

**BROOKTRAILS TOWNSHIP COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS
Tuesday, January 23, 2007**

The Board of Directors of Brooktrails Township Community Services District met in regular session on January 23, 2007 at 7:05 p.m. at the Brooktrails Community Center.

A. PLEDGE OF ALLEGIANCE

B. ROLL CALL

Roll call showed the following directors present: Ziady, Orth, Horrick and Williams. Also present were General Manager Chapman and District Counsel Neary. President Skezas was absent with notice, and therefore Vice-President Horrick presided.

REPORT ON CLOSED SESSION

None.

C. ADDITIONS/ADJUSTMENTS TO THE AGENDA

None.

D. MINUTES OF PREVIOUS MEETINGS

1. January 9, 2007. Director Orth moved to approve the minutes as presented; Director Williams seconded. The motion carried unanimously.

E. SPECIAL PRESENTATION

None.

F. PUBLIC HEARING

None.

G. PUBLIC COMMENTS

None.

H. CONSENT CALENDAR

2. Review of Accounts Payable report and authorization to issue checks. Director Orth moved to approve payment of the outstanding invoice report, which included a \$100,000.00 down payment on the rubber spillway manufacture; Director Ziady seconded. The motion carried unanimously.

I. ACTION AGENDA

3. Terry Krieg, CPA – June 30, 2006 audit review. General Manager Chapman noted we expended approximately \$1.3 million on capital projects in that fiscal year, in particular noting the clearwell / backwash project. Mr. Chapman thanked his financial assistant, Joanne Cavallari, for doing an outstanding bookkeeping job.

Mr. Krieg reviewed the management letter and financial statements and their notes. He said the changes to the funds fell within generally accepted accounting principles. He further commented that his audit also was a requirement with federal awards programs.

The General Fund did end the 2006 fiscal year with about \$4,600.00 in the black and the Fire Services fund ended with a deficit of about \$88,000.00. However, the General Fund had about \$128,000.00 cash. The only reason there was a small fund balance was because the General Fund owed about \$139,000.00 to other funds from previous years. Mr. Chapman interjected that the ERAF funds shift to the State of \$116,000 last year did affect the 2006 fiscal year figures significantly, and he felt we were lucky just to keep the General Fund in the black. Mr. Krieg agreed.

The discussion turned to department pay-offs between funds. Mr. Chapman commented that the Water Fund will be paid off \$50,000 this fiscal year and probably the same over the next two ensuing years. Activity of the Water and Wastewater funds were discussed. The Water Fund certificate of participation and USDA loan were noted as being used for capital improvements. Mr. Krieg said the most significant point in the discussion portion was that the District did end the year with about \$1.89 million in cash and investments, with about \$1.7 million of that invested in the State investment fund (LAIF).

Mr. Krieg commented on the report on internal compliance, which was required because of the receipt of federal funds, whether loans or grants. There were no exceptions noted. No serious deficiencies had been noted on internal procedures and that was why there were no comments or recommendations for this section. Vice-President Horrick complimented and thanked Joanne Cavallari for her work. The Board thanked Mr. Krieg for coming to the meeting.

Director Orth moved to receive and file the June 30, 2006 audit report; Director Ziady seconded and the motion carried unanimously.

4. Annual 2006 Water Processed/Sold Report. General Manager Chapman explained the difference between the production side and the sold side (what goes through your meter). About every 20 feet throughout the 60 mile system, there is the possibility of a leak due to a pipe connection. He noted that we produced 126 million gallons in calendar 2006 as opposed to 114 million in calendar year 2005. The difference was due to having a dry May and June in 2006. He mentioned that staff fixed at least 20-25 leaks last year but it has been an ongoing battle. We used 1,494 for the SFR (single family residence) figure because there are some SFRs always in a state of flux. We produced 236 gpd/SFR this year and sold 179 gpd/SFR. Mr. Chapman noted we now have 11 or 12 SCADA systems on tanks. This enables the operator to see what's going on out in the field at the water plant. Also notable was installation of the \$15,000.00 pressure reducer station in Spring Creek. Mr. Chapman commented that Mark Vogel, PE, said he still considers our system to be within the reasonable standard of the industry given the number of miles we have to maintain. Mr. Chapman pointed out that it costs 3/4 cent to produce each gallon.

