

MINUTES  
REGULAR MEETING  
BOARD OF DIRECTORS  
BEAR VALLEY WATER DISTRICT  
Monday, July 18, 2011

Time: 9:15A.M. Place: 441 Creekside Drive, Bear Valley, CA 95223

**1. Roll Call**

Directors: James Bissell, Jearl Nelson, Barbara Goodrich, Phil Coffman, and John Dralla were present. Staff present: Julio Guerra, General Manager, Judi Silber, Office Manager, and Patricia White, Administrative Assistant. District Engineer: Gary Ghio, present. Public: Gloria Dralla, Gary Hinman, Kimi Johnson, representing Lake Alpine Water Company.

**2. Public Hearing pursuant Resolution No. 483, A Resolution Direction Delinquent Sewer Service Charges To Be Added to the 2011-2012 Tax Roll, adopted June 20, 2011**

- A. President's statement and declaration that Public Hearing is open  
President James Bissell officially declared the Public Hearing was open and turned the meeting over to General Manger, Julio Guerra.
- B. Statement of Office Manager verifying mailing of notices  
Administrative Assistant, Patricia White verified that she mailed the delinquent notices on June 2, 2011. General Manager, Julio Guerra verified that the mailing was documented in the correspondence book on June 2<sup>nd</sup>. The accounts were delinquent as of June 30, 2011. The eleven accounts totaled \$15,351.26. Discussion ensued regarding the total amount in the account receivables line item on the balance sheet. Director Goodrich questioned the total on the balance sheet. Administrative Assistant, Patricia White stated that there were a lot of credits on the accounts receivables specifying the large credit held by Lake Alpine Campgrounds. Director Goodrich also questioned whether or not the amounts due had been verified and cross checked for accuracy. Mrs. White confirmed that this had been done.
- C. List presented to the Board of unpaid Sewer Service Charges
- D. Reading of written protests  
No written protests.
- E. Hearing of oral testimony and comments  
No oral testimony and comments.
- F. Closing of Public Hearing  
President James Bissell closed the Public Hearing at 9:25A.M.

**3. Approval of Minutes for June 20, 2011**

The minutes were held over for the August 15, 2011 meeting pending General Manager, Julio Guerra's review of the tape recording to clarify direction from the Board of Directors regarding the hierarchy of appropriate actions to take in the event of an imminent overflow.

**4. Public Comment**

Gary Hinman informed the Board about his meeting with John Greben. From October 2010 to June 25, 2011, only 1500 gallons of water went through the water meter at Bee Gulch. This shows how little the Permittees are actually putting in the sewer during the winter months. The meter readings for the cabins surrounding the lodge are compromised, showing 10-12 gallons per minute due to broken lines. The water usage there is of no use to BVWD. Mr. Hinman doesn't feel that we can use this data for our rate study. The Permittees are being billed at a residential rate and the data supports that they are using very little water during the winter. GM

was given a copy of Gary Hinman's suggestions to forward on to Weber Ghio & Associates as part of the rate study.

**5. Correspondence**

Director Dralla called and received a call from Patti Clarey. He had two issues to discuss with her. The first item was regarding a letter for the proposed changes to Bear Valley Mountain Resort. He tried to access the website on the letter and was unsuccessful. He then suggested that maybe BVRI could be of help on getting the word out about the comment period on the proposed changes at Bear Valley Mountain Resort and how it affects Bear Valley. Secondly, what was her awareness on the issue of a potential swap of land with the property around Lake Alpine? She said that it is foremost on her mind, but she reports to an area supervisor who would handle such matters. She would like a letter sent from the district addressed to the supervisor with a copy to Patti, indicating the interest to pursue this. It is important for the district to keep this on the radar of the National Forest Service. That is to say that this is not a decision to be made by Patti Clarey, to potentially look at a land swap it has to go to a higher level. Director Dralla will give GM the address and information of Patti's supervisor.

