

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

Pursuant to notice given, the regular meeting of the Board of Directors, Alpine Springs County Water District, was held Friday, July 13, 2007, 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; Charles Nungester, Vice President;
7 Janet S. Grant; Jon Northrop; Virginia Quinan

8 Directors Absent: None.

9 Staff Present: John Collins, General Manager; Buz Bancroft, Maintenance
10 Supervisor; Jancis Martin, Recording Secretary

11 Guests Present: Chief Peter Poe/NTFPD; Russ Martin/NTFPD; Gary
12 Nelson/NTFPD; Chief Dave Ruben/NTFPD; John Moise/AMEA; Jeff
13 Kay/Munifinancial; Pat Davison/CATT

14 **2. PUBLIC PARTICIPATION**

15 None.

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

17 **A. Financial Report:**

18 Mike Dobrowski, District CPA, was unable to attend the meeting.
19 President Danz gave the following summary:

- 20 • Unpaid customer accounts have been sent to Placer County for
21 collection.
- 22 • Water usage revenue is not yet posted and therefore is not reflected
23 in the month- or year-end revenue numbers; it will be included after all
24 the meters have been read.
- 25 • The 2006-2007 financial reports will be kept open until mid-August to
26 ensure that all 2007 expenses and revenues are captured.
- 27 • The Budget & Finance Committee asked Mike to check into the
28 property tax revenue credit posted in May to make sure that it should
29 not be posted as an expense to another account instead.
- 30 • In 2007-2008, reimbursable expenses - such as utility payments for
31 snow-making and fuel for snow plowing - will be posted as "Other
32 Revenue" when the expenses are billed to third-parties, rather than
33 when the payments are received, so the District's net income will not
34 be artificially affected by the reimbursable expenses. From now on,
35 Mike will generate such billings directly from the District's Quickbooks
36 system, rather than District Staff sending out typewritten bills, as has
37 been done until now.
- 38 • The Budget & Finance Committee discovered that, for the last three
39 months, legal bills have included various charges for activities related
40 to the fire station addition. These expenses should have been billed to
41 NTFPD. The Committee has identified the charges and Pam will send
42 the billing to NTFPD. The changes will be reflected in the year-end
43 financial reports.
- 44 • Director Quinan noted that Park revenue was down from the prior
45 year. Director Grant commented that it is hard to compare Park
46 revenue between fiscal years, since the Park's operational season
47 spans fiscal years and the current Park season is still in progress.
- 48 • The Budget & Finance Committee complimented Staff on their
49 excellent expense control for the 2006-2007 fiscal year.

