

**BROOKTRAILS TOWNSHIP COMMUNITY SERVICES DISTRICT  
BOARD OF DIRECTORS  
Tuesday, June 10, 2008**

The Board of Directors of Brooktrails Township Community Services District met in regular session on June 10, 2008 at 7:16 p.m. at the Brooktrails Community Center.

**A. PLEDGE OF ALLEGIANCE**

**B. ROLL CALL**

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

**REPORT ON CLOSED SESSION**

District Counsel Neary said the Board met with its counsel on two matters of anticipated litigation and gave instruction.

**C. ADDITIONS/ADJUSTMENTS TO THE AGENDA**

General Manager Chapman said the Board needed to be aware of some confusion on the agenda and the required hearings. There had been some question of proper notice time for the rates and fees and protest hearings, and District Counsel Neary had advised him just this evening that we had in fact properly met those notice times. District Counsel would advise us as to adjustments to the agenda to be made as a result at a later point.

**D. MINUTES OF PREVIOUS MEETINGS**

1. May 27, 2008. Director Ziady requested in Item 10 that the word "marijuana" be changed to "garden." Director Orth requested that in Item 7, 1st paragraph, the words "Specific Plan" be changed to "Strategic Energy Plan," that in the 2nd paragraph, the words "public housing" be changed to "for energy conservation programs" in the first sentence, and the word "energy" included before "projects" in the second sentence, and the word "would" in that sentence changed to "could," and in the last sentence of that paragraph, the words "priority would" be changed to "priority could," and in the last sentence of the 3rd paragraph, the word "energy" be inserted before "project proposals." Director Orth moved to approve the minutes as so amended; Director Ziady seconded and the motion carried unanimously.

**E. SPECIAL PRESENTATION**

None.

**F. PUBLIC HEARINGS**

2. Budget for FY 2008-09. Mr. Chapman reiterated that proper publication of notice for the budget had been done. He noted a change needed to his memo regarding the estimated financial impact of the budget; that number should approximate \$2,339,100.00. He commented on budget complexities encountered when you have a \$3 million loan thrown into the mix.

Director Horrick opened the public hearing at 7:25 p.m. Maria Bates of Spring Creek received clarification that the current project was the rubber spillway project and it did not include dredging. Mr. Chapman described the purpose and benefits of the rubber spillway. Counsel Neary commented it is very evident more stringent safety regulations are coming down and this project will potentially bring us up to state-of-the-art safety standards in anticipation of those. Another audience member spoke and asked if dredging would happen if the Lake Ada Rose project did not. Mr. Chapman said it would have to be dredged at sometime in future, but questions would arise over where to put the silt. He clarified that the Second Access Road would have to be done before a Lake Ada Rose project.

**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 invoices; Director Ziady seconded. The motion carried unanimously.

4. Retroactive approval of checks for engineer housing and Crothers' settlement. Director Orth moved to retroactively approve the checks for initial deposit and rent for the Hanson engineer's housing during construction of the rubber spillway, and for the corrected final amount of the Crothers' settlement; Director Ziady seconded. The motion carried unanimously.

**I. ACTION AGENDA**

5. Appeal of multiplex meter requirement – Albert Anderson. Mr. Chapman explained the background. He visited the Anderson sixplex and felt the District should grant some relief because of the complexity and extraordinary cost of work required for Mr. Anderson to comply. The plumber's estimate was about \$10,000/unit. He said the District had the six meters in place. He mentioned a compromise solution, they could at least meter Building A and Building B separately. He mentioned we could still have problems with rationing but we would have to cross that bridge at that time.

Albert Anderson said he did not oppose the requirements. He explained his water usage by stating they didn't have washer/dryers or dishwashers. There were some outside faucets bibbed off. There was no lawn or shrubbery. Usage was minimal. He described the process of trying to obtain an estimate and the problems revealed by the plumbers. He said he would be glad if he could get the individual meters hooked up and have each tenant responsible, but this installation would be too destructive and expensive. He asked for leniency from the Board and said he would keep the water levels down.

Mr. Chapman said usage for the complex was below average. Director Ziady said she would be comfortable with an understanding that if the property is sold, it had to be brought up to Brooktrails requirements with a restriction on the deed. Director Williams asked if abandonment of the existing plumbing would avoid having to go through concrete and was told no. Mr. Chapman commented that when Mr. Anderson took the building over it was significantly upgraded. Director Orth said it is basically a floating slab and all the plumbing is in the middle in the wall structure. Director Ziady said she had made other people come into compliance and she felt her proposal would be a reasonable compromise and ultimately we have to uphold the standards. Director Orth said we should direct staff to come up with a final proposal and resolution. District Counsel Neary advised that if we were going to treat this case differently than others, we would need findings. Director Williams said he would vote for split meters on the two complexes and to abate the rest of the compliance requirements with a deed restriction on sale of the property. Director Orth agreed. Director Williams said if they were in agreement with the Board's suggestion, he felt they could go ahead. The matter will return for final action at the second July meeting if possible.