Director Orth asked if we were going to be able to get a telemetry system in Spring Creek; Robert Melluish spoke from the audience and said we are working on that right now. Mr. Chapman said we are putting in two altitude valves to regulate tanks on the airport side.

Director Williams noted that a lot of ground had been lost in water loss from the two prior years. Mr. Chapman mentioned the 20-25 water breaks, more than normal. Mr. Melluish said we had some tank problems in June as well. On average, he said, a 30% loss is always acceptable. Our biggest problem is that the service saddles at everyone's house are 40 years old and are rusting out. With 100 lbs pressure, you'll lose 50,000 gallons in no time at all. Director Williams asked if there was a plan to replace those. Mr. Melluish said that would be an expensive project; we can listen in the road for leaks. He felt about 15-20% are failing, but if you replace them all, you'll be digging up good ones as well as bad. Mr. Chapman said when we tear up a road we have to spend \$400.00 to fix it (i.e., gravel and pavement). Director Ziady said we may have to budget for this.

Mr. Chapman said he would be asking the Board for another employee this year, not necessarily for that project, but because we have so many needs, particularly on the sewer system side. He said Lisa Bernard, PE, from the Regional Water Quality Control Board, is in charge of our system as a regulator, and made a special trip last week to inspect our system. He said the District would be looking at a combination of having another employee due to their increasing requirements, and reminded the directors that one employee who had left three years ago had not been yet replaced.

Director Ziady said at some point we have to start budgeting for replacement and we need to triage what elements of the system need to be replaced. Mr. Chapman said every year they put in a new water tank liner, usually \$15,000.00 to \$25,000.00. Director Orth said he felt a good target would be 16% loss, recalling we were up to 26-28% a few years ago. Director Williams moved to accept the report; Director Orth seconded and the motion carried unanimously.

5. Fire Safe Council – Grant application to BLM for Ridge Road. Mr. Chapman advised that Julie Rogers of the FSC and Director Ziady would conduct the discussion. He noted that the BLM grant was a California grant, as opposed to the federal WUI grant that we failed to get last year. He said he was comfortable with an annual encumbrance maintenance budget in the range of \$6,000.00 - \$8,000.00 per year.

Director Ziady stated she was optimistic about the grant, and that the Greenbelt Stewardship Plan does have a priority for this type of work. The current BLM grant would be addressing evacuation roads, she said, and therefore she felt this money should go to the Ridge Road project. She said there was no point in doing a fire break unless you maintain it and she would like to see us start on the fire protection portion of the Stewardship Plan. Director Orth said he fully supported the project and maintenance funds.

Julie Rogers then described the FSC (Fire Safe Council) to Director Williams. She said that CDF had committed 100 crew days minimum (2 crews at 50 days each); the dollar amount at \$200.00/day pay was only \$20,000.00 for 100 days of work; the match amount is \$812.00 per day from CDF. She said she would like to see Brooktrails hold their funds for at least five years maintenance.

Ms. Rogers mentioned that education programs which had been previously included in the WUI application are not as readily funded now, because federal funders are looking for the number of acres treated. So we don't really need to do an educational component for this grant. She further mentioned that the FSC will be distributing a 16-page color publication as a separate project to the entire county, sponsored locally by advertising. Ms. Rogers said there would be a meeting next week among all the parties to pick places to treat; she said it won't necessarily be a straight shot and they might go inland a bit to get to the flatter areas.

Director Ziady moved that we budget \$8,000.00 per year for five years for maintenance, and furthermore support the FSC to go ahead and apply for the grant. Director Orth seconded and added that she needed to include drafting the letter of support. Director Ziady said she would make a second motion after the vote. The motion carried unanimously. Director Ziady moved to draft a letter of support and for the FSC to go ahead on this application. Director Orth seconded the motion. The motion carried unanimously.

