Operator - Part Time | 20.60 | 21.63 | 22.73 | 23.86 | 25.05 | 26.30 |
| 7 | Office Clerk | 22.06 | 23.18 | 24.34 | 25.55 | 26.82 | 30.95 |
| 8 | Operator - Regular Computer Support Specialist/ Administrative Assistant Accounts Receivable Clerk II Accounts Payable Clerk II | 22.46 | 23.60 | 24.78 | 26.04 | 27.34 | 29.87 |
| 9 | Foreman-F.O.T. | 24.19 | 25.41 | 26.69 | 28.01 | 29.41 | 31.19 |
| 10 | Bookkeeper/Clerk of the Board | 24.77 | 26.03 | 27.33 | 28.72 | 30.14 | 34.45 |
| 11 | Field Operations Supervisor | 31.49 | 33.06 | 34.72 | 36.45 | 38.27 | 43.10 |



Manager's Report

To: Board of Directors
From: Scott McCutcheon, General Manager
Date: November 10, 2020
RE: Item No. 10 – SC-OR Commissioner's Report

Included in your packet, if available, are the October 2020 Minutes of the Regular Meeting of the Sewerage Commission – Oroville Region. Directors Fairbanks and Kuehner will present the SC-OR report if any information is available for reporting.

Attachment Included

MINUTES OF THE REGULAR MEETING OF THE SEWERAGE COMMISSION - OROVILLE REGION

(Held at the Commission office on October 28, 2020 at 5:00 p.m.)

1. Call to Order ❖

Chairman Hatley called the meeting to order at 5:00 p.m.

2. Roll Call ❖

Commissioners present were Commissioners Fairbanks and Kuehner from the Lake Oroville Area Public Utility District, Pittman and Reynolds from the City of Oroville, Hatley and Latulippe from the Thermalito Water and Sewer District. Staff present was Out-of-Class Manager Glen Sturdevant (O-O-C Manager), SC-OR Attorney Desiree Vance, Environmental Compliance Manager Mikah Salsi (ECM Manager) and Temporary Assistant to the Manager Ray Sousa.

3. Salute to the Flag ❖

Chairman Hatley led Commissioners and staff in the salute to the flag.

4. Acknowledgment of Visitors ❖

None

5. Board Meeting Minutes of the Regular Meeting held on September 23, 2020 and the Special Meeting of September 29, 2020 ❖

Upon motion by Commissioner Fairbanks to approve the minutes of the meetings, and second by Commissioner Kuehner, the minutes of the September 23, 2020 regular meeting and the September 29, 2020 special meeting were unanimously approved.

6. Authorization of Warrants ❖

Commissioner Reynolds met with O-O-C Manager Sturdevant and checked the warrants earlier and having found everything to be in order made a motion to approve warrants 26377-26438 in the total amount of \$694,495.08 from September 24 to October 28, 2020, including Commissioner fees and electronic fund transfers. The motion was seconded by Commissioner Latulippe, and the warrants were unanimously approved and ordered paid.

7. Fiscal Reports ❖

O-O-C Manager Sturdevant reported that the fiscal reports for September 2020 were in the packet for review. There were no questions regarding them.

8. Fiscal Year 2019/2020 Audit

Out-of-Class Fiscal Officer Glen Sturdevant said that there were no issues with the audit, and there were no questions or comments regarding it.

A motion was made by Commissioner Kuehner and seconded by Commissioner Fairbanks to adopt the 2019/2020 audit as presented. The motion was seconded by Commissioner Kuehner, and passed by the following vote: Reynolds – Yes, Latulippe – Yes, Kuehner – Yes.

9. Review of I&I Peak Charge Resolution 11-20, A Resolution Establishing the Formulas for Determining Infiltration/Inflow Surcharges, and Corresponding Policy 7305 ❖

O-O-C Manager Sturdevant stated that all that changed on this resolution is the EDU count, which affects the formulas on Exhibit A, increasing the peak cost in dollars per MGD for the current fiscal year.

Commissioner Fairbanks stated that he does not have any issues currently with this resolution, but down the road it may be an issue because LOAPUD staff is still working on a modified schedule due to COVID-19. Their camera system is working well.

A motion was made by Commissioner Kuehner and seconded by Commissioner Reynolds to adopt Resolution 11-20, a Resolution Establishing the Formulas for Determining Infiltration/Inflow Surcharges, and the corresponding Policy 7305. The motion was seconded by Commissioner Kuehner, and passed by consensus.