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- 1 i. **Financial Statements – July 11, 2007:** Director Nungester made a
2 MOTION that the Board approve the financial statements, dated July
3 11, 2007, as presented. Director Grant SECONDED the motion. All
4 Directors being in favor, the motion was APPROVED.
- 5 ii. **Expenses Paid & Payable – July 11, 2007:** The Directors reviewed
6 the monthly check register. Director Northrop asked why there
7 appeared to be a snow-blowing expense during the summer; Manager
8 Collins said the expense related to an activity other than snow-
9 blowing. Director Grant made a MOTION that the Board approve the
10 Expenses Paid & Payable (checks 23123 through 23174, with the
11 exception of checks 23127 and 23148 which were voided). Director
12 Nungester SECONDED the motion. All Directors being in favor, the
13 motion was APPROVED.
- 14 **B. Approval of Minutes:**
- 15 i. **Regular Board Meeting Held on June 11, 2007:**
16 Director Northrop made a MOTION that the Board approve the
17 minutes of the June 11, 2007, Regular Board of Directors Meeting.
18 Director Grant SECONDED the motion. All Directors being in favor,
19 the motion was APPROVED.
- 20 ii. **Special Board Meeting Held on June 28, 2007:**
21 Director Grant made a MOTION that the Board approve the minutes
22 of the June 28, 2007, Special Board of Directors Meeting. Director
23 Nungester SECONDED the motion. All Directors being in favor, the
24 motion was APPROVED.
- 25 **C. Fire Department Report:**
26 Chiefs Poe and Ruben were in attendance for NTFPD - along with
27 NTFPD firefighters Russ Martin and Gary Nelson who are currently
28 staffing the Alpine Fire Station - and discussed with the Board the
29 following items:
- 30 • June Dispatch Report: There was only one alarm in the valley, a
31 report of smoke that turned out to be a cloud.
 - 32 • Fire station staffing plan for 2007-2008: Starting Friday, July 6, the
33 station (referred to by NTFPD as station 56) is being staffed every
34 Friday, Saturday and Sunday year-round except May. During holiday
35 periods, extra staffing days will be added. Chief Poe will provide a
36 copy of the schedule to Pam for posting at the District office. Services
37 provided by the resident staff include firefighting, paramedic and
38 engine driving.
 - 39 • Open House on July 7: Presentations at the open house included
40 wildfire information and defensible space inspections. About 50-60
41 Alpine residents attended and reactions were very positive.
 - 42 • Defensible space: In some years, defensible space inspections are
43 initiated by NTFPD. This year, however, NTFPD is only carrying out
44 inspections requested by homeowners. Due to the Angora Fire and
45 this year's dry conditions, there are many requests for inspections.
46 NTFPD currently has a long waiting list, resulting in a four-week
47 backup. Director Quinan asked if one can request that a neighbor's
48 property be inspected. Chief Ruben said NTFPD will respond to a
49 request from a homeowners association or Fire Council

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1 representative on behalf of an absent owner. In the case of a
2 neighbor's property that seems overgrown, NTFPD can do a courtesy
3 inspection but has no power to enforce its findings. The chipping
4 program will continue until first snowfall, which is usually around the
5 first week in November.

- 6 • Manager Collins reported that the District office has received calls
7 from members of the public asking if the District is planning to enforce
8 defensible space on its properties. He has told concerned callers that
9 he plans to request an inspection for District properties and then to
10 follow through on recommendations affecting, first, the areas around
11 the equipment and then those affecting District open space.

12 **D. Contract with Isbell Construction Inc. for Construction of**
13 **Modifications to the Fire Station:**

14 The following items were discussed:

- 15 • Manager Collins recommends approval of the contract.
- 16 • Three corrections were requested for the accompanying memo
17 drafted by District counsel:
 - 18 ○ line 3: replace "eight" with "eighty";
 - 19 ○ next to last line on first page: insert "insurance" after "course of
20 construction";
 - 21 ○ final paragraph: remove "or his" after "General Manager".

22 Director Northrop made a MOTION that the Board authorize Manager
23 Collins to sign the contract with Isbell Construction Inc. for construction of
24 modifications to the Alpine Meadows Fire Station. Director Nungester
25 SECONDED the motion. All Directors being in favor, the motion was
26 APPROVED.

27 **E. Contract with Sierra Controls for SCADA System Design of Well R-1**
28 **Modifications:**

29 President Danz asked Manager Collins if a formal contract was necessary
30 for the relatively small expenditure of \$1,500. He responded that the
31 reason for the contract is that Sierra Controls' services should have been
32 included in the contract with Lumos but were inadvertently omitted.

33 Director Northrop made a MOTION that the Board approve the
34 expenditure to Sierra Controls for design of Well R-1 modifications.

35 Director Nungester SECONDED the motion. All Directors being in favor,
36 the motion was APPROVED.

37 **The numbering of the following items matches the original order of the**
38 **scheduled items in the meeting agenda. However, to take best advantage**
39 **of meeting participants' time, the items were dealt with in a different order**
40 **during today's meeting, as seen below.**

41 **G. Status of Easements:**

42 The Board reviewed the status of recording its easements on lots in the
43 valley. Manager Collins said he has not made progress on generic
44 recording of easements; rather his time has been taken up with more
45 difficult easement issues. For instance, the owner of AME #3 lot 86 had
46 damage done to his water service by his contractor. When replacing the
47 meter yokes at his property, Staff determined that the sewer line was not
48 aligned within the legal easement. Staff had the area surveyed and
49 mapped and would like to record the correct easement. The owner was

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1 willing to grant the District the easement with the understanding that he
2 will not be charged for costs resulting from the damage done by his
3 contractor to his water service. Discussion ensued on whether or not the
4 District should charge lot owners who wish to be granted easements and
5 should pay lot owners to record corrected easements. Manager Collins'
6 understanding is that the District does not actually own the easements but
7 that they belong to Placer County. The topic will be revisited at the
8 August Board meeting.

