

**BROOKTRAILS TOWNSHIP COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS
Tuesday, October 13, 2009**

The Board of Directors of Brooktrails Township Community Services District met in regular session on October 13, 2009 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

District Counsel Neary reported that the Board met with its counsel on a matter of potential litigation, received information and gave instruction.

C. ADDITIONS/ADJUSTMENTS TO THE AGENDA

None.

D. MINUTES OF PREVIOUS MEETINGS

1. September 22, 2009. Director Orth requested that the last clause in the second to last sentence on p. 3982 beginning "Director Orth" be changed to read: "he felt to accommodate the timber trucks and tanker trucks." He then moved to approve the minutes as so modified; Director Williams seconded. The minutes were approved 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 invoices; Director Williams seconded; the motion was unanimously approved.

3. Retroactive approval of check issued to USDA – vacuum truck financing. Director Orth moved to retroactively approve Check #023907 in the amount of \$20.00; Director Horrick seconded; the motion was unanimously approved.

I. ACTION AGENDA

4. Receive and review – Water/Sewer Connection Fee Study (Oscar Larson & Associates); introduce draft resolution to increase connection fees; schedule public hearings; approve form and costs of mailer to lot owners. Mr. Chapman introduced John DeBoice, PE, from Oscar Larson. He reminded the Board that this firm had done our connection fee study in 2002. We are doing this update because it was prudent to do this every five to six years, particularly in our case where we spent \$4.5 million in capital improvements in the water department in the last five years, and in the sewer department we may be responsible for \$10 to \$11 million with the City of Willits and their new sewer plant.

Mr. DeBoice then presented his study to the Board. They looked at newly constructed or replaced equipment in the last seven years and other factors. The approach of this study was to take the value of all your existing assets, debt service paid and anticipated improvement projects and come up with a total value of the system. You divide that by the total number of anticipated connections and you get a cost per connection, and this is how the fee is arrived at for water and for sewer. Mr. DeBoice said they listed three different rates, depending on how many future connections there might be, and this was another issue that had a little uncertainty. He said our water connections were limited by what the State is going to say. His firm looked at 25 to 100 residences, being somewhat optimistic that it might actually happen over the next 5 to 10 years.

Director Orth said we had tried to ferret out the sewer plant capacity available to Brooktrails and we've never had a clear statement as to capacity or any number out there at all. Mr. DeBoice said they went with the number from the consultant working on the plant.

Director Williams then asked if we were justified in picking a figure for both sewer and water that assumes 100 or more new residential connections, given the current state of what we know. Mr. Chapman said we don't know this until we finish the Wagner & Bonsignore report and it goes to the State. Director Williams asked if we were being asked to make any decisions tonight. Mr. Chapman said yes, regarding public hearings. Director Ziady said the difference between 25, 50 and 100 connections was not that great and the spread was not that much. Mr. Chapman added there were 23 people on the waiting list and if they came through the door next March you'd be looking at about \$565,000.00 in the connection fees, compared to \$225,000.00 under the old rates. He felt we could show good faith that we have tried to solve water problems. Director Williams said, given the uncertainties, he would rather see the \$11,697.00 figure for water and \$12,014.00 for sewer, the total being \$23,711.00. Directors discussed this proposal and agreed to it. Comments were made that it was a good and thorough report.

The discussion then turned to the total plant capacity. Director Williams asked if it was our understanding based on what they have told Mr. DeBoice that given the amount of sewer usage from Brooktrails residences, that our 37.69% of the new plant will purchase enough capacity for 11,992 residences in Brooktrails, when our buildout is only 4,000. Mr. DeBoice confirmed this and described the calculation that was done.

Director Orth moved to receive and file the connection fee study; Director Williams seconded and the motion carried unanimously. Director Orth moved to schedule public hearings for November 10, 2009 and December 8, 2009; Director Horrick seconded. Director Orth then amended his motion to include approval of the form of the mailer and the costs for it. Director Horrick seconded this amended motion. The motion carried unanimously.

Director Orth asked Mr. DeBoice how the District was doing compared to the districts that he sees. Mr. DeBoice complimented the District that it had done some good financial planning, helped create a better water supply and was planning well ahead for the future.

5. Solid Waste of Willits – Yard Waste Service Proposal. Mr. Chapman listed the three options presented: keep the status quo; provide an optional service at a cost of \$7.15/subscriber/month; add mandatory yard waste pickup to the standard service with a rate increase of 7.5% across the board. Director Orth noted that an average of 32 customers use the free disposal and that Mr. Ward needed 300 subscribers for option 2, a non-mandatory program.

Director Williams asked Mr. Ward if he preferred the optional service or getting the mandatory service. Mr. Ward said with the mandatory service we would cover all areas twice a month. However, he felt it would be wiser to start with a pilot program and see how many sign on, and then we adopt the program or come back to the Board for a mandatory program. If they have to pay for it, maybe they will use it. Director Ziady said at this time we don't even require garbage pickup and said she would like to try the optional program. She said she would like to see a trial program. Continuing, Director Williams felt the best thing to do to keep properties fire-safe was to make it mandatory. Director Ziady agreed we needed to push the fire safety aspect and make it mandatory.