10. General Consulting Services Contract Amendment with Provost & Pritchard Consulting Group for an amount not to Exceed \$25,000 ❖

Chairman Hatley stated this item had been tabled at the September meeting, and is being brought back for consideration. The TWSD board had a lengthy discussion regarding this, and they felt that the 150% increase was extreme just to help in the transition of a new manager. Unless there are serious compelling arguments as to why help is needed, the TWSD board would like to wait on the approval of this item. O-O-C Manager Sturdevant said that he agreed, and felt we could wait to see if more help is needed. Chairman Hatley said if something arises in the future, we can address this then. No action was taken.

11. Commissioner Update – Out-of-Class Managers’ Training Progress ❖

Ray Sousa, Assistant to the Manager, stated that he had submitted an itemized list of what he has reviewed with O-O-C Manager Sturdevant during their training sessions. He asked if there were any questions regarding what has been covered. He said that he appreciates that Glen has included Mikah in the training. He also said that Glen is extremely knowledgeable on the operations of the plant, and is very eager to learn. Ray’s recommendation is that the board offer Glen the Manager’s positions. He said Glen came with a grade IV certificate in hand, which is hard to acquire; it takes a lot of discipline and training to obtain a Grade IV license. He wasn’t required to have a Grade IV license but got it anyway. After doing a survey, he said other plants in our local area are trying to find operators, and there is a drought of licensed operators; some are offering signing bonuses. We have what we need right here in Glen, and with a little investment in him he will be a good manager.

Chairman Hatley said he would like to move forward with a contract with Glen. Commissioner Reynolds asked if there was a pay scale in place for the manager’s position. Attorney Vance said we had been waiting on the final compensation report prior to determining a pay scale for the manager. She needs direction as to where the Commission wants the scale to start. Chairman Hatley said we can start with what the past manager left at with an additional 7% as the top step. Commissioner Reynolds said that Bryce Consulting had recommended a pay scale based upon their comparisons. Attorney Vance will bring a draft pay scale to the special meeting.

It was the consensus of the Commissioners to hire Glen as the Manager. A special meeting will be scheduled to approve pay scales for the Manager’s and the Assistant to the Manager positions. Attorney Vance will bring the Compensation Study figures to the meeting and the Commissioners can nail down the numbers for a pay scale. Asst. to the Manager requested that once an offer has been made to Glen, and he accepts the position, can SC-OR begin to look for a replacement for the vacancy open for his current position, and to backfill an open operator’s position.

12. Plant Manager Recruitment Options❖

This item was covered above. Chairman Hatley said the City Ad Hoc Committee appointed for negotiations with the past manager is no longer needed and is now dissolved.

13. Attorney’s Report ❖

Attorney Vance said there were no issues nor lawsuits, and everything is running smoothly.

14. Manager's Report ❖

O-O-C Manager Sturdevant said we have completed the hauling of sludge, with a total of 458.7 tons taken to Neal Road Landfill.

ECM Salsi is currently working on a funding opportunity that we were made aware of just a few days ago by the California Special Districts Association. There is \$20,000,000 available, or \$300,000 per applicant for the PG&E PSPS shut-offs. Mikah is looking into whether we qualify for any of that money.

O-O-C Manager Sturdevant said that Ray has been very valuable with his knowledge in his training. He has gotten so much more out of it than he anticipated.

Our NPDES permit is up for renewal, and an application for renewal must be submitted by December 2nd. We will submit our application next week, so we will be a month ahead of the deadline. Commissioner Kuehner asked what the NPDES was. O-O-C Manager Sturdevant stated it is the blueprint for how our plant must operate, what type of testing we have to do, etc.

The City of Oroville passed a *Resolution Proclaiming the Existence a Local Emergency* with regards to a lack of housing. O-O-C Manager Sturdevant said that SC-OR is ready to do all that we need to do for our part.

O-O-C Manager Sturdevant reminded the Commissioners that the November board meeting has been moved to the 18th of November.

15. Visitor Comments ❖

None

16. Commissioner and Staff Comments ❖

The Commissioners thanked Ray, Glen and Mikah for all they are doing. Commissioner Reynolds said his advice to the O-O-C Manager would be to not be afraid to come to the board for decisions that affect the plant. Let the board help make those decisions.

17. Adjournment ❖

There being no further business, the meeting was adjourned at 6:13 p.m. to the regular meeting scheduled for November 18, 2020 at 5:00 p.m.

Respectfully submitted,



Glen E. Sturdevant, Out-of-Class Clerk



Manager's Report

To: Board of Directors
From: Scott McCutcheon, General Manager
Date: November 10, 2020
RE: Item No. 11 – BCSDA Representatives and LAFCo Report

BCSDA

BCSDA General Meeting-pending.
BCSDA Executive Board nominations.
BCSDA General Membership renewal January 1, 2021

Attachment Included

LAFCo

The Butte LAFCO agenda for the November 5, 2020 regular meeting is attached for general information purposes along with item 6.1 Executive Officer's Report. Item 6.1 covers general business of LAFCo along with new bills that affect LAFCo and other public agencies.

Attachment Included

Butte County

Special Districts Association



Basic Information

District Name: _____

Address: _____ City: _____ Zip: _____

Phone Number: _____ Website Address: _____

District Type (please circle one): Enterprise Non-Enterprise

Contact Information – Who should receive email updates and invites to general meetings and events?

Name: _____ Email Address: _____

Title: _____ Phone: _____

Tell us a little more about your District

of Board Members: _____ Board Member Elected Board Members Appointed

Services provided: _____

Year Created: _____ Population Served: _____ Square Miles Served: _____

of Full Time Employees: _____ # of Part Time Employees: _____

2021 Membership Renewal (please make checks payable to BCSDA)

Annual Dues: \$25

Insurance Requirements: Because we are affiliate members of the California Special Districts Association (CSDA), all members are required to provide evidence of insurance. If the box below is checked, please submit proof of insurance with your membership. If it is not checked, we have your evidence of insurance on file.

Please submit an evidence of insurance certificate with your membership dues

**Return your completed form and check made out to BCSDA to:
BCSDA c/o Durham Recreation District 9447 Midway, Durham, CA. 95938**

General Membership Meeting Ideas

Do you have any topics that you would like to see us cover at a future General Meeting? Past meetings have included topics regarding financing, CalPERS, HR practices, and Legislative updates. Please help us plan the next meeting!

For Office Use Only

Date Renewal Received: _____ Check #: _____ Deposit Date: _____

BUTTE LOCAL AGENCY FORMATION COMMISSION
1453 DOWNER STREET, SUITE C, OROVILLE, CALIFORNIA 95965
TELEPHONE (530) 538-7784 FAX (530) 538-2847

REGULAR MEETING NOTICE OF THE COMMISSION

Location: **Meeting to be held via remote participation.**

Date/Time: **Thursday, November 5, 2020 - 9:00 a.m.**

SPECIAL NOTICE

Pursuant to California Governor Gavin Newsom's Executive Order N-29-20 issued on March 17, 2020, relating to the convening of public meetings in response to the COVID-19 pandemic, the Butte LAFCo will be conducting the **November 5, 2020** LAFCo meeting by tele-conference . Each Commissioner and Staff are allowed to attend the meeting via teleconference and to participate in the meeting to the same extent as if they were present. The Commission meeting can be accessed by the public via telephone as follows:

1. Call **1-800-326-0013** and follow the instructions.
2. When prompted, enter the identification code followed by the # symbol: **8892595#**
3. You will be connected to the call.
4. The moderator (Executive Officer) will call the meeting to order and ask those on the phone to announce their participation. Phone participants will be asked for comment on each agenda item after the LAFCo Staff and Commission comments. **In order to efficiently run the meeting, phone participants are asked to mute their phones until public comments are requested and only comment when prompted by the moderator.**

Comments from the public on the agenda items will also be accepted via email (slucas@buttecounty.net), via phone (530-538-7784) or mail at the above address. All comments received will be conveyed to the Commission for consideration during the meeting. All meetings conducted under these circumstances will be audio recorded and placed on the LAFCo website (www.buttelafo.org) for public access and accountability.

The Commission appreciates the public's adaptation and patience during this crisis and will endeavor to refrain from placing non-essential items, or matters of significant public interest on the agenda until such time greater public participation can be reasonably accommodated.

