

Minutes of the Regular Board Meeting

Thermalito Water and Sewer District
Minutes of the Regular Board Meeting
December 20, 2011 – 2:00 pm

1. CALL TO ORDER

The meeting was called to order by President Thompson at 2:00 pm

1.1 Flag Salute

Vice President Hatley led the flag salute

1.2 Roll Call

Present were President Thompson, Vice President Hatley, Directors Taggart and Reynolds. Also present were Recording Secretary Padilla and Manager Boucher. Director Huston was absent.

2. PERSONS DESIRING TO ADDRESS THE BOARD

Rich Hawkins from Alternative Energy Systems to speak on Agenda Item 5.3.

3. CONSENT AGENDA

3.1 Minutes of the Regular Board Meeting held on November 15, 2011

3.2 Financial Statements – November 2011

3.3 Water Warrants – Check Number 12080-12141 Total \$196,197.43

Water LAIF Deposit - \$197,802.65

Sewer Warrants – Check Number 6412-6426 Total \$75,267.93

Sewer LAIF Deposit - \$29,197.35

Secretary Revolving – Check Number 2569 Total \$160.00

3.4 Summary of District Operation – November 2011

It was moved by Director Reynolds and seconded by Director Hatley to approve the consent agenda. Motion carried.

4. ITEMS REMOVED FROM CONSENT AGENDA

None

At this point, it was suggested by Manager Boucher to move Item 5.3 forward in the agenda to accommodate Rich Hawkins from AES.

5. GENERAL ADMINISTRATION BUSINESS

5.3 Solar Project

Manager Boucher reported that he, Director's Taggart and Reynolds and Attorney Carter met with Elite Solar on December 15th to discuss their Construction Agreement as well as the Leasing Agreement concerns that the District had. He reported that there were no issues with negotiating the Construction Agreement but that the problem was with the service rider on the Lease Agreement with Belvedere Equipment Finance. He mentioned that the service rider spelled out that if the District does not obtain the Grant

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funds, the District would be liable for the total amount of the Grant. In reviewing the figures from Belvedere Equipment Finance, if the District was unable to obtain the Grant, the District would be looking at roughly a \$1.7 to \$1.8 million dollar financing agreement with Belvedere Equipment Finance. After further discussion, it was decided that if the District were unable to obtain the funding, the District would be able to do this project on its own at a cheaper rate. At that point, it was the Committee's decision to walk away from the lease program and to look at alternative ways of financing this project and possibly looking at other vendors for cash proposals.

Manager Boucher mentioned to the Board that upon returning back to the office, he had a phone conversation with Dick Leask from Belvedere Equipment Finance regarding the lease agreement. At the conclusion of the discussion, Mr. Leask called Manager Boucher "stupid and dumb" and then hung up on him. It was decided by the Board that a letter addressed from the Board President will be sent to Mr. Leask informing him of their decision and their feelings towards the conversation.

Rich Hawkins from AES stood before the Board and mentioned that he had a meeting with Bill Garnett from Clean & Renewable Energy Funding along with Dick Leask from Belvedere Equipment Finance to determine how to affect the solar operating lease for TWSD. Rich mentioned that AES was prepared to accept liability for the ITC 1603 Grant and to relieve the District of the liability, but AES concluded that there is insufficient time. He said that if the Grant is extended, AES will still be willing to resume efforts to affect the Operating Lease with AES liability for the Grant. He mentioned that Bill Garnett has other options that may be of interest to the District should the District go with AES.

Manager Boucher asked the Board for direction on moving forward with this agenda item. He asked the Board if they would like to see additional proposals from other solar agencies or to have staff look into financing options. He mentioned that there are several avenues to go down. Consensus of the Board is for staff to get a complete proposal packet from each vendor before the next Board meeting.

5.1 Election of Officers

President Thompson passed the gavel to Manager Boucher to take nominations for president. Nominations for President were opened. Director Reynolds nominated Director Hatley, seconded by Director Taggart. With no more nominations being made, nominations were closed by Director Reynolds. Motion was unanimously carried.

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Nominations for Vice President were opened. Director Thompson nominated Director Taggart, seconded by Director Hatley. With no more nominations being made, nominations were closed by President Reynolds. Motion was unanimously carried.

