

Lake Canyon Community Service District

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BOARD MEETING MINUTES, January 15, 2018

Kirk called the meeting to order at 7:08 PM at the Filtration Plant.

Attending: Kirk Epperly, Phil Abel, Bryan Cameron, Bud Evert, and Stefaniya Becking.

Also present: Dave Neves, Rebecca Cabral, Damian Cieslicki, Richard Pettyplace, Luke Bolinger, and Stacey Johnson.

Communication and correspondence:

1. During the previous meeting the Board requested that the GM reach out the County Assessor's office to determine whether "Lot Classification" data is available through the County and how that could be retrieved. The County does keep that information and it can be retrieved by an in person visit or one-off requests by phone.
2. During the January 15th meeting a letter was presented to the board from David Cabral, Bill Zhang, Damian Cieslicki, David Neves, Aaron Behman, and Rebecca Cabral.

Approve of last meeting minutes:

1. **Approval of the previous meeting minutes (December 2017).** *Phil moved to approve the previous months minutes as amended. Bud seconded. Motion approved unanimously.* Stefaniya requested that all discussion be added to the minutes and not simply the final outcome of the discussion. Stefaniya request that a note be added that the board discussed the need for annual revenue review, capital improvement review, and an alternate billing model. This was also documented in the October minutes. Although the three step policy discussion as recorded in the minutes was the outcome of the discussion, Stefaniya asked that the point be made that other alternatives were also discussed. The policy will be finalized in a following meeting.

Approve of last month's financials:

After review of the financial report package for July - December 2017 *Bud moved to approve the Financials. Bryan seconded. Motion approved unanimously.* The board requested that the bank statement be made available during the meeting. Stacey indicated that he would have the 1670 account reconciliation report completed shortly.

Operations Report:

1. Main Tank generator enclosure – Phil reported that Tom had indicated through a conversation that he may have a break in his schedule to get back to completing the enclose job. A question was asked as to why we don't have a automated generator startup and a power transfer switch. The board indicated that it was a cost issue and that we do have some built in flexibility due to the size of the effluent tank storage (5000 gallon overflow tank capacity).
2. Parcel control panel generator switches – Bryan, Phil, Stacey, and Tom tested the newly installed switch at 19211 Beardsley along with the electrician with both the Honda i2000 and i3000 models. The i3000 worked but the i2000 needs to be reevaluated. Richard indicated that he has a 7000 watt generator that may be able to support the panels on their parcel.
3. Questa started the evaluation of the leach field tank on 1/12/2018. They excavated the front portion of the tank and made repairs to the two PVC leach field exit lines. Questa also conducted soil density tests in three locations around the tank.

Billing Model Discussion:

1. A letter was submitted to the board during the meeting as listed in item #2 of the Communication and Correspondence section. The letter stated that the group feels the current sewer hookup policy is unfair and that all parcels should have a single service fee. The letter stated that whether a unit is rented should not be factored into the number of hookup and that the County should not be involved in community business. Also if additional income is required from the loss of multi hookup revenue then the entire community should share the cost.

David Neves – David indicated that although he has been in to community for 5 years he just found out that he was paying for two hookups. The board asked whether the duel charge for a separate plumbed building was part of his escrow paperwork. David was unsure. David indicated that he submitted a request to reduce his hookups from two to one and has not received a response. The board apologized for the oversight and indicated that they would have that response sent out. Further in the discussion David asked for the SWRCB discharge facility ID. David indicated that he has already talked to Mike Wasserman and his attorney about this situation. David responded to Stefaniya's question as to whether he is requesting a change and approving corresponding follow-up on user classification with the County and David indicated he was not.

Damian Cieslicki – Damian indicated that he had never agreed to multiple hook charges and that he felt the board had singled him out since he had multiple rental units. The board reminded Damian that when he reduced his structure from a triplex to a duplex that the board reduced his hookups from 3 to 2. The board assured him that the original hookup policy was established before the CSD was formed and that he was not singled out.

Rebecca Cabral – Rebecca said she contacted Joann Thorsen. Rebecca indicated that Joann stated that no building evaluation survey was conducted and that hookup fees were based on whether there was a second unit on the property that was a rental or not. This statement did not seem to align with Bruce Cunningham's explanation of the process last month. Rebecca suggested that if the five parcel owners that are currently being charged for second buildings are required to go to the county to reduce their number of service fees that everyone that has added a building over the past 20 years be required as well.

Richard PettyPlace – Richard requested that each parcel be charged for a single hookup. If additional operating income is required than that cost should be distributed across the entire community. The board indicated that when Richard's home was reverted back to single family that his service fee was reduced to a single hookup but that the garage conversion may be considered a separate structure with plumbing. Richard indicated that he worked with the county to reclassify his parcel's structures and the County seemed easy to work with.

Overview – At the December 11th meeting the board proposed a plan to keep the existing billing model in place and work on the evaluation of income and expenses to determine if a change to the service fee was warranted. In order to make a service fee amount change the community would need to follow California Proposition 218 process. There are seven parcels in the community that have multiple buildings or multiple families in a single building. The board acknowledges the attending groups disagreement of the current billing model and will research the alternatives further. One alternate suggestion made by a board member was to use the water usage metrics to determine the wastewater outflow billing but other solutions have also been discussed during the previous CSD meetings. The board will finalize the December meetings "Procedure to determine User Classification of a parcel process" and socialize that clarification.

2. Reserve study – The reserve study was initiated through *Association Reserves* in San Francisco and will include the following: Prepare a capital plan which consists of a component inventory of the CSD's assets, conditional assessment, life valuation estimate, and a financial analysis. The reserve study should be completed in April and will assist the board in determining whether the service fee is adequate to cover ongoing expenses and depreciation costs of the system.
3. Stefaniya Becking will be leaving the board. Her last meeting will be March 12, 2018. Any owner or resident of the community is encouraged to apply.

Adjournment:

Bud moved to adjourn the meeting to February 12, 2018 at the Filtration Plant (19605 Manzanita Drive). Phil seconded the motion. Motion Approved Unanimously with the exception of Stefaniya who had to leave early.
Meeting adjourned at 9:45 P.M.