Director Goodrich had a one hour conversation with Gordon Ritter the preceding Friday. He told her that he had a group of four or five people from the bay area who are second-home owners in Bear Valley. They want to know what they can do as concerned citizens, to work with BVWD to move the project forward. They are willing to spend a significant amount of money to help out, money that the developers are not willing to spend. Her personal opinion was that their money might be best spent by hiring an engineer, which so far the developers have not done. Director Dralla corrected that the developers had hired an engineer, but that BVWD have not seen a demonstrated result. Director Goodrich's personal opinion was that they should hire a professional in this area to challenge some of our thinking. This group of citizens might invest some money and do x amount of months worth of work, but they know there are other ways to move this project forward such as easement insurance, or the bifurcation of the project. Director Dralla thinks it would be best to discuss this with the Ad Hoc Committee to the developer. Director Coffman thinks it is inappropriate to get involved with this effort since we already have a well-qualified District Engineer. Director Coffman also stated we should not get a third party involved and that this discussion should be during the Ad Hoc Committee section. Director Goodrich stated that this is not money we would take and thinks that these people are working in good faith.

Director Dralla placed a phone call to Martin Fine, as part of the Ad Hoc Committee, as just an icebreaker with Martin and his associate, a CEQA attorney. Martin will be in the office tomorrow. Director Dralla wondered if any of the directors and GM would be available to speak with him tomorrow. We need to know what would constitute a change in the language in the EIR to enable it to move forward. Director Dralla wanted to further discuss this issue in the Ad Hoc section.

**6. B. Review of plant operations.** (Directors moved forward in agenda to allow District Engineer, Gary Ghio to speak).

The Biologist doing the final CEQA certification on the Main Pump Station found a nest of Mountain Chickadees in the wall. They are a protected species under the Migratory Bird Act. We are not allowed to do any construction to the pump house until the babies leave the nest and we cannot do anything to cause the parents not to return to the nest. Gary's concern is that if we have to wait too long, we might not be able to finish the construction before winter. The contractors will work with us on the date to begin the project. We will lose three weeks of work time. We will have to keep an eye on the nest and just wait for them to leave.

Staff started the land application on July 5<sup>th</sup>. The highest the water got was 6 inches below the spillway. GM is changing the operational process, which will result in using less chlorine. The threat of having to spill to the creek is past. The staff is preparing for the manhole surveys. The camera is not scheduled yet.

**C. Commercial Billing Update**

The commercial billing for FY 11/12 is based on actual water usage in FY 10/11 divided by the FY 10/11 average use per household (SFE) of 21,307 gallons. There were only two deviations from the standard commercial formula that GM wanted the Board to be aware of:

- The Lake Alpine Lodge is closed for eight months per year. During that time a single maintenance worker generates the only wastewater. However, the water meter reading during that period this last year was 662 gallons per day, likely due to water leaks that did not result in a discharge to the sewer. Consequently, an alternative bill was calculated that used the billing rate for a standard three-fixture unit dwelling for the period the lodge was closed. The lodge will be required to install a meter on the cabin used by maintenance staff as a condition of this adjustment to the bill. Directors by consensus approved this modification.
- The Lake Alpine Water Company (LAWC) treatment plant had a water meter installed last December and the six-month reading was 66,000 gallons. To prepare that bill, water use was projected to be about 120,000 gallons for the base 12-month period. GM inspected their operation and observed that there is an element of wash-down and process water that is not discharged, but at this time an accurate proportion of non-discharged water cannot be certified. Due to the apparent fact that this facility has been historically under-billed, GM proposes to send the bill out as prepared. LAWC will be installing meters to determine the proportion of discharged versus non-discharged water and we can expect them to request a modification based on the readings therefrom.

**D. Review of the Financial Reports.**

Director Goodrich stated that the NPDES expenses have been moved to a fixed asset on the Balance Sheet and that they will be depreciated over five years. The old NPDES Permit has been written off the books. The directors expenses, general manager expenses, engineering, and legal fees have been moved into accounts under BVV I & II

**E. Review of Accounts Payable, action item**

Payment of accounts payable in the amount of \$63,131.20 was approved.

**7. Unfinished Business**

**A. Updated Final Draft FY 11/12 Budget, Resolution No. 485, discussion, action item**

Discussion ensued. Director Goodrich made a motion to accept the budget with appropriate capital improvement modifications (under her direction) with regards to the NPDES Permit renewal. Director Coffman seconded the motion. The motion was carried by unanimous vote.

**B. Discussion and Possible Action on Additional Capacity Studies and Allocation of Development Related Costs. Review of expenses accrued on behalf of development, action item**

Discussion deferred to 7(C).

**C. Alternatives for Enabling the BVV EIR to Proceed, action item**

- i. Ad Hoc Committee Report, consideration of draft response to BVV II plan

The letter to Bear Valley Village I & II needs to be amended by adding Brian Peters, Alpine County as a CC, and correcting several typos.

The last paragraph was edited to read, "Finally, the Board strongly recommends BVV I & II submit a Sewerage Services Facilities Agreement associated with the BVV I & II development and **the Board requires a Development Reimbursement Agreement** for rate payer funds expended on its behalf." The other changes were formatting and getting rid of editorial comments on the report. The District Engineer didn't see any problems with the report. Mr. Ghio also didn't see any

problems with the numbers when he scanned them. He also stated the developer needs to sign the reimbursement agreement to assume the expenses incurred to advance this development. The Bear Valley Water District cannot continue to spend the ratepayer's money on this project. GM confirmed that he sent the developer a draft copy of the Ad Hoc Committee Report and that he had personally invited Greg Finch to attend this board meeting. Director Coffman said that, pursuant to Policy 10.05 of the Design Standards Policy, the BVWD needs to urge the developer to apply for a formal Sewerage Services Facilities Agreement, like they would apply for a building permit. These design standards requirements are broad enough to include a reimbursement agreement as part of the financial requirements. Director Bissell's impression of the design standards is that during the building application/permit stage when there are a complete set of plans, then we need to pay our engineer to review their plans. That's when costs are incurred; the Developers here are at the pre-design stage. Director Dralla stated Alpine County Board of Supervisors passed/adopted the EIR with a single page letter from Dave Ritchie stating that our available capacity was another 1127 connections. He would like a call placed to Martin Fine to find out what is the sufficient detail for Alpine County to allow the EIR to proceed. Director Coffman stated that until the developer puts an application on the table stating how many units and a time frame, he is throwing out a concept without any commitment. He said that the Developer's point of view would be, I am not responsible for any expense incurred, I didn't authorize you to proceed; to establish an authority to proceed with cost is something tangible in the way of commitment.

GM then read Section 10.05 out loud. Director Coffman stated that there is no commitment on anyone's part that this development will actually ever be built. Director Dralla said that the County does not require a detailed plan for the EIR to proceed. Kimi Johnson asked if her understanding that the district has to have a certain amount of capacity available for current lot holders to build in the future according to the general plan is correct. The GM, Julio Guerra had the legal answer available. When the district is within four years of reaching capacity it has to have a plan to increase the capacity. According to Director Coffman, the district was setup to provide sewer services according to the general plan of Bear Valley to accommodate 500,000 gallons per day. The district has two sets of design standards, one for less than 100 units and one for greater than 100 units another set of requirements. We have by our best engineering established the fact that we do not have adequate capacity for additional 500-600 units. As a public utility, it is our responsibility to provide sewer for the new development. To do this will cost X amount of money. The beneficiary should have to pay for it. The EIR's purpose is not to set requirements on anyone. Its responsibility is to establish what the environmental impact is. We build to requirements, not to the EIR. Director Dralla stated that we have plenty of capacity for landowners who want to build homes.

Director Goodrich wanted Gary Ghio to define the difference between inflow and influx. Discussion ensued. Gary Ghio stated we encroached into the freeboard of the reservoir this year by 1 and 1/2 feet; with the current restraints from our permit, which require maintenance of two-feet of freeboard, our only option is to discharge into Bloods Creek. Director Coffman redirected the discussion back to the Ad Hoc committee report. Director Goodrich inquired that given what happened this winter, given the unusual circumstances of the 1 in a 100 year event, does Mr. Ghio expect it to have any real impact on our capacity levels. Mr. Ghio does expect it will increase our capacity some, but until he inputs the real numbers, he doesn't have an answer. Director Coffman said that once we get the spray data we will know our capacity. We need to measure the depth of the lake and the amount sprayed from a reference point daily.