9 **H. General Manager's Report:**

10 John Collins, General Manager, provided a written report on his activities
11 during the month of June, with discussion on the following topics:

- 12 • Met with Lumos regarding its proposal for Well R-1 modifications.
- 13 • Attended several meetings with contractors.
- 14 • Filed a water discharge permit application with Lahontan Water
15 Quality Control Board to move forward with the test pump of the
16 potential Scott Chair well. Lahontan wants the District to provide a
17 water quality sample before approving the permit, creating something
18 of a Catch-22. To satisfy Lahontan, Staff will pump the water for the
19 sample into the snow-making system, partially filling the pond. If the
20 water quality is good enough, the water can be discharged into Bear
21 Creek; otherwise it will have to be dispersed back into the snow-
22 making property.
- 23 • Talked with legal counsel about the ability to fine illegal use of the
24 dumpsters. For example, there have been frequent occurrences of
25 dumpsters being unlocked and left open at night, with the result that
26 bears get in and cause a mess.
- 27 • Continued to pursue obtaining an encroachment permit from Placer
28 County to document the satisfactory condition of the River Run water
29 line repair. He finally received a letter confirming that the permit had
30 been issued.

31 **I. Operations & Maintenance Department Report:**

32 Buz Bancroft presented a written report for the month of June that
33 included status updates on water, sewer, garbage and other services
34 provided by the District. In addition to the information on the written
35 report, the following were discussed:

- 36 • The water system passed all tests. It is still being chlorinated.
- 37 • Staff worked on lowering or replacing the meter yoke at a residence
38 on John Scott Trail where it froze last winter. The homeowner's pipe
39 was found to be galvanized pipe and in need of replacement. Staff
40 completed the work in July after the homeowner hired a contractor to
41 replace the line.
- 42 • Staff maintained the Park and office grounds.
- 43 • Meter reads will be completed either today or Monday.

44 **J. TTSA Report:**

45 Director Northrop reported on items of interest to ASCWD from the June
46 13, 2007, and July 11, 2007, TTSA Board meetings:

- 47 • The plant is operating normally and efficiently.
- 48 • All waste discharge requirements are being met.

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1 The next TTSA Board meeting is scheduled for August 8, 2007, at 9:00
2 a.m.

3 **K. Contract with Lumos for Design of Well R-1 Modifications:**

4 In discussion of this agenda item, the following points were raised:

- 5 • At the last Board meeting, the Board approved the work but not the
6 contract itself. The contract has been sent to Lumos. As of yesterday
7 afternoon, Lumos was satisfied with the contract.
- 8 • President Danz has a number of non-substantive edits she will
9 forward to Manager Collins to be included in the final contract.
- 10 • President Danz directed Manager Collins to ensure that the scope of
11 work is exactly what the Board approved at the June 28th Special
12 Meeting, rather than all the items listed in the proposal.

13 Director Northrop made a MOTION that the Board approve the contract
14 with Lumos for design of Well R-1 modifications. Director Nungester
15 SECONDED the motion. All Directors being in favor, the motion was
16 APPROVED.

