

**BROOKTRAILS TOWNSHIP COMMUNITY SERVICES DISTRICT  
BOARD OF DIRECTORS  
Tuesday, April 13, 2010**

The Board of Directors of Brooktrails Township Community Services District met in regular session on April 13, 2010 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 SESSIONS**

1. District Counsel Neary reported that the Board met with District Counsel regarding an item of potential litigation and did not complete the closed session, except to vote that the District should make a comment for the official comments on the sewer plant. The closed session would be continued at the end of this meeting, including meeting with labor negotiator Mike Chapman.

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

Mr. Chapman said that Item 6 regarding CERT liability insurance should be tabled as more information was being gathered. Also, another new item was proposed at the last Saturday Budget meeting (April 10, 2010) for addition to this agenda; this would require a vote by the Board. Director Orth moved to add the item regarding a financial directive to the General Manager on how to respond (to situations) presented by the 24-hookup letter. Director Ziady seconded. The motion carried unanimously.

**D. MINUTES OF PREVIOUS MEETINGS**

2. March 6, 2010. Director Ziady said on p. 4019, next to last paragraph at the bottom, the goal of "define Heritage Grove" was deleted, not added. Director Orth moved to approve the minutes with this correction. Director Ziady seconded and the motion carried unanimously.

March 23, 2010. Director Orth moved to approve the minutes. Director Ziady seconded and the motion carried unanimously.

**E. SPECIAL PRESENTATION**

None.

**F. PUBLIC HEARING**

3. Draft Sewer System Management Plan (SSMP). Mr. Chapman asked for public comments on the draft SSMP. President Skezas opened the public hearing at 7:09 p.m. There being no comments, he closed the public hearing at 7:09 p.m.

**G. PUBLIC COMMENTS**

None.

**H. CONSENT CALENDAR**

4. Review of Accounts Payable report and authorization to issue checks. Mr. Chapman pointed out the repair to the '97 Ford. Jon Noyer of the Fire Department had an accident at the auto parts store last month; one repair bid was as high as \$3,900.00 and we took the approximate \$2,400.00 bid. We will be reimbursed \$1,400.00 on this [insurance]. Director Orth moved to approve payment of the outstanding invoices; Director Horrick seconded; the motion was unanimously approved.

**I. ACTION AGENDA**

5. Wagner/Johnson appeal – base rates/potential surrender of water meter. Mr. Chapman said the appellants were not present although we sent them a courtesy letter. He pointed out their letter asking for relief of their lien amounting to \$2,592.00 [at that time] in return for surrender of their water meter. It was his view that they owed us additional monies even if they were giving back their meter. Director Orth said he was willing to accept the offer based upon getting the meter back and it solves this longstanding issue. Director Horrick said it's pretty much in line with what we offered to do, anyway. Director Williams said, wasn't there discussion about this many months ago suggesting the past-due bill be waived. Mr. Chapman said yes, but then she came to the Board and said she wanted to retain all her options. Counsel Neary said they consulted an attorney to see if there was a way to get out of the ongoing charges and keep the meter and what they came out with was no. So they were willingly giving up the

meter if the Board forgave the charges. He mentioned that we are moving forward with Paland and Africa (i.e., delinquency). He confirmed that the settlement offer, although two months old, was still valid. Mr. Neary said yes. This would require some formal legal work to give constructive notice to future purchasers; your motion should be subject to his preparation of a document. Director Orth moved to accept the offer and direct legal counsel to prepare the final documents. Directors Orth and Ziady discussed that the appellants had received legal counsel. Director Williams seconded the motion on the floor and it carried unanimously.