Director Goodrich pointed out that the design standards were changed last year, but the developer says we didn't go far enough. Mr. Ghio stated that the developer isn't satisfied with the design standards as they relate to the condominiums. Director Bissell opined that if the developer wants to spend some time doing a survey and bring back statistics that would be great.

Director Dralla asked if the district needs a resolution to the point that we spend no further unreimbursed funds to move this project with BVV I & II forward. Director Bissell commented that we need to address a key point, the infill, we have folks with undeveloped lots, and that we have a responsibility to look out for their interest. The developer's point, as far as the reimbursement agreement is concerned, Director Bissell added, he feels he should only have to pay a portion of the charges and that we should pay the other 40% for the undeveloped existing lots. But, except for his development we wouldn't need to be doing that. He is correct in that those who are coming in from the outside should eventually reimburse the fees that he expends for the improvements that do not pertain to the development. For each connection fee he'd get a certain amount towards those expenses as part of a reimbursement agreement. Directors agreed BVWD should own some portion of the expenses. The District now has legal, general manager wages, and engineering costs amounting to over \$52,000.

GM at this point related that the Regional Board's comments on our comments had just this minute arrived via email. He then read two sentences from the correspondence: "The district believes that the tentative permit alternative or tertiary treatment is fundamentally flawed, it is not an appropriate alternative for the Boards consideration. Response: Central Valley Water Board staff concurs."

Director Coffman stated that the Ad Hoc Committee has recommended that we request a Sewer Facilities Service Agreement application be signed with the developer of BVV I & II. GM said that they have not asked us for a Will Serve Letter, they submitted, in March 2008, a Request for Utility Certification; our response was that we had capacity for only 230 units, not for the entire proposed development. We are currently on the record with Resolution 480 last September that endorsed District Engineer's capacity determination that there were 143 available connections.

Director Bissell stated that he appreciated the hard work of the Ad Hoc Committee. Director Coffman asked that the board approve the letter and the report, and then send a copy to the developer with a courtesy copy sent to Brian Peters, Alpine County. Director Bissell asked for action. Director Nelson made a motion to approve the Ad Hoc Committee report and letter with corrections as noted and to be sent to the developer; Director Goodrich second. The motion was unanimously carried.

The meeting was adjourned for a ten minute break at 12:23 P.M. and resumed at 12:33P.M.

**D. Reallocation of Unclaimed Bond account, action item, update**  
No action taken.

**E. Rate Study, update**  
District Engineer Gary Ghio is waiting for the Final Budget. Once we get the NPDES Permit renewed, he will be able to complete the rate study.

## **8. New Business**

**A. Approval of Modification, F & M Bank Loan # 10-013407-32, endorsement by President and Secretary, action item**  
Director Coffman made a motion to approve the loan modification, Director Nelson second; the motion was carried. Ayes: Director Coffman, Director Nelson, Director Bissell, Director Dralla. Director Goodrich had left the meeting for a prior commitment and was not present at the time of voting.

**B. Approval of Update to check signing authority due to staff turnover**

Director Dralla moved to delete Patricia White from signing authority on the F&M bank account and to delegate signing authority to new Office Manager Judi Silber. Director Coffmann second; the motion was carried. Ayes: Director Coffman, Director Nelson, Director Bissell, Director Dralla. Director Goodrich had left the meeting for a prior commitment and was not present at the time of voting.

**9. Board Members Reports & Comment**

Director Dralla had three suggestions for the future board meetings. One was that the Board packages be given to the directors earlier. The second was to have the board packages go paperless and use projection on screen, or use I Pads. The third was for meetings in the winter to be held outside the District boundaries. GM will be looking into whether this is a possibility.

GM mentioned that, if a quorum of Directors wanted to attend the Regional Water Quality Control Board hearing on our permit, the hearing would have to be posted as a special meeting.

The meeting was adjourned at 2:15P.M.

A Special Board meeting will be scheduled for August 4, 2011, 9:00 A.M. at the offices of the Central Valley Regional Water Quality Control Board in Rancho Cordova.

Next Regular Board meeting August 15, 2011 at 9:00 A.M.

Minutes Approved By:

A handwritten signature in blue ink, appearing to read 'Jearl Nelson', is written over a horizontal line. The signature is fluid and cursive.

Jearl Nelson, Secretary