17 **M. Committee Reports:**

- 18 i. **Budget & Finance Committee:** President Danz presented a written
19 report of the Committee's July 12, 2007, meeting with detailed
20 discussions of the following items:
 - 21 a. **Status of investments/cash:** Manager Collins invested the
22 \$100,000 from the CD that rolled over to another \$100,000 CD for
23 12 months. CD rates have outpaced LAIF rates until recently,
24 when LAIF rates started to outperform CDs by 0.02%, an
25 insignificant amount. The Committee believes the current
26 combination of investments in CDs and in LAIF makes the most
27 sense, given that CDs can lock in a given rate (whereas LAIF
28 rates can fluctuate) but LAIF funds can be withdrawn at will.
29 Director Northrop made a MOTION that Manager Collins be
30 authorized to roll over the \$80,000 CD due July 17, 2007, to a 12-
31 month CD at an expected interest rate of slightly over 5%.
32 Director Quinan SECONDED the motion. In discussion, Director
33 Grant asked if all the CDs were invested in the same institution;
34 Manager Collins responded that the CDs are invested in a variety
35 of institutions. All Directors being in favor, the motion was
36 APPROVED.
 - 37 b. **Requests from customers for adjustments to their bills:** None.
 - 38 c. **Requests for unbudgeted expenses:** The Committee reviewed
39 three requests for unbudgeted expenses, all for fiscal year 2007:
 - 40 • \$146.25 to Tahoe Guide for modifications to the District
41 website as directed by the Board;
 - 42 • \$29.75 to Placer County Air Pollution Control District for the
43 annual gas dispensing permit (should have been budgeted but
44 was not);
 - 45 • a maximum of \$1,600 to Carl Gustafson to prepare an as-built
46 survey of the sewer lateral and prepare documents which will
47 be used to record the easement at AMEA lot #86.
- 48 The Committee recommended approval of all three expenses.
49 Director Grant made a MOTION that the Board approve the three

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- 1 unbudgeted expenses. Director Northrop SECONDED the
2 motion. All Directors being in favor, the motion was APPROVED.
3 d. **Next meeting:** Scheduled for Thursday, August 9, 2007, at 11:00
4 a.m.
5 ii. **Long Range Planning Committee:** There was no meeting.
6 iii. **Administration & Personnel Committee:** There was no meeting.
7 iv. **Park, Recreation and Greenbelt Committee:** There was no meeting.

8 **The Board took a break from 9:45-9:55.**

9 **F. Resolution 4-2007: Adopting the Fire Capital Facilities and Mitigation**
10 **Fee Expenditure Plan for the Fiscal Year 2007/2008:**

11 President Danz opened the public hearing on Resolution 4-2007 at 10:00
12 a.m. Jeff Kay from Munifinancial (the company that produced the Plan)
13 was present for the public hearing. The following topics were raised
14 during the public hearing:

- 15 • President Danz asked if minor changes could still be incorporated into
16 the document after it is approved in this meeting. Jeff Kay responded
17 in the affirmative.
- 18 • Chief Ruben summarized the Plan, emphasizing that the mitigation
19 fee can only be used for new capital improvements. After approval,
20 the Plan will go to the Placer County Board of Supervisors for
21 approval, since only the County is authorized to levy the fees. The
22 Supervisors' approval will allow NTFPD to collect the fees on Alpine's
23 behalf. The pertinent Board of Supervisors meeting is scheduled for
24 July 23 In Kings Beach. The fee will take effect October 15, so as not
25 to impact the current building season.
- 26 • Director Northrop pointed out that references in the documentation to
27 station 55 need to be changed to station 56.
- 28 • President Danz asked for justification of NTFPD's need for a new
29 Type 1 fire engine, rather than refurbishing the current Type 2 engine.
30 Chief Ruben said the extra water supply capacity provided by a Type
31 1 engine was needed to meet national ISO standards and to allow
32 residents to qualify for lower insurance rates.
- 33 • President Danz asked about the mechanics of the mitigation fee.
34 Chief Ruben said a contractor will bring a construction/remodel plan to
35 NTFPD; NTFPD will examine the plan and determine the fee; the
36 contractor will give a check to NTFPD; and NTFPD will place the
37 funds in a separate account to be used exclusively for fire mitigation
38 purposes. Chief Ruben was not sure if NTFPD or ASCWD would
39 maintain the account. President Danz thought ASCWD would
40 maintain the account since the fee is charged by ASCWD and asked
41 Chief Ruben to find out if that was true.
- 42 • President Danz pointed out that, in the Plan, on page 5 in the
43 paragraph preceding Table 3, the word "owned" should be replaced
44 by the word "leased".
- 45 • In response to a question from President Danz, Jeff Kay said the
46 occupancy density units in Table 2 referring to "employees per square
47 foot" should instead say "employees per 1,000 square feet".
- 48 • Pat Davison, the executive director of the Contractors Association of
49 Truckee Tahoe, was in attendance and made the following points:

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- 1 ○ Local contractors have been bombarded with fees recently.
- 2 ○ Chief Ruben has done excellent work. She is not trying to prevent
- 3 the fee from being implemented; the case has been made for its
- 4 necessity.
- 5 ○ She pointed out that the fee will be passed on to homebuyers and
- 6 business owners and operators, not absorbed by the developers.
- 7 ○ She took issue with the fee being implemented on expansions and
- 8 remodels, feeling it should only be placed on new structures. She
- 9 suggested text justifying the need be placed in the Plan.
- 10 ○ She asked if non-habitable space was included in the Plan; she
- 11 requested clarification in the Plan and in brochures made
- 12 available to contractors.
- 13 ○ She asked that the Board hold frequent reviews of the Plan and
- 14 that the annual review be held in the fall so as to minimize impact
- 15 on builders.
- 16 ○ She supports the annual inflationary adjustment.
- 17 ○ She expressed gratitude for the October 15 implementation date.
- 18 ○ She requested that the Board consider a fee
- 19 deferral/reduction/waiver for affordable housing.
- 20 Chief Ruben's responses to Pat's points were: 1) he will add a
- 21 justification sentence or two regarding the need for fees placed on
- 22 expansions/remodels; 2) mitigation fees do apply to non-habitable
- 23 space (Chief Ruben will include the information in brochures that go to
- 24 builders); and 3) the Plan will undergo an annual mini-review, to be
- 25 held in the fall, with a full-blown review every five years. With respect
- 26 to the affordable housing issue, Pat said it might be too late to
- 27 incorporate it today but that she would probably raise the issue with
- 28 the Board in the future when the need arises.
- 29 • John Moise asked for clarification as to how equipment will be
- 30 maintained and refurbished after build-out takes place in the valley,
- 31 since the funding source provided by mitigation fees will no longer be
- 32 available. Jeff Kay said the same source of funds currently used for
- 33 refurbishment (i.e., property tax revenue) will still be available. John
- 34 also asked why analyses based on per capita and square footage
- 35 were both used in the document. Chief Ruben said there are some
- 36 factors in fire protection that make more sense when using square
- 37 footage analysis and others that make more sense when considering
- 38 per capita. John asked why adding a garage on a home would
- 39 increase the need for fire protection services; Chief Ruben responded
- 40 that it was because garages increase the possibility of fire incidents
- 41 and the possible magnitude of required fire response.
- 42 President Danz closed the public hearing at 10:30 a.m. Director
- 43 Nungester made a MOTION that the Board approve Resolution 4-2007,
- 44 Adopting the Fire Capital Facilities and Mitigation Fee Expenditure Plan
- 45 for the fiscal year 2007/2008, with the following changes: 1) that the
- 46 Alpine Fire Station is leased, rather than owned, by NTFPD (page 5); 2)
- 47 that the reference in Table 2 to "per square foot" be changed to "per
- 48 1,000 square feet"; and 3) that clarifying sentences be inserted regarding
- 49 expanded structures requiring additional fire services. Director Grant

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1 SECONDED the motion. Roll was called to approve the Resolution.
2 Ayes: Directors Grant, Northrop, Nungester, Quinan and President Danz.
3 Nays: none. The Resolution was APPROVED.