*Item 6 tabled.*

7. Consideration of Resolution Adopting Sewer System Management Plan (SSMP). Director Orth moved to adopt Resolution 2010-5 adopting the Sewer System Management Plan. Director Ziady seconded. Mr. Chapman clarified that this is the last action we take on this two-year-long process. Roll call vote was as follows:

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

8. Adoption of Goals & Objectives for FY 2010-11. Director Williams said it might be helpful in future to highlight changes in the drafts and asked for bolding or similar. President Skezas said he didn't realize we were talking about a Heritage Grove; he thought we were going to define heritage trees. Director Orth said a heritage grove was a group of trees. President Skezas said he was concerned because the Golf Course had a grove and he would be firmly against the whole course being classified a grove. There were still some damaged trees in there that should come out. Director Orth said part of the definition process would be a public hearing process to take care of any trees that needed limbing, trimming or taking out.

Director Orth moved to adopt the Goals & Objectives for FY 2010-11. President Skezas seconded. The motion carried unanimously.

9. Sewer Standby Ordinance; set Hearing. Director Orth moved to introduce the ordinance establishing a sewer standby charge of \$50.00 per year for each parcel for FY 2010-11; waive further reading and set a public hearing for April 27, 2010. Director Horrick seconded. The motion carried unanimously.

10. Introduce Water Availability charge resolution; set hearing. Director Horrick moved to introduce the resolution establishing a water availability charge of \$30.00 per year for undeveloped properties and \$5.00 per year for developed properties for FY 2010-11, and set a public hearing for April 27, 2010. Director Orth seconded. The motion carried unanimously.

11. Receive draft budget and set hearing. Mr. Chapman noted that he had made some small changes based on the Saturday Budget meeting, most notably the changes in the golf / sewer fund loan arrangement, and that we would try to clear the debt out by the end of June 30, 2011. The anticipated appropriation budget for FY 2010-11 was \$2,977,900.00. Director Orth moved to receive the draft budget and to set the public hearing for Wednesday, June 9, 2010 (to accommodate the June 8 election). Director Horrick seconded. The motion carried unanimously.

12. Rates & Fees for FY 2010-11; Finalize and approve mailer and costs and set hearings. Mr. Chapman pointed out that he had revised the sewer charge calculation table from that presented at the Saturday Budget meeting. This resulted from the approved loan repayments between golf and sewer. The sewer base rate would be changed to \$53.00/month; water base rate would remain the same. Bob Terry asked about Item 11 of the Water/Sewer resolution and its reference to Section 2-905's requirement for a backflow device and it was clarified that this is for water backflow devices and that it does not apply to everyone in the district. There was some confusion about what section Mr. Terry was discussing. Mr. Chapman said he would double-check the language but he thought it was in reference to water.

Director Orth moved to introduce the draft resolutions; waive further reading and schedule two public hearings, for Wednesday, June 9, 2010, and Tuesday, June 22, 2010. Director Horrick seconded; the motion carried unanimously.

Director Orth then moved to approve the form of the rates and fees mailer and the associated costs of up to \$700.00. Director Horrick seconded; the motion carried unanimously.

13. Approval of annual newsletter and costs of mailing. Mr. Chapman said there were some changes the Board should be aware of. We added language about the water ceiling, as recommended last year, and the need for a shutoff valve during emergencies and the requirement for a sewer backflow device and cleanout box at the boundary line so our local customers know these requirements, so the crew can maintain the laterals.

Bob Terry said that no tires, oil or yard waste would be allowed in the cleanup day dumpsters. Mr. Chapman said he could add that.

Director Williams moved to authorize the General Manager to proceed with the annual newsletter and preauthorize costs up to \$4,000.00. Director Ziady seconded; the motion carried unanimously.

*ADDED ITEM:*

14. Discussion regarding financing options – waiting list. Mr. Chapman said at the Saturday meeting it was decided more direction was necessary regarding financing options. On March 25, 2010, we put out the letter to the waiting list applicants advising payment was needed within 30 days unless they requested a hardship extension. He had received two or three letters, all of them claiming hardship. We had several options. He would treat everybody the same. One proposed option was 10% down in 30 days (due April 25, 2010) and the balance due by the end of 120 days, which is like July 25, 2010. That would be the complete balance of \$23,711.00 for water and sewer. He thought we might extend the 10% down date to, say, possibly May 13, 2010 but still keep the overall balance for July 25, 2010.

President Skezas was confused about returning deposit money. Director Orth said we could offer two options, return of the deposit or a 30-day extension, because the next thing we'll tell them was if they don't make these payments, once we close the initial 24, we're going to make these meters available to the general public. Director Ziady said she had no problem refunding it, but if they can't do it, then they are off the list. Directors agreed. President Skezas said they're basically starting over. Director Horrick agreed with the suggestion of 30 days for the deposit.

President Skezas said we still want their response on their intent by the 25<sup>th</sup> of April. Director Orth said you could set it so that once the letter of intent comes in, we then require that 10% coming within 30 days.

Director Williams wanted to discuss process. He understood that right now the authority resides only with the Board to grant any exception to what is in the ordinance, that we're not delegating that to the General Manager. What we're deciding is, #1, what our guidelines for ourselves will be – what we will be willing to do as an alternative to the ordinance – so the General Manager can inform people what this Board has decided that there is a reasonable alternative to coming up with all of the money right now. Director Orth suggested the manager would receive an appeal letter and that would trigger this option to formally ask the Board for this optional payment plan. Director Williams said, if they come to us with a letter saying, we don't have the money, what's the alternative, it's to appeal. They come to us; there's no decision made at that point.

Mr. Chapman responded he needed more direction and asked the Board to tell him what is exactly what they want. Mr. Neary said the letter basically said if this is a hardship, notify the General Manager; he'll tell them to file an appeal for the next Board meeting. There was nothing wrong with the manager saying that the Board has already made indication what they are likely to decide, but they have to decide each case on a case-by-case basis. There's nothing wrong with the manager suggesting that the Board has discussed it would likely grant relief on this basis.

Director Williams said, but he would not say to them send in a check for 10% and therefore you have more time. It's going to come to us and we have to tell them the 10% on a case-by-case basis. Mr. Neary said the policy would be to waive time until the Board heard it. Director Williams said the appeal suspends the running of the time. President Skezas said the letter of intent is due by the next meeting; we could put the ones received by that point on the agenda. Mr. Neary said if there's no response, they're off the list.

Director Williams said some of these folks might want to game us. So one of the things we have to also decide is whether or not we care if we get gamed. Do we care? Director Orth said personally he didn't, and that he was liberal on this as we were serving the need of each individual customer. President Skezas said, what you're saying was that they need to demonstrate a hardship.

On another point Director Williams said they're not going to get a construction loan if they don't have the meter; no lender would do this these days. He specifically noted Randy Dorn's letter; he wants to build a spec house but now is not a good time. We're not in the business of selling lots or helping people build spec homes here. Director Orth said Mr. Dorn called him and they had a discussion; he needed to disclose that his lot was [over 500 feet] down the street from Director Orth's home. He had told him that this was a preliminary procedure and then would turn to another public procedure. But Mr. Dorn does have his lot up for sale, and Director Orth felt he should note that for the record.

Director Williams asked how long it would take to amend the ordinance. Mr. Neary said you would do an emergency ordinance very quickly, otherwise it's 60 days. Mr. Chapman said we could bring this back on the 24<sup>th</sup> on how we would modify the ordinance. Mr. Chapman also asked Mr. Neary about one letter, which asked whether our list was confidential. Mr. Neary said he would like to think that all the way through but he didn't think it was confidential. Director Williams said if they file an appeal and they are in process of that appeal, they are required to disclose personal financial information; can we make that confidential? Mr. Neary said, answering Director Williams, you could request them to provide you with a financial statement, which would be held confidential for your examination to determine hardship.

Director Williams said he was comfortable with 10% down in 30 days and the balance in 120. Director Ziady agreed. Mr. Chapman said, so we're talking May 13, 2010 with a drop-dead date of July 25, 2010. Director Williams said he didn't think dates were included in the consensus; the 10% sounded right to us, and it would be when we tell them to have the 10% that we will give them a time frame. When they come in and we agree they can pay only 10%, we will give them a time frame in which to do that, to be counted from that point. Director Orth said, so by asking for an appeal, they delay the 10% payment until the appeal is heard.

Mr. Melliush said he hoped we won't drag this out for too long because he believed there were still a lot of people who genuinely wanted to build. Director Orth said we acted quickly and would hear appeals at the next meeting. Mr. Melliush said he would like the 120 days to be a hard number. Director Orth asked why we can't put the letter out at the next meeting, because by then we'll know how many applicants we'll have and how many meters we can release without question. And open it up for applications. Mr. Chapman reminded everyone that the next meeting was April 27<sup>th</sup>, and that some would notify him so late (April 25<sup>th</sup>) that we wouldn't have their response in time for the packet. It may take until the first meeting in May to straighten this out.

Director Ziady said it would be nice to have a policy for that. President Skezas said we have the ordinance. Director Orth said there is a construction season and we need to allow people who are ready to move. Mr. Chapman said we will have to put out a mass letter to notify everyone at the same time. Director Orth said he hoped we could have that at the next meeting, because the only thing you'll have to plug in is how many meters are available.

Director Williams asked about putting a paragraph in the newsletter saying we will know how many people are interested off the list of 24 by "x" date – April 25. It may result in a lot of phone calls, but say "if you're interested in whether or not meters will be available, call the office after April 25." Mr. Chapman said the newsletter goes out around May 1<sup>st</sup>. Director Williams said, we'll know, why not put a paragraph? The only thing that might change is the terms under which they might be able to do it under the ordinance. If people out there are ready to go forward and can meet the ordinance's requirements immediately, why not do it?

President Skezas asked if this newsletter went out first class, because it doesn't get returned as undelivered if it's not. Mr. Chapman said it was a bulk mailing. He said he was surprised because he thought we were putting this out this summer; you're saying we're going to work through these 24 at the next meeting? Mr. Melliush said he would say a limited number, so they don't think it's wide open. Director Williams said to tell them there are 24 for the waiting list but it looks like not everyone is going to proceed and therefore as of, there will be a limited number of these available. Mr. Chapman suggested he would write this up and have the President look at it. Directors said to send the newsletter first class.

President Skezas asked if Mr. Chapman would write the few we already have indicating we would hear their appeals at the next meeting. Mr. Chapman said he hadn't had time to review the file but others may come in later. Director Williams said if it's the Board's sense we want to amend the ordinance to allow greater flexibility, we need to start that process running parallel to this. We can't say be here on this date or you lose; we don't want to be in that position. It's very possible some of these appeals will be strung out for awhile.

Director Orth said all the speculators are going to fall by the wayside. Director Williams recommended that Mr. Chapman caution staff that he is the only person who talks to people who call in and to be very clear that the District is not in the business of selling properties and we're not responsible for what anybody who sells properties says.

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

None.

## **K. SPECIAL REPORTS**

**From Directors:** Director Orth said he was reelected to LAFCO as the alternate commissioner and the directors congratulated him.

**From District Counsel:** Mr. Neary said regarding the General Manager's report statement about water plant training that you can't underestimate how much a compliment that was about our staff. Mr. Neary said this is not the first time the Department of Health has held us up as an example to other districts; he believed they saw us as an organization with exemplary management. He also thanked Mr. Chapman for testifying in the trial regarding the Waldman easement over Mr. Romero's property. He would not be at the next Board meeting as he would be on vacation but he would be available by phone.

Director Orth said in his bid for higher office [*Board of Supervisors*] he has learned that they were going to require this gauging system on public reservoirs; the City of Willits has been avoiding this as they would need to finally get a 1600 permit. They're now going to have to comply within two years. Brooktrails is now a statewide example on how to manage a watershed appropriately.

**From General Manager:** Mr. Chapman said he and Mr. Neary would be in Sacramento next week on the water rights and Ada Rose project.

**L. PUBLIC COMMENTS**

None.

**M. ADJOURNMENT**

Director Horrnick moved to adjourn; President Skezas adjourned the public meeting at 8:14 p.m. The Board then reconvened in the District Office to conclude its executive session.

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George Skezas, President

ATTEST:

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MICHAEL V. CHAPMAN