

**ALPINE SPRINGS COUNTY WATER DISTRICT
MINUTES OF THE SPECIAL BOARD OF DIRECTORS MEETING**

Pursuant to notice given, the special meeting of the Board of Directors, Alpine Springs County Water District, was held
Wednesday, June 29, 2005, at 8:30 a.m., District Board Room, 270 Alpine Meadows Road.

1 **1. CALL TO ORDER**

2 President Danz called the meeting to order at 8:30 a.m.

3 **PLEDGE OF ALLEGIANCE**

4 Those attending joined in reciting the Pledge of Allegiance.

5 **ROLL CALL**

6 Directors Present: Barbara Danz, President; Tony Stefani, Vice President; Janet
7 S. Grant; Jon Northrop; Virginia Quinan

8 Directors Absent: None

9 Staff Present: Jancis Martin, Recording Secretary

10 Guests Present: None

11 **2. PUBLIC PARTICIPATION**

12 None.

13 **3. ITEMS FOR BOARD DISCUSSION & ACTION**

14 **Operating and Capital Budget for Fiscal Year 2005-2006:**

15 The Board reviewed and discussed the operating and capital budgets for
16 fiscal year 2005-2006 and the recapitalization set-aside for next year.

17 a. Operating budget: President Danz presented a summary page and detail
18 report prepared by the District CPA and Staff.

- 19 • The detail report showed the individual expenses and revenues
20 associated with each of the summary lines (accounts), separated into
21 the six funds (fire, water, sewer, garbage, park, administration). This
22 year, like last year, most of the expense categories were split evenly
23 across the funds because there were no data available to do
24 otherwise. Next year the allocations across the funds should be more
25 precise. The Staff and Board do not manage by the detail funds but
26 rather by the consolidated accounts presented in the summary; the
27 detail report is used by the auditors. President Danz reported that the
28 Budget & Finance Committee and the Staff both supported and
29 recommended the proposed budget. At the request of Director Grant,
30 President Danz briefly discussed the reasons for differences in the
31 2005-2006 proposed budget from this year's forecast:
 - 32 ▪ Water Revenue: The increase is due to the approved increase in
33 rates.
 - 34 ▪ Connection Fees: The decrease is due to the Budget & Finance
35 Committee's agreement with the District CPA that a conservative
36 approach should be taken in estimating connection fees for the
37 new homes to be built next year.
 - 38 ▪ Sewer and Garbage Revenues: The increases are due to the
39 approved increase in rates.
 - 40 ▪ Salaries and Wages and Benefits - Administration: The increases
41 reflect having a General Manager on staff, rather than operating
42 with a consultant as General Manager.
 - 43 ▪ Health Plan Co-insurance: The increase is due to the increase in
44 the cost of insurance.
 - 45 ▪ Park Expenditures: This account includes direct Park expenditures
46 and also includes recreational events, that is, the Flower Walk,
47 Bird Walk and Easter Egg Hunt. Estimated expenses were
48 provided by the Staff for Park maintenance.

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- 1 ▪ Parts/Tools/Misc. Equip: This account includes new water meters,
2 chlorinating parts, plumbing and fittings, etc. – estimated
3 expenses were provided by the Staff.
- 4 ▪ Postage and Delivery: This includes the Pitney Bowes lease and
5 the cost of the printing and mailing the CCR report.
- 6 ▪ Cleaning: Monies have been provided for bi-monthly cleaning of
7 the District office and carpet cleaning as needed.
- 8 ▪ Newsletter and Printing: This account includes District-related
9 printing and copying costs only, not the District newsletter (which
10 was discussed later in the meeting).
- 11 ▪ Office Expense: This includes purchase of software, FedEx,
12 Paychex, internet access, printer and paper supplies, UPS,
13 newspaper legal notices, etc.
- 14 ▪ Bank Service Charges/Tax Collection Fees: There are no bank
15 service charges but the District pays Placer County a fee to collect
16 delinquent accounts, which is charged to these customers.
- 17 ▪ Analytical Testing: The increase is due to the expenses
18 associated with chlorination.
- 19 ▪ Audit: The decrease is due to the District auditors' reduced fee,
20 now that the District accounting system meets the auditors'
21 standards.
- 22 ▪ Legal Fees: The decrease is because it is anticipated that there
23 will be less need for legal services next year.
- 24 ▪ Consultants-Management: This account consisted exclusively of
25 John Shaw's salary. The budgeted amount is zero since, at the
26 time the budget was prepared, the District's General Manager was
27 on staff.
- 28 ▪ Consultants-Misc.: This account includes engineering consultants
29 plus the District Recording Secretary.
- 30 ▪ NTFD Contract: This account reflects a cost of living increase.
- 31 ▪ Equipment Maintenance – Admin: Phone, copier, fax, etc.,
32 expenses are included in this account.
- 33 ▪ Vehicle Maintenance and Repair: This account includes tires,
34 brakes, etc., for the District's vehicles.
- 35 ▪ Maintenance Water Dept: This account will be renamed
36 Maintenance Water & Sewer Dep't. It includes sewer - also line
37 repairs, manhole repairs, tanks, plumbing, line valve replacement,
38 TV for 1/5 of the lines.
- 39 ▪ Gas and Electric – Admin: This includes snow-making power for
40 which the District gets reimbursed (\$4,000), propane, sewer and
41 garbage costs.
- 42 ▪ Utilities – O&M: Within this account is the telemetry maintenance
43 contract. The decrease is due to a reallocation of some expenses
44 to other accounts.
- 45 ▪ Travel: No travel is budgeted for 2005-2006.
- 46 ▪ Training and Education: There is no educational expense
47 budgeted for next year. Sexual harassment training will be
48 required for all Staff but it is expected that the training can be