AGENDA

ALL ITEMS ARE OPEN FOR PUBLIC COMMENT

1. CALL TO ORDER

1.1 Roll Call

2. CONSENT AGENDA

2.1 Approval of the Minutes of October 1, 2020.

3. NOTICED PUBLIC HEARINGS

3.1 LAFCO File No. 21-02 - Durham Mosquito Abatement District (DMAD) Sphere of Influence Amendment

The Commission adopted the DMAD Municipal Service Review (MSR) and Sphere of Influence Update (SOI) in 2018 and applied a Probationary Sphere of Influence pending the completion of certain conditions at which time the Commission could reconsider the probationary

SOI status. These conditions have been met and the Commission will consider adopting a conterminous SOI boundary for DMAD. **ACTION REQUESTED:** Consider staff presentation, accept public comments and adopt Resolution No. 2 2020/21 approving a Coterminous Sphere of Influence boundary.

4. REGULAR AGENDA

4.1 Items Removed from the Consent Agenda (If any)

4.2 Adoption of 2021 LAFCo Regular Meeting Calendar

The Commission will consider the Draft 2021 Regular Meeting Calendar which will confirm the dates for regular Commission meetings and official holidays. **ACTION REQUESTED:** Consider and approve 2021 LAFCo Calendar.

5. PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA (If any)

6. REPORTS AND COMMUNICATION

6.1 Executive Officer's Report

6.2 Correspondence - None

7. ADMINISTRATION. The Commission will discuss and provide direction to the Executive Officer on administrative matters relating to the operation of the Commission.

8. ADJOURNMENT Adjourn to **Thursday, December 3, 2020** in the Board of Supervisors Chambers.

TO THOSE WHO PARTICIPATE IN LAFCO PROCEEDINGS: California Government Code Section 84308 requires you to disclose campaign contributions to LAFCO Commissioners if they amount to \$250 or more and were made within the last twelve months. Please announce your applicable campaign contributions when you speak.

** Any disabled person needing special accommodation to participate in the Commission proceeding is requested to contact LAFCo staff at (530) 538-7784 prior to meeting and arrangements will be made to accommodate you.*

** Any person may address the Commission during the "Public Comment." Please see the rules regarding public comments below.*

** Copies of Agenda documents relative to an Agenda item may be obtained from the Clerk of the Commission at a cost of \$.10 per page.*

RULES APPLYING TO PUBLIC COMMENTS

- 1. Members of the public wishing to address the Commission upon any subject within the jurisdiction of Butte LAFCO may do so upon receiving recognition from the Chair at the appropriate time.*
- 2. Comment on items not on the agenda should be made at the time indicated for "Public Comment" on the agenda. The Commission may not act on any matter so raised and will have to put off action until a meeting at which the matter can be put on the agenda.*
- 3. Comment on specific agenda items may be made during the discussion of that agenda item, upon recognition by the Chair.*
- 4. After receiving recognition, please stand and state your name and address before making your presentation, so that the Clerk may take down this information.*
- 5. All documents to be presented to the Commission will be given to the Clerk of the Commission (original and eleven copies) prior to Call of Order of meeting. Such documents will be distributed to the Commission and made available for public inspection.*

This agenda was mailed to those requesting notice and posted 72 hours in advance of the meeting at the following locations: Butte County Administration Building & LAFCo front entrance.

M E M O R A N D U M

TO: Local Agency Formation Commission

FROM: Stephen Lucas, Executive Officer

SUBJECT: **Agenda Item 6.1 - Executive Officer's Report**

DATE: October 28, 2020 for the meeting of November 5, 2020

ADMINISTRATION:

1. The Commission has one vacant Special District seat.

A. Special District Regular "*Enterprise*" Member seat:

Commissioner Jack Kiely (LOAPUD) resigned midterm in May 2020 vacating this seat with the remaining term to expire May 31, 2023. Staff has requested nominations from each Special District with nominations due back by November 9, 2020.

PROJECT/GENERAL NOTES:

The following issues/proposals are at various stages of being reviewed, discussed and/or considered:

- ****NEW** Rock Creek Reclamation District** – At its October 13, 2020 meeting, the Board of Supervisors appointed seven members to the RCRD Board of Trustees following a complicated process that began with a landowner petition for a new election.
- ****NEW** Drainage/Reclamation District MSR Actions** – The Drainage and Reclamation Districts MSR/SOI Plan adopted in 2018 called for a number of possible reorganizations among drainage districts. Staff has met with district staff and initiated a process to consider the dissolution of Drainage District No. 2 as it is completely overlaid by Butte Creek Drainage District and the detachment of territory from Butte Creek Drainage District that is overlaid with District 100. These actions will have no impact to current services, but will rather clean-up old boundaries that no longer make sense.
- **Bear/North Complex/West Zone Fire** - It is sad that I must now write about even more fire destruction and impacts to our local agencies. The Bear/North Complex- West Zone fire has decimated approximately 80,000 acres of Butte County including the communities of Berry Creek and Lake Madrone. Both the Lake Madrone Water District and the Berry Creek Community Services District experienced significant damages to their water distribution systems. The LMWD has a mutual aid agreement with the South Feather Water and Power Agency for assistance and may seek other help as well. There is a potential that these two agencies, only a short distance (approx. 1 mile) apart, may need to consider some form of reorganization in order to effectively rebuild their systems. LAFCo staff has connected both the Districts with the Butte County Office of Emergency Management for submitting damage assessments for future funding. Staff will continue to monitor the Districts and offer any assistance possible.

- **Proposed Tuscan Water District** – On September 2, 2020, Executive Officer circulated a (NEW) Notice of Intent to Circulate Petition submitted by the proponents of the proposed Tuscan Water District formation. This Notice of Intent to Circulate a Petition allows proponents to begin circulating the petition for landowner signatures in accordance with the legal requirements. There is no action for any agency to take at this time. At such time the proponents complete gathering signatures, they will submit the petitions to the Executive Officer for review.
- **Miocene Canal** - The destruction of the upper Miocene Canal by the Camp Fire has dewatered the middle and lower Miocene. This caused great disruption to landowners dependent on the water supply for their farms and residences and the environment dependent on canal leakage over the decades to thrive. PG&E initially refused to repair the canal infrastructure, but entered a plea agreement for its criminal actions resulting in PG&E providing up to \$15 million over five years to restore water to the middle canal. Among the long term options for restoring water flow is to install a pump on a floating barge in Lake Oroville and pipe approximately 20 acre/feet a day via pipeline to the canal. The installation of the infrastructure is estimated to be \$1.5 million with annual operating expenses estimated to be \$700,000 a year. Shorter term options involve a connection with the Del Oro Water Company who can provide limited surplus water. The Lake Oroville option would need to have an entity to takeover ongoing maintenance. One possible scenario is to form a special district to finance and manage any future facilities. Staff continues to participate in discussions. Staff met with Ed Cox who represents the Miocene Canal Coalition (MCC) on August 14, 2020, and learned that the MCC has gained a non-profit status, and desires to form a county service area (CSA) that could become the financing vehicle for future maintenance and operations. Staff will assist the MCC in anyway necessary to move towards the universal goal of re-establishing water flow in the Miocene Canal.
- **Thermalito Sewer and Water District** - Sphere of Influence Amendment and Annexation of the state owned clay pits recreation area southeast of the Oroville airport along Larkin Road. The State has yet to resolve a conflict between the State Parks Department and Department of Fish and Wildlife who share authority over the affected territory.
- **County of Butte** - Expansion of Powers for CSA 164 to add fire protection services. The County has placed this effort on hold.
- **Oroville Region Service Providers MSR** - The State Department of Housing and Community Development (HCD) has awarded a \$100,000 SB2 Planning Grant to Butte County for the development a Municipal Service Review update for backbone service providers in the Oroville region, including the SFWPA, LOAPUD, TWSD and SCOR. This will be a cooperative partnership with the County Department of Development Services to conduct the MSR in support of future housing options that can be provided once core services can be assured. Staff has prepared a draft Request for Proposals seeking a consultant to prepare the studies and is awaiting the County to determine how to disburse the funds before releasing the RFP.
- **City of Oroville MSR Update** – The City of Oroville is starting the process to evaluate its growth goals and has determined that the City needs to update its SOI to accommodate new development goals and at the same time update its MSR to reflect its current service capabilities and financial position. The City has requested LAFCo update its MSR at City expense and executed a Letter Agreement with LAFCo to prepare the MSR update. The City

has entered into a contract with Policy Consulting Associates to complete the project under LAFCo supervision. The administrative draft is currently being prepared.

