

**BROOKTRAILS TOWNSHIP COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS
Tuesday, January 12, 2010**

The Board of Directors of Brooktrails Township Community Services District met in regular session on January 12, 2010 at 7:05 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 counsel concerning anticipated litigation, received information and continued the closed session until the conclusion of the public meeting. No action was taken in the closed session.

C. ADDITIONS/ADJUSTMENTS TO THE AGENDA

Continuation of closed session at end of meeting as noted above.

D. MINUTES OF PREVIOUS MEETINGS

1. December 8, 2009. Director Orth said Mike Aplet had records and pictures regarding Dick Robie. Director Williams moved to approve the minutes; the motion was seconded. The minutes were approved unanimously.

E. SPECIAL PRESENTATION

None.

F. PUBLIC HEARING

None.

G. PUBLIC COMMENTS

Elizabeth Simpson, a District employee, complained about Guido DeSanti's behavior in the District complex; she said she witnessed a lewd action by him toward a customer's wife last Friday. She said the General Manager has tried to set boundaries on him but it has gotten out of control. She also said people know they can dump unwanted cats off because they know they will be fed. Bob Terry endorsed these comments. Leslie Stone, a Fire Department employee, complained about Guido DeSanti's calling her names and harassing people. She said he goes into people's cars. Ron Runberg, golf course manager, said he got a restraining order about four years ago against Guido, but he said he could give endless stories about his behavior and that he hurts his business and takes golf balls off the putting green. Mr. Chapman responded he'd at least a dozen confrontations with him, and had his wife in the office numerous times; obviously he felt there was a mental imbalance with Mr. DeSanti and felt it difficult to penalize somebody who is mentally incapacitated. Mr. Neary responded it was a difficult proposition; offensive behavior in and of itself is not really addressable, you need something that goes beyond that.

Director Orth asked if incidents should start being recorded to document the issues. Mr. Neary said yes. President Skezas said whenever there's a rental at the community center he barges in uninvited. His language does get bad around women and there have been numerous complaints about that; perhaps just keeping a book on that might help get this resolved. Mr. Chapman said he could start that but didn't have time to run out there five times a day.

Steve Eberhard complained about ATVs in the Greenbelt, saying he'd been in several times; the District had installed trailhead signs and he asked if it would be in the budget for more of these. Director Ziady asked if he was talking about the Recreation Committee; he was not sure. She gave him the meeting times. She said she was sure it would be up for discussion as it was carried over from last year, either this month or next month. He could contact the chair, but this is a process.

H. CONSENT CALENDAR

2. Review of Accounts Payable report and authorization to issue checks. Director Orth asked about the stream alteration payments and Mr. Chapman explained. Director Horrick moved to approve payment of the outstanding invoices; Director Ziady seconded; the motion was unanimously approved.

3. Retroactive approval of second check run on December 23, 2009. Director Orth moved to retroactively approve the second check run on December 23, 2009; the motion was unanimously approved.

I. ACTION AGENDA

4. AES Lake Ada Rose Stage I Intermediate Report (Pete Bontadelli); potential request for further funds for water analysis. Mr. Chapman welcomed the AES representatives. Pete Bontadelli said the critical issue now was ensuring an accurate and complete project description. When they started they were looking primarily at the issue of water supply relative to meeting the requirements of the Brooktrails Specific Plan. As they got into it, it became clear they were not going to be able to limit it to strictly the water supply.

The project description has the water right options (with three alternatives), the road access issue (with seven alternatives), a series of supportive infrastructure options (two realigned roads, expanded water treatment plant, relocated sewer lift station, additional water tanks, and a second trunk line to the Willits wastewater system would all have to be put in place). Because the water rights issue and road construction issue also require concurrent actions by other agencies, what was being proposed was that the District become the lead agency and that both the State Water Board and the County of Mendocino become responsible agencies. To that end they have a preliminary update on the project description and some preliminary next steps and questions needing answers. They would have to have firm numbers to present to the Water Board and we would meet with the Water Board to ensure we have them on board with the process. Next would be a meeting with the County, perhaps their General Counsel and ours, to make sure there's a complete understanding of the implications of the alternative access routes and an agreement with what's already been adopted by the County General Plan, to get the County on board for an environmental document. He also recommended that we make this a "CEQA Plus" document that allows us to address the supplemental items that would be necessary in case of Federal funding for the road or the dam expansion under a Federal agency, to cover the NEPA requirements. These were essentially the next steps after we get tonight's buy-in to the direction.

Once AES has this he would be the point person; AES would put together the initial study that would allow us to modify and target the Notice of Preparation with a goal of getting it back to the Board for their approval on or around May 1. By then we will hopefully have some degree of buy-in from both the Water Board and the County so the Board can make a decision around July 1. AES's contract runs through the preparation of the Notice document.

As to the project itself, there were three primary options being considered under water expansion. Alternative 1 is what was filed in the application: increase Lake Emily to 585 acre feet ["af" hereafter] capacity and expand Ada Rose from 133 af to 725 af; consolidate the 30 af of storage previously authorized at South Lake and combine it into the package for a total of a little over 1,300 af of storage capacity, which should be more than sufficient to handle the entire buildout authorized under the Specific Plan. There are some downsides that have been identified: raising Lake Emily may not be feasible due to landslide conditions and so forth. We would be moving from what was filed to more realistic options.

Alternative B was increasing Lake Emily solely on the basis of dredging, removing enough to increase the capacity by about 50 af. Lake Ada Rose would still be at the 725 af level. Alternative C was similar to Alternative B in that it would have dredging, the 725 af capacity of Ada Rose, but it has a water transport capacity from Lake Emily to Ada Rose in a relatively short time when peak flows are here and have a lesser effect on the fish flows. The bottom line of all three is that the total water available will be no less than what would be required for buildout consistent with the Specific Plan.

Mr. Chapman brought up the discussion that AES needed more water analysis from Wagner & Bonsignore regarding Alternative C — the idea of transporting water between Lake Emily and Lake Ada Rose during peak flows during major storms. We were already committed to the AES \$60,000.00 contract now; and spent about \$8,600.00 in November with Wagner & Bonsignore but apparently it wasn't enough. Continuing he said we took about a \$200,000.00 loss in the water department last year (Note: \$100,000.00 depreciation), which was kind of expected because we were finishing up the \$3.5 million dam project. He was definitely concerned about cash flows in the water department. When he came last month for the generators, it was the first time he'd ever requested money from the General Fund to help the Water Fund because we needed those generators.

Mr. Bontadelli confirmed AES needed more analysis from Wagner & Bonsignore: the actual anticipated capacity of water received in the Lake Ada Rose watershed and the transfer amount mentioned by Mr. Chapman to meet the 725 af storage capacity. He wanted to make sure that the options we presented to the State Water Board had a reasonable assurance of meeting the District's needs so we don't have to come back or rejecting their alternative at a later date.

Director Ziady asked Mr. Chapman about when we would come out of the moratorium. Mr. Chapman said he should have the study material from Wagner & Bonsignore by January 31, 2010. She felt uncomfortable dumping a ton of money into something where we don't know where we're going. Can we stretch this project out by at least two months until we come out of the moratorium and increase the cash flow? Mr. Chapman said obviously he had thought the \$8,600.00 for Wagner & Bonsignore would have answered this problem, but then it's another \$10,000.00, and so on. Director Horrick voiced he wasn't interested in authorizing another \$10,000.00 at this point.

Director Orth said when we come out of the moratorium we could start collecting new hookup charges to pay for that process. He referred to Richard Estabrook's handout letter, the part he agreed with, about where the money was to come from. However, he said, the Water Board needs to be clearly

aware that's what we're waiting for. We've done water projects here to actually produce new water sources, and if they want us to continue down this road they needed to show some support.

Director Williams asked Mr. Chapman if we didn't come out of the moratorium does this process come to a screeching halt? Mr. Chapman answered not get to get the cart ahead of the horse. Director Williams said we, as a Board, have been deciding to spend money to further this process, but was he hearing that at this point it was dependent on getting the moratorium lifted to some extent, or if this was a budget buster. Mr. Chapman replied it was a budget buster, and he stressed we haven't even gotten to the roads issue, another really big issue. Next summer another big ticket item was a cost-benefit analysis from an engineering firm on how to finance this via a land-based assessment. And we didn't know if the cost of the study would be quarter or a half million dollars, or more. Mr. Chapman posed yet another question: What if three years from now we've spent a million dollars and the County still doesn't intend to give us a road? The Board view was that the collector road had to be slightly ahead of this project. We'd have spent this future money with no results. Mr. Bontadelli concluded that's why he has as part of the process getting a commitment from responsible agencies because of the interrelated nature of the projects.

Director Williams concluded he was hearing that the result we'd like to get with the additional \$10,000.00 could be delayed — and if we come out of the moratorium even a little we could have a funding source for that. Otherwise we were throwing money away. Even at that, he asked, are we facing a deadline, say by the end of this fiscal year, for having to make a significant commitment to the Ada Rose project when we don't have any expectation or confidence level that the two other pieces are going to fall into place? Mr. Chapman said, you're answering your own question.

Considerable discussion turned to the roads. Mr. Bontadelli said in the area of highway and road construction there were six alternatives covered fairly effectively in the traffic study; there were two additional studies the Board of Supervisors asked to be brought back into the CEQA process. The detail of the study will depend on two things: a decision as to whether or not the responsible agency is prepared to look at only an emergency route or a functional collector system. Director Orth said we have a node issue with Brooktrails Drive and Primrose connectivity with both I and H and he wanted to point out that either of those alignments would work. Mr. Bontadelli said that's already been noted; they have identified all seven options.

Holly Madrigal, in the audience, said she wanted to clarify what the Board of Supervisors had discussed today. The second access road issue came up and Mr. Mitchell and Supervisor Smith found when they were listing their priorities in Washington, they got a lot of questions regarding matching from Brooktrails and our area. It was voiced that they had dropped it from their legislative agenda and were trying to get earmarked money instead, because they didn't have answers about local matching. Supervisor Pinches did bring it up to encourage them to put it back on but there was a recommendation for possibly taking it off.