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- 1 obtained at no cost. If the Staff identifies training that would be
2 beneficial, it will be requested as an unbudgeted expense.
- 3 ▪ Telephone - Administration: This account includes the internal
4 phone system in the District office.
- 5 ▪ Government Mandates: This includes permit fees, fuel tank tests,
6 etc.
- 7 ▪ Garbage Contract: The increase is due to the increase in the cost
8 of the contract.
- 9 ▪ Miscellaneous – O&M: SCADA software support, paving, traffic
10 cones, safety vests, etc., are included in this account.
- 11 • Three items were removed from the budget:
- 12 ▪ No dollars were allocated for the Centration Contract. The
13 purpose of the contract is to file claims seeking reimbursement for
14 the cost of the District to comply with state mandates but the State
15 has never paid on these claims. The contract costs about \$2,000
16 a year; in 2006-2007 the State will pay the current year's claim,
17 but past years' claims will be paid off over a 10-year pay-out cycle.
18 The Board can opt to reinstate the contract next year.
- 19 ▪ Training expense was removed (as discussed earlier in the
20 meeting).
- 21 ▪ The cost of newsletter mailings was removed from the budget.
22 President Danz felt that second home-owners may not be very
23 interested in the newsletters. She suggested that a mini-
24 questionnaire be included in the next billing, so customers could
25 specify how they wished to obtain newsletter information (e.g., by
26 email, by mail, not at all or pick up in office). The Board felt it was
27 important to keep the community informed on District issues and
28 that this procedure should do the job. To cover the cost of the
29 smaller mailings, the Board agreed to add \$500 to account
30 number 5166.00, Newsletter and Printing.
- 31 • Director Stefani had a question concerning the project to rehabilitate
32 Tank 4. He was worried about the possibility of lead paint in Tank 4,
33 which could increase the cost of rehabilitating Tank 4 by \$25,000-
34 \$50,000. President Danz noted that there is additional money
35 available in the Recapitalization Fund if this event occurs. The Staff
36 recommends that the lead testing be done early, so that the impact
37 will be known. (Action regarding approval of this recapitalization
38 expense was taken later in the meeting.)
- 39 • President Danz, speaking for the Budget & Finance Committee, made
40 a MOTION that the Board approve the summary budget for 2005-
41 2006 with the amendment that an additional \$500 be added into
42 account number 5166.00, Newsletter and Printing. All Directors being
43 in favor, the motion was APPROVED.
- 44 b. President Danz, speaking for the Budget & Finance Committee, made a
45 MOTION that the Board adopt the budget by fund with the addition of the
46 \$500 for the newsletter. All Directors being in favor, the motion was
47 APPROVED.
- 48 c. Recapitalization, Capital and Special Projects Budget: The Staff and
49 Committees submitted their project lists to the Budget & Finance

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1 Committee with priorities assigned to the individual items. President
2 Danz presented the list of proposed recapitalization, capital and special
3 projects to the Board. Discussion ensued, during which Board Members
4 expressed their concerns that the details of the Long Range Master Plan
5 were not yet known (item 3) and that it appeared that chlorination would
6 be in place for an extended period of time (item 4). President Danz
7 polled the Board about their feelings on the individual items on the list.
8 The Board was in favor of moving forward on the first two items but
9 agreed that more information was needed on items 3 and 4 before
10 approving them. These items will be brought back to the Board for
11 consideration at future meetings. President Danz, speaking for the
12 Budget & Finance Committee, made a MOTION that the Board approve
13 the Tank 4 Rehabilitation, at an estimated cost of \$23,000 to \$25,000
14 (see comments above regarding potential additional expense), and
15 purchase of the Backhoe Tire chain, at an estimated cost of \$1,500
16 (items 1 and 2). All Directors being in favor, the motion was APPROVED.
17 The rest of the items were assigned priorities of 2 or 3; the Budget &
18 Finance Committee did not think it was fiscally wise to approve these
19 items at this time.

- 20 d. Recapitalization Set-Aside: President Danz, speaking for the Budget &
21 Finance Committee, made a MOTION that the Board approve a
22 Recapitalization Set-Aside of 10% of revenues, excluding garbage
23 revenue, as has been done the last two years. There was some
24 discussion about whether to use the fixed amount in the Depreciation
25 Expense account as the set-aside, rather than using the 10%. All
26 Directors being in favor of the original motion, the motion was
27 APPROVED.

28 **The Board took a break between 9:45 and 9:55 a.m.**

- 29 **4. CLOSED SESSION:** Gov't Code Section 54957: Employee Appointment. Title:
30 General Manager. The Board was in closed session between 9:55 and 10:35
31 a.m.; no action was taken.
32 **5. DIRECTORS COMMENTS:** None.
33 **6. ADJOURNMENT:** There being no further business before the Board, the
34 meeting was adjourned at 10:35 a.m.

35
36
37
38 Respectfully Submitted,

Approved 7/8/05

39
40
41
42 Jancis Martin
43 Recording Secretary