4 **N. Open Items:**

- 5 • Molotov cocktail incident follow-up: Manager Collins reported that, on
6 the morning of June 13, Staff reported seeing a dark burning object
7 lying on the grounds that looked like a Molotov cocktail. They
8 reported it to the Placer County sheriff's department. NTFPD initiated
9 a call to the Fire Marshall, who did an arson investigation. The Fire
10 Marshall has not made much progress in the investigation and is
11 asking the public to provide any pertinent information. The Fire
12 Marshall recommended that the District install security cameras.
13 President Danz requested that the topic be discussed at the August
14 meeting. She directed Manager Collins and Buz to put together a list
15 of all types of vandalism experienced by the District, along with the
16 frequency of such events, to aid discussion at the August meeting.
17 Another recent example is the unchaining of dumpsters, with the
18 result that bears get into the dumpsters and make a mess.
- 19 • President Danz mentioned that the Board needs to discuss the
20 District's goals and objectives for fiscal year 2008. Director Quinan
21 said she thought the Board could discuss it at the August Board
22 meeting. The other Directors agreed. President Danz will put it on
23 the August Board meeting agenda; however, if the discussion
24 consumes more than one hour, it will be placed on an agenda for a
25 Special Board meeting. Director Nungester will prepare information
26 for the meeting and provide it to Pam to attach to the agenda.

27 **The Board took a break from 10:40-10:55.**

28 **O. Correspondence to the Board:** Discussed during various agenda items.

29 **L. Ordinance 5-2007: Repealing Ordinance Nos. 1-80 and 1-69 and**
30 **Adopting Connection Fees for Water and Sewer Services Based on**
31 **Meter Sizes:**

32 President Danz opened the public hearing on Ordinance 5-2007 at 11:00
33 a.m. The following topics were raised during the public hearing:

- 34 • Manager Collins gave a brief overview of the Ordinance. The Board
35 adopted a 20-year capital improvement plan based on the District's
36 2006 Long Range Plan and determined which of the costs were
37 appropriate to assign to new development. Staff calculated the costs
38 based on meter size, which is more reflective of the demand on water
39 and sewer systems than the current bathroom- and fixture-based
40 system. Manager Collins pointed out that the fees are variously called
41 connection fees, capacity fees and capital improvement fees. The
42 proposed fee structure contains a connection component and a
43 capacity component. The capacity fees can only be used for items in
44 the capital improvement plan, not for ongoing operations or
45 maintenance of current infrastructure; the connection fees can and will
46 be used for operational expenses.
- 47 • Director Northrop asked if there was a meter on the fire sprinklers.
48 Manager Collins said yes, but these meters are not included in the
49 calculation.

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- 1 • Director Quinan asked if remote-read meters are being required as
2 part of new construction. Manager Collins said no, but that
3 contractors are required to install meters that can easily be swapped
4 out for remote-read meters.
- 5 • President Danz suggested that the Board make the fees effective in
6 60 days, rather than immediately. Even though District counsel says
7 the fees can be put in effect immediately, President Danz thinks the
8 District should cooperate with the community, several of whom have
9 expressed concern about implementing the fees immediately.
- 10 • Pat Davison of CATT made the following points:
- 11 ○ She complimented Manager Collins on his attentiveness and
12 helpfulness.
- 13 ○ Her most substantive question regarded the percentage of capital
14 improvement funding assigned to new development. Although
15 she did not have any numbers to support her position, she felt that
16 new development should not have to provide 40% of the cost
17 when it is estimated to be only 23.7% of the size of District. She
18 did not feel that Manager Collins' response addressed the legal
19 issue. She quoted a section of the Government Code (sections
20 66013 and 66014) that addresses how capacity charges must be
21 supported.
- 22 ○ She requested more frequent review of the Ordinance.
- 23 ○ She requested an October 15th implementation date. She quoted
24 a section of the Government Code (section 66017) that would
25 seem to dictate at least a 60-day wait.
- 26 ○ She supports an annual inflationary adjustment.
- 27 ○ She would like the Board to consider a fee
28 deferral/reduction/waiver process for affordable housing.
- 29 ○ She pointed out that the fees will be passed on to the home buyer
30 or business operator, not absorbed by the developers.
- 31 President Danz pointed out that the Board needs to move forward on
32 increasing the fees, since there has been no increase in 27 years.
33 Addressing Pat's comment regarding the percentage of capital
34 facilities cost assigned to new construction, Manager Collins said the
35 District is approximately 500 gallons per minute short of meeting the
36 water needs of its current customers plus the 200 (estimated) new
37 customers, therefore new customers need to pick up 40% of the
38 capital improvements. Using the same rationale in analyzing the
39 allotment of water storage costs, the District has sufficient but not
40 excess storage for current customers so new customers will have to
41 fund 100% development of new storage to support their water storage
42 needs. Pat said, regardless of how the numbers were determined, if
43 the cost burden for new construction is greater than its impact on the
44 system, the issue needs to go to the electors for popular vote, rather
45 than to the Board for authorization. President Danz said if Pat had an
46 analytical basis to support her opinion, the Board would consider it.
47 However, absent any contradictory analysis, the Board feels it is
48 moving forward in good faith based on the information provided to it.
49 President Danz agreed to more frequent review of the Ordinance (it