Mr. Bontadelli said the other parts of the project description are the sewer pump station modification and movement; water distribution storage capacity (tanks near the airport, for example); upgrades and modifications to sewer pipes, if any; at about 2,300 units, we'd have to add a second line to hook up to Willits; road realignment along the reservoir; and the possibility of solar panels on the hillside to handle increased capacity at the water plant, and expansion of the water plant. Mr. Bontadelli said from his discussions with Kathy Mrowka, she was delighted to have the District take the lead.

Director Orth said the combination of the road and dam project is to allow for it to be addressed in an election. They just don't understand that no matter how many times we've told them. A 218 election shows our due diligence; he felt we could probably get a match.

Director Williams said the issue for the Board was do we want to spend another \$10,000.00. President Skezas said we do have another option in that we could borrow this from the General Fund to keep the project on schedule and alive.. Director Williams moved to defer the decision on the \$10,000.00 for 60 days; Director Horrick seconded. The motion carried unanimously.

5. Annual Water Report for Calendar Year 2009. Mr. Chapman said we had one of the best results of the decade; the annual production supply was 185gpd/customer (SFR) as compared to 202 gpd/customer the previous year, an 8% drop. On the consumption side the average customer used 141 gpd as opposed to 150 gpd in 2008, a 6% drop. He felt this was due to the pricing of the commodity (tiered usage system) and the water education cap program from last summer. He referred to the 44 leaks due to the so many aging pipeline joints. He referred to the 7-year statistics which indicate we're still half of the state average usage. However, at some point you can only conserve so much and he wasn't suggesting this curve will continue to go down.

Director Orth was glad to see the declining usage rates and felt going after the high users was another important aspect to our conservation program. Director Williams hoped everyone recognized this was a double-edged sword; we will have to charge more for water due to using less. He wondered if we have already reached this point. Director Orth asked if we could find out how we stand among state water agencies in terms of conservers. Mr. Chapman said if we had lawns, our numbers would be up.

Director Orth moved to accept and file the 2009 water report; Director Horrick seconded and the motion carried unanimously.

6. Meeting schedule for 2010; scheduling Planning and Budget meetings. Mr. Chapman said we probably have to go with April 10 for the budget meeting. Director Orth said he might have a problem with that date but said go ahead and schedule it. He moved to accept the Board meeting schedule with March 6 for the annual planning meeting and April 10 for the budget meeting. Director Ziady seconded and the motion carried unanimously.

7. Annual report of Officer & Employee Expense Reimbursement – 2009. Director Orth moved to receive and file the annual report of officer and employee expense reimbursement for 2009; Director Ziady seconded; the motion carried unanimously.

8. Consideration of nomination of Tony Orth for LAFCO District representative. Director Williams moved to nominate Director Orth; Director Ziady seconded. The motion carried unanimously.

J. ADDITIONS TO FUTURE AGENDAS

Mr. Chapman said we will try to have Ron Runberg's contract back in two weeks.

K. SPECIAL REPORTS

From Directors: Director Ziady said the Recreation Committee will review their goals and objectives over the next two months.

From District Counsel: Mr. Neary said he had a hearing in Sacramento on January 26th and would be late to that Board meeting.

From General Manager: None.

Director Williams asked where we are in terms of water as he hadn't seen water spilling over the dam. Mr. Chapman said we have about 63% capacity and are very comfortable, but that we were releasing. Director Orth asked for a comparative on the County tax remittances for the past three years; Mr. Chapman said he could look this up. Bob Terry clarified the County Planning & Building amnesty is for conforming, but non-permitted, structures only. Director Horrick asked about the backflow device notice on the water bills. Mr. Chapman said he puts this out about twice a year, and since we have a pressurized system now he sent out the notice. An audience member said existing houses aren't required to update to code changes. Mr. Chapman disagreed and said it was put in place in the 1970s and the County has said you have to have one regardless of grade. Director Williams asked if it was safe to assume that houses built after 1978 have one and was told no. Wally Stahle said this should go into the annual letter.

L. PUBLIC COMMENTS

Bill Boosinger said we have enough water now for the current people who live here; our roads are still sufficient but stressed; the County is facing a deficit, and contemplating a multimillion infrastructure project (Ada Rose) improvements was daunting. Now we have this moratorium which from his point of view was good fortune in terms of quality of life and traffic. Was there a way to give everyone who bought a lot a percentage of their investment? And what happens if there was a class action lawsuit and Brooktrails goes bankrupt? He again expressed his concerns about the golf course and its management. He felt there needed to be a level of accountability that he hadn't seen. As one of the people who helped pay Mr. Runberg's salary and the excess cost of the golf course, he would like to see the Board give him a one-year extension. Director Orth responded that it was a contractor relationship, not an employee relationship, and that we didn't pay a salary.

M. ADJOURNMENT

Upon motion to adjourn, President Skezas adjourned the public meeting at 8:38 p.m. and the Board reconvened in executive session.

George Skezas, President

ATTEST:

MICHAEL V. CHAPMAN