The gavel was then passed back to President Thompson.

5.2 Winter Party

Manager Boucher reported that the annual Winter Party will be held in January 2012. He stated that staff has come up with two dates, Friday, January 20th or Friday, January 27th. Staff also provided a list of three banquet facilities, 1) Feather Falls Casino; 2) Gold Country Casino or 3) Lake View Restaurant. Consensus of the Board is to hold the Winter Party on Friday, January 27th at the Lake View Restaurant.

5.3 Solar Project

This item was moved forward in the agenda and has already been discussed.

5.4 Butte County Special Districts Association

Manager Boucher mentioned that the Butte County Special Districts Association is requesting that the District vote for two candidates for the Non-Enterprise Executive Board Member and two for the Enterprise Executive Board Member. The Board voted as follows:

Non-Enterprise Executive Board Member

Mike Trinca, PRPD
Steve Rodowick, PRPD

Motion was made by Director Reynolds, seconded by Director Hatley and unanimously carried to nominate Mike Trinca and Steve Rodowick for the Non-Enterprise Executive Board.

Enterprise Executive Board Member

Jayne Boucher, TWSD
Steven Onken, LOAPUD

Motion was made by Director Reynolds, seconded by Director Taggart and unanimously carried to nominate Jayme Boucher and Steven Onken for the Enterprise Executive Board.

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6. WATER BUSINESS

6.1 Election of NCWA Directors

Manager Boucher mentioned that NCWA is requesting that the District elect a candidate for the two-year term of January 1, 2012 through December 31, 2013 for the NCWA Directors Position. Motion was made by Director Hatley, seconded by Director Reynolds and unanimously carried to nominate Bryce Lundberg from Western Canal Water District.

7. ATTORNEY REPORT

None

8. SEWER BUSINESS

8.1 SC-OR Report

Commissioner Reynolds reported the following:

- West Interceptor Realignment Project – Payment has been authorized in the amount of \$190,287.00. 10% retention of approximately \$75,000.00 will be held to cover the remaining project.
- Received a letter from Senator Doug LaMalfa's office that was addressed to Mr. Ralph Torres, Assistant Deputy Director regarding the Proposed Thermalito Afterbay Hydroelectric Project.

8.2 Sale of Vactor Truck

Manager Boucher reported that at the previous meeting, it was mentioned that SC-OR was going out to bid for a Vactor Trailer. He reported that he has spoken with Manager Sousa regarding the District's 1998 Vactor Truck and the possibility of having SC-OR purchase it. He mentioned that he is proposing to sell the District's 1998 GMC Vac & Dig Truck to SC-OR in the amount of \$10,000.00. An Agreement for Sale and Purchase of the Vactor Truck has been drafted. Motion made by Director Taggart, seconded by Director Hatley and unanimously carried that based on the fact that the 1998 GMC Vac & Dig Truck is surplus and no longer needed by the District, staff can move forward with the Agreement for Sale and Purchase of Equipment by SC-OR.

9. MANAGER'S REPORT

Proposition 84 Grant: Manager Boucher reported that he met on December 19th with Kristin Carter from Grant Management Associates and Eric Ginney with ESA-PWA. Mr. Ginney mentioned that ESA-PWA is willing to work with the District to put some key components into this to receive the \$75,000.00 Grant. Eric mentioned that they are willing to do this pro bono knowing that if the District receives the grant, they are going to get the work to move forward with the process.

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He reported that at the January meeting, he would like to discuss the bigger vision on how to move forward with Lake Concow. The overall vision for Lake Concow is that the District needs to seek Hydro Electric as well as protect the Districts assets. To look into how the District is going to manage the 275 dry land acre around Lake Concow as well as dealing with the sedimentation at the reservoir. Manager Boucher stated that he would like to have a Master Plan in place on how the Board and District will move forward on this project. The SNC Grant has a deadline of Mid-January to submit the application.

10. HEARING OF INDIVIDUALS ON NON-AGENDA ITEMS

None

11. BOARD COMMENTS

None

12. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 3:46 pm.

Secretary of the Board

President of the Board