

**BROOKTRAILS TOWNSHIP COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS
Tuesday, February 26, 2008**

The Board of Directors of Brooktrails Township Community Services District met in regular session on February 26, 2008 at 7:01 p.m. at the Brooktrails Community Center.

A. PLEDGE OF ALLEGIANCE

B. ROLL CALL

Roll call showed the following directors present: Ziady, Orth, Horrnick and Skezas. Also present was General Manager Chapman. District Counsel Neary arrived at 7:15 p.m. Director Williams arrived at 7:03 p.m.

REPORT ON CLOSED SESSION

None.

C. ADDITIONS/ADJUSTMENTS TO THE AGENDA

None.

D. MINUTES OF PREVIOUS MEETINGS

1. February 11, 2008. Director Orth moved to approve the minutes; Director Ziady seconded and the motion carried unanimously.

E. SPECIAL PRESENTATION

None.

F. PUBLIC HEARINGS

None.

G. PUBLIC COMMENTS

None.

H. CONSENT CALENDAR

2. Review of Accounts Payable report and authorization to issue checks. Director Orth noted that by this motion, the generator contained in the next calendar item would also be approved; he then moved to approve payment of the outstanding invoices; Director Horrnick seconded. The motion carried unanimously.

3. Approval of purchase of generator for water plant from Factory Electric. Approved above.

I. ACTION AGENDA

4. Appeal by Ralph Alexander regarding monthly base charge. Mr. Chapman reviewed the figures for our expenditures on water since 2003, a cumulative total of \$4,395,008. For sewer this total was \$3,478,695.

Ralph Alexander said he took out a building permit in 1991 and paid the fees to have the water meter installed and then began construction in 1992, which was partially completed. It was his understanding that he would not be charged until he used the water, and he has never used any water. He said he felt that there was a sort of contract with the District to this effect. He said he felt he did not owe the money and he shouldn't have to pay. He said he was not receiving any benefit from the water system. There is a padlock on his system (of which he passed around pictures). He said he would like to be grandfathered in up to this point and have the old bill waived (\$3,000.00 plus) and start fresh.

Mr. Chapman said when the District started this process in 2003 there were 22 situations where we had meters like this, and today there are now only two. The other 20 have complied. Since 2003, the other owners have each paid \$3,000.00 that Mr. Alexander has not. He further suggested Mr. Alexander was lucky that he hadn't been charged late charges on top of this.

Director Horrnick asked Mr. Alexander if he understood the benefit to his property because of having a meter. Mr. Alexander said that may be so, but he didn't have that benefit in his pocket. Director Horrnick asked if he would be willing to waive the hookup. Mr. Alexander replied no, that he wanted the hookup so he could finish the house, which he planned to complete this year. He said he had heard this argument before, but you don't benefit from anything until you actually get it. He and his wife had wanted to have the house free and clear for retirement.

Director Orth said he was reluctant to agree with Mr. Alexander, who had received benefit from the moment he got the meter. He was able to get a building permit and to start construction. Benefit

resides in the property's value and his ability to finish it and put it on the market. Meter holders are paying the cost to upgrade per state mandate and those costs are inescapable; everyone should be treated fairly and pay their fair share of the cost. The last two properties with just a water meter sold for about \$100,000.00 each. This benefit is there whether Mr. Alexander chooses to turn the water on or not. He said that Mr. Alexander would not in fact be "free and clear" until he had paid this debt to the community.

Director Williams said by placing the meter there and starting construction when he did, he was actually able to build a house now. If he had not done this, he would not be able to build a house now. He suggested thinking of it as a hotel room that he reserved but never used, but they (the District) held the room for him. In this case, the District has spent millions of dollars on the system so that now, when you do want water, you can actually get it. He said he didn't look at it in terms of the value of the property, but at the fact that he actually has water.

Director Ziady said it was the Board's responsibility to the community to maintain the work and meet state requirements for water quality and the pipes and replacements, and every owner has to pay a fair share towards that. Mr. Alexander responded again that he was not receiving anything. Director Ziady reiterated that he has the benefit of the meter and that everyone else has paid, even though some do not live up here full time.