6. Consideration of Hanson Engineering fees for dam inspection summer process. Mr. Chapman said this was his 15<sup>th</sup> return to the Board for fee increase approvals. At the recent preconstruction meeting Hanson Engineering described they would have an earthwork technician at the dam site daily. Under our USDA budget we had \$463,200.00 for our engineering budget. Our last increase approved costs up to \$355,000.00, and engineering bills should increase in short order. He requested raising the ceiling to \$463,200.00. Director Orth moved to approve contract engineering for dam inspection services and engineering in an additional amount of \$107,582.00. Director Horrick seconded. Director Williams asked what the procedure is with USDA if we go over the \$463,200.00. Mr. Chapman said he would have to come back to the Board (and USDA) without a doubt. Greg Aanestad at USDA has commented that he felt the projected engineering costs were reasonable. Roll call vote was as follows:

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

7. Reschedule hearings for protests of application of water availability and sewer standby charges to August 5, 2008. *NOTE: Dropped from agenda as unnecessary per discussion below.*

8. Reschedule hearings for Rates & Fees process; approve revised mailer and costs. *This matter dropped from agenda; replaced by originally-noticed Public Hearing on Rates and Fees for FY 2008-09 per motion and discussion below.* Mr. Chapman said this agenda item needed correction upon advice of District Counsel, who had advised that only 14 days notice was needed. The agenda item was scheduled because we were using a 45-day notice process and had missed one aspect of the notice process, that of publication in the paper, by five days, and so believed we were required to repeat the 45-day notice process. However, District Counsel had this evening advised that only 14 days notice was needed and that we could continue with the hearing previously set for June 24, 2008. Therefore, agenda items 7 and 8 were not necessary, and those related projected financial costs in his memo (items 7 & 8) to the Board now would not occur.

District Counsel Neary advised the water and sewer standby charges have their own traditional methodology for notice to owners by mail. When Prop. 218 came in, it had overriding notice requirements and no one was quite sure whether they applied to water and sewer rates until August 2006 when the Supreme Court decided that water and sewer rates are within that. We had been following a 45-day procedure prior to 2006 out of an abundance of caution. When Mr. Chapman had first asked him about this problem, he said, he was unaware that publication had actually occurred; when he looked at the question today, learned publication had in fact occurred, and read the Administrative Assistant's write-up identifying the governing codes, he felt that the 14-day method was correct and the original schedule

could go forward. He said that for next year he and the Administrative Assistant and the General Manager would together draft new notice requirement processes.

Mr. Chapman said that under the rates and fees, we have two public hearings, and one had been noticed for tonight. We have a second hearing for June 24, 2008. District Counsel Neary said we had noticed a public hearing for June 10<sup>th</sup>, and the procedure would be to add this to the agenda as it is already noticed and we can proceed with it. Director Orth moved to add to the agenda the previously-scheduled June 10 public hearing for the water and sewer availability; Mr. Chapman clarified this was only for the rates and fees. Director Orth amended his motion that this would be a public hearing for the rates and fees for 2008-09. Director Horrick seconded. Roll call vote was as follows:

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

Vice-President Horrick then opened the public hearing on rates and fees for FY2008-09 at 8:09 p.m. General Manager Chapman said we were raising the base rate for water from \$32.45 to \$34.07, which was a \$1.62 increase (5%). Sewer base rate would increase from \$30.07 to \$32.57 (8%). Water tiers would rise by .001 each. He referred to the rates and fees lists which were distributed to all crowd participants at the meeting. Ms. Santonello complained about the percentage increases. Mr. Chapman said he was trying to support the costs and gave examples such as our sewer obligation under the Willits sewer agreement, which comes out of the sewer base rate. He said he was following USDA's advice on this sewer rate increase.

Director Orth commented we can't just do inflationary water increases because we are doing required water projects and upgrading facilities; we spread those costs out the longest possible time so our increases are the smallest possible, but we do have to satisfy the lender. Our rates will be going up to capture both those costs and inflation.

Ms. Bates said the District charges everyone the same regardless of the size of their parcel and she never felt that was fair. Her family had bought acreage so they could have landscaping. She didn't think acreages should get the same amount of water as a lot. Director Orth said Ms. Bates had the right to drill a well where she is, while people within the District proper do not. Ms. Bates said that costs money, and the District had drilled three dry wells. Director Williams said if the Board could figure out a way for legitimate uses of more water on a large parcel, as opposed to what we consider agricultural uses on a property, if we could find a reasonably equitable way to do it, we will do it. He said the tier system works fine for residential parcels but poses a hardship on large parcels. He said we needed also to set a cap on usage for all types of parcels, and needed to consider Ms. Bates' property specifically. Mr. Chapman voiced we currently have a cap of 20,620 gallons under our alert process, but if the Board were to declare a water emergency that could be ratcheted down to whatever number was justifiable.

Director Orth read a letter just received from Arthur Eck protesting the increase in fees since 1992 and the hardship this causes to fixed-income people. Director Orth said we had learned we can't provide relief for any special class of customers as that discriminates against the other classes. Director Horrick closed the public hearing at 8:26 p.m.

#### **J. ADDITIONS TO FUTURE AGENDAS**

General Manager Chapman said the Second Access Road would be discussed in detail at the first July meeting. There would be an open house from 5:00 p.m. to 7:00 p.m. for a presentation by DOT and KOA Corporation and then another presentation at the meeting.

#### **K. SPECIAL REPORTS**

**From Directors:** Director Williams said he wanted to raise the issue again that we address the subject of whether or not as a District we can put a maximum cap on any property in the District in a rationing emergency. Mr. Chapman said we have customers who use 20,000 to 50,000 gallons a month and this would be applicable. Right now we have to declare a water alert/emergency to institute the cap.

**From District Counsel:** None.

**From General Manager:** Director Orth commented that the Governor had declared a water emergency and other organizations have asked to use our water shortage ordinance. Mr. Chapman said that Bruce Burton, DHS engineer had requested to use our emergency ordinance as a template for other districts. Also, Mr. Chapman announced the City of Willits 2006 audit was received and he would try to have an update on that and the 2005 sewer audit in August.

#### **L. PUBLIC COMMENTS**

None.

**M. ADJOURNMENT**

Director Orth moved to adjourn the meeting; Vice-President Horrick declared the meeting of June 10, 2008 adjourned at 8:31 p.m.

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GEORGE SKEZAS, President

ATTEST:

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MICHAEL V. CHAPMAN