6. Formal approval – Rubber Spillway Project. General Manager Chapman said this was a formality. On January 12, 2007 we completed the CEQA process and the Notice of Determination was posted at the County. The draft resolution formally approved the project and specific acts toward its construction. We have an engineer's estimate at this point of \$1.7 million. Director Orth noted we had

closed the window for legal challenge. He moved to approve Resolution 2007-3 approving the rubber spillway dam project. Director Ziady seconded. Roll call vote was as follows:

AYES: Directors: Williams, Ziady, Orth, Horrick
NOES: Directors: None
ABSENT: Directors: Skezas

7. Consideration of real estate appraisal related to Rubber Spillway Project. General Manager Chapman explained that Chris Neary found a court-qualified appraiser named Dean Chapman (no relation to the district manager). The appraisal would be handled by Mr. Neary and the contract would be between District Counsel and the appraiser because some of the data might need to be handled in confidence. Title reports would have to be obtained for the 11 parcels. District Counsel Neary said we needed a litigation guarantee rather than an actual title report; Mr. Chapman said he would contact the title company. Director Orth moved to approve the contract with Dean Chapman & Associates for \$30,250.00 as described and ancillary costs associated with title insurance. Director Williams seconded. Roll call vote was as follows:

AYES: Directors: Williams, Ziady, Orth, Horrick
NOES: Directors: None
ABSENT: Directors: Skezas

8. Consideration of resolution replacing Resolution 2006-30 regarding Water Supply Projects. General Manager Chapman said this was tabled at the last meeting. He wanted to describe our future water projects as "expansions" and separate the rubber spillway project from the description. Director Orth moved to adopt Resolution 2007-4 repealing Resolution 2006-30 and authorizing specific actions pertaining to potential water supply projects. Director Ziady seconded. District Counsel Neary said under the third "Whereas," we decided that SFRs should be single-family residence equivalents. Director Orth amended his motion to include making that change wherever needed in the resolution. Director Ziady seconded the amended motion. Roll call vote was as follows:

AYES: Directors: Williams, Ziady, Orth, Horrick
NOES: Directors: None
ABSENT: Directors: Skezas

9. Annual Report of Employee Expense Reimbursement – 2006. Director Williams asked how this compared to other districts and a brief discussion followed. Director Ziady said she thought the Staywell program was a great one. Director Orth moved to receive and file the report; Director Ziady seconded and the motion carried unanimously.

J. ADDITIONS TO FUTURE AGENDAS

Director Ziady said she wanted to add to the Planning Meeting agenda a discussion about a new tier in the water structure for people using 3,000 gallons or less. She said a lot of those people are seniors and on fixed incomes and it would be a way of giving them a discount.

K. SPECIAL REPORTS

From Directors: None.

From District Counsel: District Counsel Neary said he and General Manager Chapman would be attending an unemployment insurance hearing the next week.

From General Manager: General Manager Chapman reported that there was a problem with a NEPA document for the Thimbleberry bridge project. In another matter, he said he was hoping to have the head engineer from Obemeyer, the rubber spillway manufacturer, to a meeting. He said we would be pursuing grants to improve our sewerlift stations. Mark Vogel was looking at our Madrone lift station which is becoming inadequate; next year's budget may include \$200,000.00 to upgrade that. Also, Mr. Vogel has agreed to act as the water referee. Mr. Chapman said we have to write a "hold harmless" agreement for him.

L. PUBLIC COMMENTS

Bob Terry announced that on March 28 there will be a "tsunami disaster" drill in the county to test communications in the absence of phone service and briefed the Board on CERT activities.

M. ADJOURNMENT

Director Orth moved to adjourn, and Vice-President Horrick declared the meeting of January 23, 2007 closed at 8:15 p.m.

GEORGE SKEZAS, President

ATTEST:

