

**BROOKTRAILS TOWNSHIP COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS
Tuesday, September 25, 2007**

The Board of Directors of Brooktrails Township Community Services District met in regular session on September 25, 2007 at 7:00 p.m. at the Brooktrails Community Center.

A. PLEDGE OF ALLEGIANCE

B. ROLL CALL

Roll call showed the following directors present: Williams, Ziady, Orth, Horrick and Skezas. Also present were General Manager Chapman and District Counsel Neary.

REPORT ON CLOSED SESSION

Mr. Neary reported that the Board met with counsel regarding potential exposure to litigation. The identity of the parties would not be disclosed at this time. The Board noticed discussion of the General Manager contract but tabled this to the next meeting.

C. ADDITIONS/ADJUSTMENTS TO THE AGENDA

None.

D. MINUTES OF PREVIOUS MEETINGS

1. September 11, 2007. Director Orth asked that on p. 3810, last sentence of second paragraph under Item 4, the words "sewer expansion" be inserted before the word "cost." He moved to approve the minutes as so amended; Director Horrick seconded and the motion carried unanimously.

E. SPECIAL PRESENTATION

2. Richard Estabrook – Second Water Report 2007. Mr. Estabrook said he made weekly observations and that we were 47 acre-feet ahead of the projection for this time of year. This was because of two reasons. First, our water production (sales + line loss), which was based on the previous year's use (which had been phenomenally high), dropped significantly this year due to conservation measures and weather. He reviewed a chart showing the decrease this year compared to the average of the three prior years. Mr. Chapman voiced that alone was about 31 acre-feet of the 47. Mr. Chapman also commented that this conservation measure has affected our revenue stream, necessitating the RCAC bridge loan appearing later on the agenda for the spillway project. Director Williams said it seemed to him the two lakes had water going over the dam for a long, long time; also we had a dramatically cooler summer this year, so we were lucky that a lot of things fell into place. Mr. Chapman said he was working with Scott Harris of Fish & Game and we would do a 15-acre-foot release beginning about October 15 due to some miscalculation earlier in the year; working with the gauge is a learning process. Mr. Estabrook presented a chart showing what we should have released versus what we actually released.

Director Orth commented that in a recent Board of Supervisors discussion about water supply, the 25% drop in Brooktrails usage was presented as proof that conservation measures can have a positive impact. He said the 15-acre release we're about to do was advocated in the '80s but we didn't have the technology to do it then. Now we will have a demonstration of what results you will get from such releases and whether they are of real benefit or not. Mr. Estabrook commented that there might need to be a repair to the gauge. Mr. Chapman and the Board thanked Mr. Estabrook for his presentation.

F. PUBLIC HEARINGS

None.

G. PUBLIC COMMENTS

None.

H. CONSENT CALENDAR

3. Review of Accounts Payable report and authorization to issue checks. Director Orth moved to approve payment of the outstanding invoice report; Director Horrick seconded. Director Orth asked what pro-pack polymer was and Mr. Chapman explained that we buy it in bulk once a year. The motion carried unanimously.

4. Retroactive approval of check – AT&T. Director Orth moved to retroactively approve payment of the check; Director Horrick seconded. The motion carried unanimously.

I. ACTION AGENDA

5. Consideration of renewal of the BPOA lease – Community Center. General Manager Chapman recapped the previous discussion. The draft presented adds a section entitled "Expense Support Allowance," which he read for the record; \$6,000.00 annually for eligible expenses of rent credit, janitorial service, electric and propane overage charges, insurance costs specifically related to Community Center activities, repairs, alterations and improvements approved by the District in advance, and any other related expense approved by the General Manager. He said since the draft was prepared, he thought we could strike the electric overage provisions in Section 16 (pg 7) and replace it with a dollar ceiling instead. Furthermore, he suggested eliminating Section 14 (d) entirely because such insurance language could be instead be better modified under the Insurance Section 8 (e) as follows: *“With the exception of costs as described in Section 8 (c) above, insurance costs required under this section will be eligible for full or partial reimbursement from the Expense Support Allowances described in Section 17 hereinbelow.”*

President Skezas said the rental figures are still the same as those in the agreement. On page 2, he said the rent savings to BPOA should be \$1,079.00 per year rather than \$269.00 per year. He said BPOA had already paid rent for July and August of \$108.00 and said he would like a \$175.00 check back and then the next five years would be paid at \$1.00/year. Mr. Chapman said he would like to backdate the document to July 1 to accommodate this credit. President Skezas said under Insurance, first paragraph, page 3, he said it was harder to find someone authorized to do business in California and their current insurer was not authorized to do so. It was further clarified that under Section 8 Insurance, paragraph one that the word “preferably” should also be inserted in the sentence as follows... *“issued by one or more reliable insurers preferably authorized to conduct business... etc.”*. Director Williams expressed surprise and asked if they would pay claims. President Skezas said they hadn't had any claims.

Bob Turner asked if for some reason BPOA should disband or reconfigure from its current form and had a sub lessee, would the District benefits flow to that same party, or would that be determined in the future. He compared it to the golf situation, where BPOA might choose to have a manager/sublease situation. President Skezas said he thought if that happened probably the lease would just be terminated and something else would be negotiated. Mr. Chapman referred to Section 11 and 12 where it said BPOA shall not assign without written permission from the District. Director Williams said he did not see Section 12 as giving BPOA any right other than to make occasional rentals. Mr. Chapman said they would return with the final draft.

6. Consideration of purchase of Gormann-Rupp pump for Madrone Lift Station. General Manager Chapman said this was very specialized pump and fairly expensive item. Even though the Board authorized basically \$200,000.00 in May 2007 had brought this to the Board's attention to be sure that they were aware of what we were doing. He said we were further spending also about \$10,867.00 to have Wipf Construction do the footprint work at the lift station. Director Williams asked if this had gone out for bid. Mr. Chapman said no because this was specialized on a case by case basis. He added that the construction outfit (Wipf) is also specialized in lift stations. He said this project should solve the sewer situation on the airport side.

Director Orth moved to authorize the General Manager to execute a contract with Thomas & Associates to purchase the required pump and engineer it for the Madrone Lift Station for a cost not to exceed \$92,000.00. Director Horrnick seconded. The vote was as follows:

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

7. Consideration of purchase of generator for Primrose lift station. General Manager Chapman said Superintendent Melliush has a concern and would like to have a fixed surface generator at our Primrose/Nutmeg lift station. He voiced to Director Williams that this was a case where we would seek bids because generators like this one was pretty generic. The cost was expected to be about \$20,000.00. Director Ziady asked about keeping the old one. Mr. Chapman voiced that it was old and causing us nothing but problems. Bob Turner asked how the production of decibels on this one compares to the old; Mr. Chapman said he didn't know but would research it. Mr. Turner said he had a rental up there; he wondered if a neighbor would complain. Director Williams said it is a legitimate issue; it says "whisper watt" so he felt it was probably as quiet as possible. A brief discussion followed. Mr. Neary said there should be an environmental checklist done although it was categorically exempt, because you're replacing something temporary with something permanent. Mr. Chapman said the other thing we might consider is putting some kind of shell dwelling such as our other lift stations. He further voiced that we did this for our water plant clarifier because of the Lodge's complaints, and this dramatically cut back the noise.

Director Orth moved to authorize the General Manager to proceed with the Primrose/Nutmeg Generator project. Director Williams seconded and the motion carried unanimously.

8. Consideration of bridge loan with RCAC (Lake Emily rubber spillway project). General Manager Chapman said that because of great conservation measures that took place this summer, we unfortunately had lost a dramatic amount of our tier revenue in the last four months and he had a cash-flow crunch right now. He mentioned that we were obligated to pay off an RCAC \$15,000.00 loan from RCAC in December 2007 for our first water well placed in 2003. He then described the new loan as more like a

line of credit. He said that we will eventually pay it off the day we receive the USDA loan, which we were expecting in March 2008 (i.e., the day we award the bid). He listed several upcoming expenses on the rubber spillway project: easement/right-of-way purchases; engineering calculations; paying the balance on the Obermeyer gate. He mentioned that we already have a \$105,500.00 down payment loan for those gates which will be rolled into this loan. The draft resolution needed to be presented by RCAC to its own bankers before October 31.

Director Orth moved to adopt Resolution 2007-20 approving execution of an agreement allowing the General Manager to borrow \$369,618.00 from RCAC for the Lake Emily project. Director Horrick seconded. Director Williams asked if he would accept an amendment to the motion to increase the amount since this is an increase from 106 to 396 [sic]. Director Orth so modified and Director Horrick re-seconded. After some conversation among Board members Mr. Chapman said this had been a tight-wire act over the last six months, trying to figure out how to keep everything in the project flowing; he felt these bridge loans were paramount to keeping the project alive. Director Williams said when we do the dam project next summer we will have the same substantial loss of income; Mr. Chapman said yes, and we will be rationing too. Director Orth asked if we might have to do a temporary rate increase. Mr. Chapman said was way too far away and he did not want to go there. Roll call vote was as follows:

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

J. ADDITIONS TO FUTURE AGENDAS

None.

K. SPECIAL REPORTS

From Directors: None.

From District Counsel: Mr. Neary said there was a ballot measure that has some very loose language concerning acquisition of natural resource land. He also stated that a resident had filed an action against the District; one of the claims was that our requirement that water meter holders pay the basic charge even if their service is voluntarily turned off or water is not being used is a violation of Prop. 218. We demurred in July 2007; plaintiff filed an amended complaint which alleges things which, Mr. Neary said, he cannot prove and we have answered that complaint. We will now take depositions. There was a possibility that Mr. Neary could not attend the first meeting in October. He might have to attend by telephone call or by standby.

From General Manager: Mr. Chapman reported said we would be discussing Mello-Roos at the second October meeting; we would try to have Supervisor John Pinches and possibly Phil Dow from MCOG, along with the two finance experts from Walnut Creek on Mello-Russ Districts. Mr. Chapman said he would invite Tom Porter, Bob Whitney, Richard Estabrook, and anyone who wanted to know more about what we're doing on the Ada Rose dam project. Director Williams asked if we received the 401 permit. Chapman said no but Assemblymember Patty Berg was working on our behalf to obtain it.

L. PUBLIC COMMENTS

Bob Terry said the North County sheriff's deputy had provided clarification that gunfire and several other things are a matter of specific ordinance for Brooktrails approved some time back, and Lt. Ron Welch had said he would advise all of his local deputies of the situation, and there is to be no discharge of firearms in Brooktrails.

M. ADJOURNMENT

Director Horrick moved to adjourn; President Skezas declared the meeting of September 25, 2007 closed at 7:55 p.m.

GEORGE SKEZAS, President

ATTEST:

MICHAEL V. CHAPMAN