

MINUTES
REGULAR BOARD MEETING
BOARD OF DIRECTORS
Bear Valley Water District
Monday, August 18, 2008

Time: 1:00p.m.

The Regular meeting of the Board of Directors of the Bear Valley Water District was called to order by President Ritchie at 1:00p.m at the District office located at 441 Creekside Drive, Bear Valley, California, 95223

ROLL CALL: President Ritchie, Director Bissell, Davis, Orvis. Director Neth absent with notice. District Employees present; District Engineer, Mr. Neal Colwell, Field Manager, Mr. Steve Mikesell, Office Manager, Mrs. Tia White.

APPROVAL OF MINUTES:

After corrections to page 3 of June's Minutes, correction of spelling of Dave Andres' name; on motion by Director Bissell and seconded by Director Davis the minutes for June were approved. All in Favor. Correction to page 1 of July's Minutes, correction to Bill Perley's title, Utilities Director on motion by Director Davis and seconded by Director Bissell. All in Favor.

GUESTS: Eric Jung; Cub Reporter, Mr. Ron Trunk; Management Solutions, John Mallard; Clean Filtration Tech., Bill Perley; Utilities Director, CCWD.

PUBLIC COMMENT: NONE

OFFICE MANAGER'S REPORT:

Review of Financial Activities, Balance sheet-

Board members received in their packet prior to the meeting, Balance sheet reports, along with Accounts payables for the month of August. There were no questions on the Balance sheet. Mrs. White informed the Board that the Auditor removed the land purchase item as requested from the balance sheet since it no longer applies.

Request to pay Accounts Payable for the month of August as presented-

On motion by Director Davis and seconded by Director Bissell the Accounts Payable for the month of August as presented in the amount of \$40,438.64 were approved. All in Favor.

Credit Line Activity-

No credit line Activity for the month of August. President Ritchie stated in the meeting of August 14, 2008 in discussion with bond counsel that it was suggested that the board check into extending our credit line by \$200,000 with F&M Bank. President Ritchie stated this request would be done by resolution if needed. Staff will follow up on this item.

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OFFICE MANAGER'S REPORT:

Update on Audit-

Mrs. White informed the Board that our Audit took place on August 5th and 6th. The Auditor stated that if we do create an assessment district that office work will increase and Mrs. White might need some extra help. Tia stated that she would need to clarify with the auditor just what the increase in work would be. The auditor did mention that she could see an increase in office work with the projects that already exist. Mrs. White informed the Auditor that the Board was in the process of soliciting help from CCWD and that would help with directing work loads to the proper person's.

FIELD MANAGER'S REPORT:

Review of Plant Operations-

Steve Mikesell informed the Board that there is approximately 3 ½ feet remaining in the reservoir. He stated that it would take about three weeks to empty. He also stated that that there has been a lot of housekeeping done out on the stations and that the Board members should have a look if they get a chance.

With some repairs and maintenance done with the help of CCWD and Meyers Control Inc. The transducer is repaired, along with electrical repairs and safety checks to keep in compliance with regulations. Steve Mikesell and Bill Perley discussed with the Board the soft starter (2,900) at the equipment house and approximately (6,000) to upgrade one of the irrigation pumps. Staff will be going over the budget and get back to the Board on these items.

Steve informed the Board that the ATV is back from repair, just in time for breaking down the spray fields.

ENGINEERS REPORTS AND COMMENTS:

Update on Lissen project-

Staff informed the Board that a phone call was made to the projects contractor, no answer as of yet.

Silver Mt. project-

Silver Mt. Project is in the final stages; staff informed the Board that a check is being sent to the District for the maintenance warranty period and documents will be forwarded to the Alpine County Engineer, Mr. Mark De Maio stating that the District has accepted and has enter the maintenance warranty period and adequate security to ensure installation and warranty has been provided to the district.

Mrs. White asked the Board were do they want her to send the check for the maintenance warranty from Silver Mt. project. The Board directed Mrs. White to send it to LAIF.

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Bear Valley Water District
Monday, August 18, 2008**

ENGINEERS REPORTS AND COMMENTS:

Update on NPDES permit-Regulatory task

A letter was sent; dated July 01, 2008 addressed to Mr. Oscar Biondi of the California Regional Water Quality Control Board on the progress of the districts Copper Compliance Progress Report. The District submitted a Copper Corrective Action Plan and Implementation Schedule in 2006. The letter states that the Lake Alpine Water Company is monitoring its distribution system for total copper in order to assess compliance with the Copper Rule. The District also informed RWQCB that the district is currently conducting a pilot program study of ultra-filtration (UF) membrane technology for meeting the tertiary requirements of the NPDES permit. Samples from pond effluent to monitor copper and samples from the pilot program will be analyzed for copper as well. The District will continue to work on the levels of copper that are tested on the influent. Staff and Board discussed ways of reducing copper levels.

Tentative Hearing at RWQCB-

The District posted a Notice of a Public Hearing at the main office, post office and sub-station which will be heard at the Central Valley Regional Water Quality Control Board. The Date of the Hearing is set for September 11/12 at 11020 Sun Center Dr. Rancho Cordova, CA 95670 # 200.

The district is asking for an extension to the time schedule of meeting the compliance date of our NPDES permit. Since the District is conducting a pilot study and the possibility of creating an assessment district, construction of the Tertiary Treatment Facilities will be limited to the fall of 2009 and the summer and fall of 2010. Extra notices were sent to interested parties by RWQCB and the District. Time of Hearing is 8:30 am.

UNFINISHED BUSINESS:

Discussion and Possible Board Action on Service Agreement with TBH Partners, for the Warming Hut-

Legal Counsel provided the District with a final draft agreement to present to TBH Partners. Board President Ritchie signed the agreement on behalf of the district. The agreement was sent to TBH Partners for their signature. This item will be taken off the next Agenda.

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Bear Valley Water District
Monday, August 18, 2008

Update on Clean Filtration Technology Pilot Program-

Mr. John Mallard informed the Board that the CFT pilot program is on track based on the original planned start date of the end of August 08. All equipment is currently scheduled to be onsite by the week of August 25th. The UV vendor has committed in writing that their UV system be reserved for CFT. John also stated that he will supply a temporary UV system light if delivery is delayed past end of August.

Mr. Bill Perley from Calaveras County Water District, who is being considered by our Board for Administrative Help (General Manager) for the Bear Valley Water District, discussed with the Board, John Mallard and our district Engineer Neal Colwell the data from Total Suspended Solids are showing that it might not be necessary for pre-filtration. Also discussed was reevaluating the design flows to 300,000 gallons per day which would down size the Tertiary Treatment plant. Plus the need for a turbidity meter for district to do more testing in house on the turbidity levels to compare against CFT results. Bill stated that the District is not that far from compliance, the highest percentage of water that we are testing is snowmelt diluted water. Bill also said it would be better to take 24 hour composite samples verses grab samples.

John Mallard is going to coincide testing with the dates that we do our testing and will have an in-line monitoring system.

Discussion on how they will handle snow grooming for the pilot program was discussed. Will need to discuss with Paul Petersen how the Cross Country Center wants access to that area handled. This item will be carried over.

Discussion and Possible Board Action on Rossi Sewer Project-

Last correspondence to Mr. Rossi was dated July 21, 2008. No Response. Bill Perley will be addressing this issue. This item will be carried over.

NEW BUSINESS:

Discussion and Possible Board Action on; Approval of Contract Agreement with CCWD for District Manager Support along with CCWD Staff-

Board members reviewed the contract between CCWD and BVWD prior to the Board meeting, some minor changes were to include a rate structure schedule. After changes are made the Board gave the approval for President Ritchie to sign the contract between CCWD and BVWD on behalf of the District. On motion by Director Bissell and Seconded by Director Orvis. All in Favor.

Discussion and Possible Board Action on; Purchasing Authorization Levels for General Manager, Field Manager, Office Manager-

Board members adjusted the purchasing levels to be \$10,000 for GM, \$2,500 for FM and \$1,000 for OM. On motion by Director Davis and seconded by Director Bissell. All in Favor.

**MINUTES
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General Manager's Report-

General Manager's Report will appear on the next Agenda. Bill Perley did mention that he reviewed Ordinance No. 16 on public uses of the collection system. This item will be carried over.

Discussion and Possible Board Action on Outfall Project's punch list-

Ford Construction subcontractor, Con Frankie Electric will be sending someone up to take care of items brought up at the last board meeting. Items under warranty Bill Perley will be overseeing this item.

Discussion and Possible Board Action on Notice from County Clerk on; any amendments to the Districts Conflict of Interest Codes-

Board members received in their packets prior to the board meeting a copy of Resolution No. 395 a resolution adopting a conflict of interest code. After reviewing the districts current copy the board felt that no changes were necessary.

Discussion and Possible Board Action on; USDA Grant, Management Solutions, By Ron Trunk, Community Service, Lake Alpine Resort, Gigi Valente , owner-

Mr. Ron Trunk from Management Solutions in association with Gigi Valente part owner of the Lake Alpine Resort addressed the board with a proposal for grant writing on behalf of the District. The Board gave a history of the districts past unsuccessful attempts in obtaining grant funds. Mr. Trunk stated that he has been able to get 30 million dollars of grant money for different clients over the past 5 1/2 years. He does not ask for funds up front and that he is paid through the grant. The Board told him that due to the second home demographics of the district that it is difficult to obtain grants. The Board agreed that any grant funds would be appreciated for the upcoming project. The Board did agree that since Mr. Trunk does not receive any pay unless the district receives a grant there would be no harm in trying. Mr. Trunk stated that he was asked by Gigi Valente after the Public Workshop held last December for any assistance possible in the district receiving a grant towards the Tertiary Treatment Facility project. Mr. Trunk will get back to the Board on possibilities of grants for the district. Gigi Valente was not present at the Board meeting, Mr. Trunk said he will follow up with Gigi after the Board Meeting. He stated his success rate is 30 to 32 %. This item will be carried over.

Discussion and Possible Board Action on; Tertiary Treatment Facilities Assessment District Planning Meeting, held August 14, 2008-

A meeting was held at CCWD on August 14, 2008 for discussion only on the planning of creating an assessment district. Attendees were Bear Valley Water Districts Board President, Dave Ritchie; Board Director Phil Davis, Bill Perley Utilities Director for CCWD, Bear Valley Water Districts Engineer, Neal Colwell. Other persons in attendance were; from PMC, Jerome Fournier consulting engineer. Co-Bond Counsel; Jones Hall, David Fama Esq. David A Walton, Esq. Timothy J. Hachman Esq. Appraisers; Seevers Jordan & Ziegenmeyer, Kevin Ziegenmeyer & Eric Segal Underwriter; Piper Jaffray & Co. Mr. Dennis McGuire VP.

**MINUTES
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Discussion and Possible Board Action on; Tertiary Treatment Facilities Assessment District Planning Meeting, held August 14, 2008- continued-

Items covered under the meeting were status reports on the Districts current Financial Situation, Pilot Study being conducted by Clean Filtration Technology, project alternatives. The December 2007 preliminary Financial Assessment, revisions to the NPDES Permit schedule reported by Neal Colwell & Bill Perley.

Financial Status Report by Current Bond Counsel, Vacant Lands & New Development Bridge Loans, Debt Coverage and Reserve Fund Requirements, Dennis McGuire, Neal Colwell, Eric Segal.

Assessment District Details, Overview of Formation Process, Engineers Report Requirements, Preliminary Design, Detailed Design, Bidding and Construction, Public Lands & Undeveloped Lands, Federal Lands, Tim Hachman, Jerome Fournier, Neal Colwell, Dave Fama.

Bond Repayment Mechanisms and Assessment Spread, Dave Fama, Dennis McGuire, Public Outreach, Jerome Fournier

NPDES Permit Schedule, Regulatory Deadline, Project Construction, Bidding, Design, Bond proceeds, Assessment District Hearing, Reports on Appraisals, Engineers Reports and Preliminary Project. Project Construction discussion by Neal Colwell & Bill Perley.

Determine/ Discuss future Action items;
Present schedules to District Board, Present Interim Financing options including Bridge Loan, Scope of Work for Assessment District Engineering Services, and Present Scope of Work for Appraisal Services.

Discussion at August 18, 2008 Board meeting on all the above findings were, the District may have to increase our Credit Line with F&M Bank if an assessment district is created which would have to be done by Resolution, staff will inquire to F&M Bank.

Creating an assessment district alternatives were discussed by board members. Since findings on our flows and equipment needed for the Tertiary Treatment plant could change, board members wanted to go over their options some more. Board members discussed opening dialog with Developers on issues of Owner Builder involvement with TBH Partners on the Tertiary Treatment Plant. This item will remain on the Agenda.

**MINUTES
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Monday, August 18, 2008**

Update on Forest Service Agreement / Sewer Service Assessment-

Bill Perley informed the Board that he went over BVWD, Ordinance No. 16 on public uses of the districts collection system. He also stated that he would talk to Alpine County on their concerns with the Forest Service going to vaulted toilets. Blackburn Consulting is doing an assessment for the US Forest Service on their Fresh Water and Waste Water Systems. Bill Perley will be opening dialog on this item with the Forest Service.

BOARD MEMBERS REPORTS AND COMMENTS:

President Ritchie inform staff, board members that he will not be available for the September 15, 2008 Regular Board Meeting. Since Director Phil Davis will not be available for the next payroll period Mrs. White was directed to sign payroll checks for the period ending August 31, 2008.

ADJOURNMENT: Time: 4:15

On motion by Director Bissell and Seconded by Director Orvis the Regular Meeting of the Board of Directors was adjourned. All in Favor.

**APPROVED BY; _____
Board Secretary**

Next Res. No. 464

Next Ord. No. 69

Next Board Meeting, September 15, 2008