Mr. Alexander asked to be grandfathered in until March 1 and said he would feel okay about that.

Bob Terry asked what the combined connection charge was today for water and sewer versus then. Mr. Chapman said it was basically \$6,200.00 for water; \$3,700.00 for sewer. He didn't know what it was when Mr. Alexander began construction in 1991. Mr. Terry closed with suggesting Mr. Alexander had a bargain.

Director Williams said if we were a private firm there would be some substance to Mr. Alexander's argument about a "contract" back in 1991. However, in fact the District should have been charging the minimum rates from the inception of the District, but did not do that until it was pointed out that all people with meters should have been paying, instead of the burden being on only those who were using water. Regardless of how others in Mr. Alexander's situation felt about it, they have ended up paying the minimum rate. As a governmental entity, we discovered and fixed a mistake, but we cannot go back and make it the way it was before.

Director Orth moved to deny the appeal. Director Williams seconded and Director Horrick asked to qualify the motion, that is, to continue with the sheriff's sale. Mr. Alexander asked if it could be modified to have it for the amount that should be owed; he said that his meter says "49" in the picture but his bill says he used 1,510. Mr. Chapman then pointed out that staff advised him that there had been a computer error on about 15 accounts which he had just found out this morning, and he had determined there was a misread and these have been reversed. He said the total owed was about \$3,254.00 less about \$30.00 from the misread; he said he did not give out a copy of Mr. Alexander's account to the Board because of a previous memo from Chris Neary. Director Williams asked when the sheriff's sale was scheduled; Mr. Chapman said this is a process he was working on with Chris Neary. Discussion followed about the nature of the motion on the floor and Director Williams stated it was the one that he had seconded, that being simply to deny the appeal.

Mr. Alexander asked if there were penalties or interest; Mr. Chapman said he had not charged penalties for about five years because this was going to balloon. He further added there were 24 people on the waiting list that would desperately love to have a water connection, and yet they cannot, given the current situation. He thought Mr. Alexander was fortunate just to have the opportunity to build. Mr. Alexander said he would come in Friday (March 7, 2008) and pay it. Mr. Chapman said he would call him with the correct figure. Mr. Alexander asked if he could pay in advance for a year or something like that. Mr. Chapman said we weren't trying to take money credits for the future, we were just trying to clear the debt.

Roll call vote on the motion was as follows:

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

President Skezas said we would postpone the action on the sheriff's sale for the time being.

J. ADDITIONS TO FUTURE AGENDAS

None.

K. SPECIAL REPORTS

From Directors: Director Williams reported the Humboldt County administrator was saying that the state budget cuts might affect special districts, and Mr. Williams asked if there were any danger to the district from the state budget crisis. Mr. Chapman responded that we hadn't received any notice, but he could call ACWA and find out more about the situation. Mr. Neary said upon a two-thirds vote of the legislature they can declare an emergency; that this was the compromise, that they would never do it again unless there was two-thirds of the legislature, the thinking being that would be hard to accomplish. Mr. Chapman said we lost \$232,000.00 in 2004-05 this way.

Director Orth said he attended the Willits water meeting about their rates, base rates, budget, etc. There was a proposal to just charge for usage and throw away the base rates.

President Skezas commented that Sonoma County water districts are complaining about the effects of conservation on their revenue. Mr. Chapman said they're raising their rates 10% across the board. Discussion followed about rates and usage.

From District Counsel: None.

From General Manager: Mr. Chapman said we were going to try to get the flashboards up next week. The Obermeyer gates were finished, but we are not able to pay the balance due until the loan closes. A registered professional forester was going to work on a 3-acre exemption around the lake. We filed with California Fish & Game to get an earlier start of construction date if we can.

L. PUBLIC COMMENTS

None.

M. ADJOURNMENT

Director Orth moved to adjourn; President Skezas declared the meeting of February 26, 2008 closed at 7:36 p.m.

GEORGE SKEZAS, President

ATTEST:

MICHAEL V. CHAPMAN