- ***Paradise Irrigation District/Camp Fire Recovery Update*** - The State Water Resources Control Board (SWRCB) in cooperation with Sacramento State University, Department of Water Programs (CSUS), continues to proceed with the Options Study for the Paradise Irrigation District. The group of stakeholders, including LAFCo, has met three times (April 21, May 6, August 13) on conference calls to discuss the process and the path forward to recovery. These include, the District merging with the Town of Paradise, reorganizing with another public or private water purveyor, expanding the District's customer base (Miocene residents, Butte Valley, Chico), temporary raw water transfers, Chico intertie, new businesses (bottled water, hydro power, fisheries help), partnership with the Town to operate the proposed sewer system, and rate increases. The Study team also individually interviewed the Executive Officer on August 20, 2020, to solicit LAFCo comments and concerns at an early stage. Staff will keep the Commission apprised of this process. Staff participated in a stakeholder phone conference on September 10, 2020, which was primarily to update the stakeholders on the Scope of Work/RFP process and share the approved Technical Assistance Work Plan which was submitted to the State on June 16, 2020. The RFP is expected to be circulated by December, a consultant hired in March 2021, and a draft final options study projected to be completed by July 2021.
- ***El Medio Fire Protection District*** - Staff met with the City of Oroville on August 17, 2020, to discuss its very serious concerns about the functionality of the El Medio Fire Protection District (EMFPD). Staff also had similar communications with the Butte County Administrative Office. The issues relate to service capability, which is severely hampered by the District's ongoing fiscal struggles. The City of Oroville has notified the EMFPD of its concerns in its letter of August 19, 2020 and copied LAFCo. The City provided a letter dated August 27, 2020, to the Commission with similar concerns regarding fire protection services in the greater Oroville area and requesting LAFCo to review the concerns. The resolution of this concern will take considerable effort by all parties to find a reasonable outcome that results in both effective fire protection services and respects the concerns of the residents of both agencies. As directed by the Commission, Staff has reached out to the EMFPD to begin dialogue on this issue and explore the issues at hand and the options available to all parties.

CALAFCO:

1. The CALAFCO Board of Directors met in October 23, 2020, to conduct annual business items to include the ascendancy of Directors on the Executive Committee. Commissioner Connelly moved from Treasurer (4th) to Secretary (3rd), making him two years away from being the CALAFCO Chair.
2. The CALAFCO Elections occurred virtually on October 22, 2020 and were conducted very cleanly. The Northern Region LAFCo's elected Josh Susman (Nevada County) as its Public Member and David Couch (Humboldt) as its Special District member.
3. In place of the annual conference CALAFCO will be conducting virtual regional roundtables for each region to discuss any issues of importance on December 9, 2020. Staff will provide each commissioner with the necessary information to participate once available.

LEGISLATION: The Legislative Committee held its kick-off meeting for the 2021 legislative year by discussing past proposals and what is new for this year. Of prominent importance is a review

of the codes guiding the protest proceedings and elections, with an eye towards simplification and removing redundancies.

APPLICATION ACTIVITY:

| APPLICATION ACTIVITY | | | | | | | | |
|---|--------------|---|---------------------------|-----------------------|--------------------|---------------------------|--------------------|---|
| <i>Project Status As of Oct. 26, 2020</i> | | | | | | | | |
| File | Applicant | Project Name | Date Application Received | Certificate of Filing | LAFCO Hearing Date | Certificate of Completion | SBE Submittal Date | Additional Comments |
| 11-06 | Butte County | CSA No. 114 - Expansion of Powers | 02/02/11 | N/A | pending | N/A | N/A | Incomplete - On Hold |
| 18-09 | TWSD | Clay Pit State Recreation Area Annexation | | | | | | On hold. Incomplete Application |
| 19-10 | Durham I.D. | Holland Ave Annexation No. 1 | 04/03/19 | 11/12/19 | 12/05/19 | 01/22/20 | 01/22/20 | SBOE to refund dues |
| 19-12 | County | CSA 158 - Mandville Park Subd. Annex | 05/02/19 | 05/29/19 | 10/03/19 | | | Approved w/ conditions - 218 Hearing |
| 20-04 | Chico | Ext of Services - 216 Centennial Ave | 11/8/2019 | 11/08/19 | 12/05/19 | N/A | N/A | Waiting for fees to be paid |
| 20-05 | | Tuscan Water District Formation | | | | | | New Notice of Intent received |
| 20-06 | OMAD | Dissolution / Annexation to BCMVCD | 01/21/20 | 02/06/20 | 08/06/20 | | | Approved w/ condition (CalPERS)- Will not record the annexation until the CalPERS payment is completed. |
| 20-08 | Oroville | MSR Update | 05/20/20 | | | | | In progress |
| 20-09 | LAFCO | Oroville Region Sewer & Water MSR | N/A | | | | | In progress |
| 20-10 | LOAPUD | Ophir Road Annexation No. 2 | 06/22/20 | 06/27/20 | 09/03/20 | | | Waiting for new map to record |
| 21-01 | Oroville | Lincoln Boulevard Annexation No. 1 | 07/02/20 | 07/29/20 | 10/01/20 | | | Approved |
| 21-02 | LAFCO | DMAD SOI Amendment | N/A | N/A | 11/05/20 | N/A | N/A | In progress |
| 21-03 | Chico | Ext of Services - 2418 Guynn Ave | N/A | N/A | pending | N/A | N/A | In progress |



Manager's Report

To: Board of Directors

From: Scott McCutcheon, General Manager

Date: November 10, 2020

RE: Item No. 12 – Manager, Staff, And Board Comments

12.1 Field Operations Supervisor Report

October 2020 Field Operations Activity Report is included for your review and discussion.

Attachment Included

12.2 Project Updates

The General Manager with input from staff and the District Engineer will give a general update on various District projects in different stages of processing.

12.3 Discussion Regarding District Financing of Customer Connections

FIELD OPERATIONS ACTIVITY REPORT

OCT 2020

Safety Meetings and Compliance

- Full safety training for two new employees hired - Shawn Ainslie and previous employee Tyler Christensen
- Sexual harassment training
- Fire prevention
- California Damage Prevention Certifications

General meetings

- Field meeting with PG&E, Teichert Construction and Butte County Public Works regarding gas mainline and service replacement.
- Facilities tour

I & I Related Work

- Poured new collar around damaged manhole
- Cut & cap abandoned Villa Verona line we found
- Found customer we had previously cut and capped had reconnected
- 3 each Villa Verona repairs done

New Permits and Connections, Estimates, Inquiries or Termination

- New home complete at 5411 Sugarloaf Ct
- Orangeburg lateral replaced at 4783 Lincoln Blvd
- Sewer inquiries on vacant lots on Lower Wyandotte Rd, Greenville St., Elgin St., Melrose Dr.

River Ranch Project

- Reviewed new pump station plans

Lines Cleaned

- 7,676 L.F. Cleaned with Jet Rodder
- 1,000 L.F. Villa Verona Lines Flushed

CCTV Work

- 2,818 L.F. Televised

GIS Work

- Lower Wyandotte Rd., Oro Bangor Hwy, Lincoln Blvd, Southside

PSPS Related

- Heritage Pump Station down for two days
- Estimates for generators for grant funding

General Maintenance

- Installed new gas fuel hose
- Recycled waste oil
- Smogged multiple District vehicles
- Repaired multiple non-working shop lights
- Repaired non-working light in main office
- Rebuilt air relief valves for Gorman Rupp pumps
- Repair roof panels on lower equipment bay

Field Maintenance, Repairs and Misc.

- Contractor dug into one of our Villa Verona lines – He repaired
- Worked on multiple future easement acquisitions
- Replaced broken Villa Verona box in customer's driveway
- Tyler checked repeater site for fire damage - None
- Installed new generator display at Hanging Tree P.S.

Callouts Primary- 4 (4 Last Month)

- 1-PSPS outage at Heritage P.S.
- 1-Shop alarm call out - Balloons blowing around set off alarm
- 2-Laterals plugged - Non district problem

V.V. Callouts and Tanks That Needed Serviced- 8 (7 Last Month)

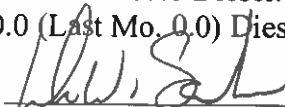
- 5-Tanks cleaned, flushed and/or pumped
- 1-Low flow alarm at L-3-Debris around impeller
- 1-3031 O.B.- Pulled check valve and flushed line
- 1-3041 O.B.- Lateral plugged near tank - Dug up to check tank and found two t-posts driven into the tank - District repaired

Gas Consumption: 254.0 (Last Mo. 207.6)

Diesel Consumption: 367.0 (Last Mo. 711.0)

LOAPUD Gas: 254.0 (Last Mo. 207.6 Diesel: 116.8 (Last Mo. 530.6)

El Medio Fire Dept. Gas: 0.0 (Last Mo. 0.0) Diesel: 250.2 (Last Mo. 180.4)


Field Operations Supervisor
Dan W. Sanders