Mr. Chapman said we would have to modify the contract and come back for that; he asked for a vote. Director Williams moved to adopt yard waste pickup as an add-on to current service and to make it effective with respect to all customers with a 7.5% rate increase across the board effective January 1, 2010. It was confirmed he was referring to Option 3. Director Ziady seconded. Director Horrick asked if there would be a public hearing before setting the rates and was told yes. Mr. Chapman said this option would be heard at the public hearing. There were no public comments on this issue now.

Despite the motion on the floor, Director Williams moved that with respect to yard waste pickup we adopt Option C and its increase in rates; Director Ziady seconded. Roll call vote was as follows:

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

[NOTE: The above motion and vote were not intended to adopt any specific rate, but rather to approve the yard waste pickup service being added and acknowledge that the service would come with a rate increase. Garbage rate and service changes will not be approved until after public notice and public hearing, and must be approved by means of a resolution.]

Director Williams asked what else was needed. Director Orth moved to hold a public hearing on November 10 to consider the yard waste proposal and the rate adjustment to be effective January 1, 2010. Director Ziady seconded. Roll call vote was as follows:

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

6. SWOW – Review of proposed rate schedule for 2010 and setting public hearing for Nov. 10, 2009. Mr. Chapman reviewed that the proposed rate adjustment would be a net decrease of 2.55%. He pointed out that this was before adding on the rate increase for yard waste adjustment. This was the first

time we have ever looked at a negative cost of living, and the first time we have looked at cost of fuel since it began last year. Director Williams moved to set a public hearing for November 10, 2009; Director Ziady seconded and the motion carried unanimously. Mr. Chapman reminded the Board we would need to do a contract amendment.

7. Consideration of Resolution 2009-11 approving the form of and authorizing the execution and delivery of a purchase and sale agreement and related documents with respect to the sale of the District's Prop. 1A receivable from the State, and directing and authorizing certain other actions in connection therewith. Mr. Chapman reported that the State will be taking \$28,908.27 from our General Fund. More than half of special districts have taken up this program. We have to sign a very specific resolution that they sent to us and would receive our money January 15, 2010 and May 3, 2010, and recoup the state's taking. Director Williams noted we were not losing any money doing this, but the State was paying the costs of this. Mr. Chapman gave credit to Lily Phoenix, Administrative Assistant, for her work on this agenda item. Director Orth moved to adopt Resolution 2009-11 approving and authorizing execution of a Purchase & Sale Agreement and related documents with respect to the sale of the District's Prop. 1A receivable from the State and directing and authorizing certain other actions in connection therewith. Director Williams seconded. Roll call vote was as follows:

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

8. Consideration of USDA Rural Development Loan Resolution 2009-12 (vacuum truck and camera). Mr. Chapman reported the truck is now being manufactured and we anticipate a delivery date of November 9, 2009. There is a required three-day OSHA training requirement for employees running this work truck. The camera should be delivered in about a week. He and President Skezas had signed some documents last week, but then based on some technicalities; closing was rescheduled to October 22, 2009. Director Williams asked if this \$330,000.00 was taken into consideration in our connection fee study; Mr. Chapman confirmed it was.

Director Orth moved to authorize and direct the President and General Manager to execute the Security Agreement and Loan Agreement; Director Horrick seconded. Roll call vote was as follows:

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

Director Horrick then moved to adopt USDA Form RD 1942-9 Resolution 2009-12, Authorizing and Providing for the Incurrence of Indebtedness in the Principal Amount of \$330,000.00 for the purchase of a sewer vacuum truck and sewer camera. Director Ziady seconded. 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: Director Ziady said the Recreation Committee will meet October 22 at 7:00 p.m.

From District Counsel: None.

From General Manager: Mr. Chapman reminded the Board we would have the County Board of Supervisors meeting here next week. The primary agenda item was the Lake Ada Rose project in conjunction with the 2nd Access Road.

L. PUBLIC COMMENTS

Director Williams took the podium as a citizen. He referred to page 5 of the connection fee study report, and now felt this should be a future agenda item. Now that we know [from the report's assertion], he said, that the Willits Sewer Plant capacity was going to be far in excess of what he would understand to be any reasonable growth projection for either Willits or Brooktrails, he felt there was an obligation as part of the study group to start talking to Willits about a \$31 million plant that is probably twice as big as needed. But to pay \$11 million for capacity that is three times bigger than our build-out capacity seemed ridiculous. Mr. Chapman said he felt the City didn't know for sure if they were talking about a wet season flows (with I&I) or dry weather flow. While we were interpreting these numbers to be dry weather flow in the connection fee report, they (the City) could be talking about the wet weather flow which was a whole different ball game. Director Orth said the whole point of the over capacity was to prevent overflow into the creek. Director Williams said this needs to be a subject of conversation between Brooktrails and the City. Mr. Chapman said there was a very straight-up question to the City

Manager at their last meeting and there has been no answer to this question, at least as of yet. Mr. Chapman agreed to add this as a future agenda item.

M. ADJOURNMENT

Director Orth moved to adjourn. President Skezas adjourned the meeting at 8:00 p.m.

George Skezas, President

ATTEST:

MICHAEL V. CHAPMAN