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1 will probably undergo a two- or three-year review cycle). After
2 discussion with the Board about how many permits might be affected
3 this building season and acknowledging that the 2007-2008 budget
4 did not assume an increase in connection fees, President Danz also
5 agreed to October 15 as the implementation date. She pointed out to
6 Pat that, by law, the Board cannot include an annual inflationary
7 adjustment in the Ordinance; and said the Board would wait to hear
8 from Pat regarding the affordable housing issue.

- 9 • The Board discussed a letter from T. S. Amer, regarding equitability of
10 property taxes, measures used to link costs to customers, cost
11 structure of water-related services, depreciation of asset base, the
12 timing of facilities upgrades and timing of proposed increases. Mr.
13 Amer made two requests: 1) that an analyst review the study and 2)
14 that the Board postpone implementation of the increased fee structure
15 until additional evaluation and assessment have been accomplished.
16 The Board responded to the letter point by point. President Danz
17 pointed out that property taxes are, generally, inequitable since they
18 are predominantly based on market value as of the date of the last
19 sale of the property and cannot be equated with individual cost of
20 services. Manager Collins said he will point out to Mr. Amer that his
21 analysis took into account differential components and criteria that do
22 link costs to groups of customers. Mr. Amer's third point addresses
23 operating costs, whereas the fee structure is concerned with capital
24 costs. With respect to Mr. Amer's fourth point, Manager Collins and
25 President Danz agreed that the correct value to use in the analysis
26 was the original cost of the facilities, rather than their depreciated
27 values. With respect to Mr. Amer's two concerns about timing,
28 Manager Collins disagreed with the first but felt that Mr. Amer should
29 be pleased by the October 15 implementation date. Director
30 Nungester felt that review by an analyst/consultant was not
31 necessary, due to Manager Collins' expertise and exhaustive work on
32 the proposed fee structure.

33 President Danz closed the public hearing at 11:30 a.m. Director Northrop
34 made a MOTION that the Board approve Ordinance 5-2007, Repealing
35 Ordinance Nos. 1-80 and 1-69 and Adopting Connection Fees for Water
36 and Sewer Services Based on Meter Sizes, with the effective date of
37 October 15, 2007. Director Nungester SECONDED the motion. Roll was
38 called to approve the Ordinance. Ayes: Directors Grant, Northrop,
39 Nungester, Quinan and President Danz. Nays: none. The Ordinance
40 was APPROVED.

41 **4. DIRECTORS' COMMENTS**

- 42 • Director Quinan reported that there were 26 people at the Flower Walk.
43 Michael Graf did a great job. He has agreed to lead the Flower Walk again
44 next year. In response to Director Quinan's request, President Danz directed
45 Manager Collins to write a thank you letter to Michael Graf.
- 46 • The next Regular Board meeting will be held Friday, August 10, 2007, at 8:30
47 a.m.

48 **5. CLOSED SESSION**

49 None.

