

Minutes

Buzztail Community Services District Open Meeting Monday, July 29, 2013 at 6:00 PM

Location: Well Property on Wilder Dr.

Old Business:

1. Meeting called to order at 6:07 PM
2. Meeting minutes from April 29, 2013 unanimously approved. Richard Tooker motioned for approval and Robin Wilder seconded.
3. Financial Statements for June 21-July 29, 2013 were reviewed. Balances are \$50,790.85 in the road account and \$32,864.35 in the water account. Financial statements were unanimously approved. Robin Wilder motioned for approval and Jack Campbell seconded.
4. Scott Armstrong provided an update on the status of the pre-application for the USDA loan to finance a new well. Audited Financial Statements for the fiscal year ended June 30, 2012 is now complete and has been provided to Grant Management. They also need evidence of a rate increase (see below).
5. Board had previously approved expenses to put a gate on Doe Mill Road, which is now complete, except for a locking mechanism.

New Business:

6. The board asked if anyone in attendance wished to protest the water rate changes that all water rights holders were advised of in advance in compliance with Proposition 218. There being no protests, and none received in writing before the meeting, Richard Tooker motioned that the new rates be adopted, effective August 1. The motion was seconded by Jack Campbell, and passed unanimously. The new, approved rates are detailed in **Appendix A**.
7. Richard Tooker updated the board on the status of discussions with Cal Water regarding the possibility of their taking over the Buzztail Water Company. The only thing we owe Cal Water is the latest audited financial statement. Since that has now been completed, Richard will send it to Cal Water immediately. Richard will advise next steps when Cal Water responds.
8. Richard Tooker reviewed the final draft of the agreement with Hall-Isom regarding a formula to use in establishing road maintenance fees with the board. Robin Wilder motioned that the draft be approved. The motion was seconded by Jack Campbell, and passed unanimously. The draft is detailed in **Appendix B**.
9. Scott Armstrong presented a plan for an emergency "Call 'Em All" calling/texting system for the community, to be used in case of impending fire danger or other emergency. A "Pay-As-You-Go" plan requires the board to purchase \$100 in credits for potential use, which would be more than enough to handle several emergencies, with no monthly fee or other financial obligation. Richard Tooker motioned that the expenditure be approved. Robin Wilder seconded the motion,

and it passed unanimously. Scott Armstrong will manage the system and set up multiple master users .

10. There was a general discussion regarding how board members are selected, nominated and confirmed. Although there are no board vacancies at the moment, there could be in the fall. Scott Armstrong will get a clear definition of the process and advise the board of his findings.

Board Members attending the meeting were Robin Wilder, Jack Campbell, and Richard Tooker, establishing a quorum.

Residents attending included Leonard Lutz , Jason Sebrian, Frankie Smith, Bruce Hall, and Scott Armstrong.

Meeting was adjourned at 7:07 PM.

Appendix A: New Water Rates

New water rates, to become effective August 1, 2013

Base Rate \$60.00 per month

Water Charges, In Addition To Base Rate:

1 – 30,000 gallons..... \$2.00 per thousand gallons

30,001 – 100,000 gallons..... \$3.00 per thousand gallons

100,000 gallons and over..... \$5.00 per thousand gallons

New Connection Fee..... \$10,000.00

New Well Surcharge

Monthly Surcharge, levied only if and when needed for USDA loan Not to exceed \$55.00

Exception

The existing rates for the three landowners/residents who are paying a “grandfathered” reduced rate for a connection not presently being used to draw water from the system will not change, but they will be subject to the new well surcharge, if and when it is levied.

Appendix B: Summary of Agreed Fee Structure for Road Maintenance

Starting Point:

- Road Maintenance Agreement (RMA) calls for new 3rd party to pay maintenance fees "... based on comparative usage and should be reasonable, fair and consistent with the amounts residents contribute."
 - Residents pay \$647 per year
- While not in the RMA, HI and BCSD agree that \$200 should be a base amount for year round maintenance to keep the road accessible.
 - For Residents: \$200 for access maintenance, \$447 for trips
- Rates are increased each year by the West Coast Consumer Price Index

Assumptions:

- Residents (including their friends, family, contractors, deliveries) take 12 trips per week along the road or 624 trips per month.
- Heavy duty vehicles incur greater road wear and hence require more road maintenance than average vehicles.

Determinations:

- The maintenance cost per trip by residents is paid by taxes, but equates to \$0.72 per trip (\$447 / 624 trips).
- Third parties are charged maintenance costs of \$200 plus \$0.72 per expected trip. Examples are:
 - Third party expecting 1200 trips per year will have a maintenance charge of \$1,064 ($\$200 + 1,200 \text{ trips} \times \0.72)
 - Third party expecting 624 trips per year will have a maintenance charge of \$647 ($\$200 + 624 \text{ trips} \times \0.72)
 - Third party expecting 12 trips per year will have a maintenance charge of \$209 ($\$200 + 12 \text{ trips} \times \0.72)

Heavy Weight Vehicles:

- Heavy duty vehicles incur greater road wear and hence require more road maintenance than average vehicles.
- Heavy Weight vehicles are defined as those vehicles over twice the weight of a typical 4000 lb car, 8,000 lb. These vehicles will be charged with twice the number of trips times their proportional weight of the typical 4000 pound car. Examples:
 - a 32,000 pound water truck trip's wear is equivalent to 16 trips ($2 \times (32,000 / 4,000)$). If 12 trips were planned in the year, maintenance charge would be \$338. ($\$200 \text{ plus } 12 \text{ trips} \times 16 \times \text{trips} \times \0.72)
 - an 80,000 lb gravel truck trip is equivalent to 40 car trips ($2 \times (80,000 / 4,000)$). If 6 trips were planned in the year, maintenance charge would be \$372. ($\$200 \text{ plus } 6 \text{ trips} \times 16 \times \text{trips} \times \0.72)

Relationship to Parcel Owners:

- Parcel owners without dwellings pay a tax of \$260 per year. This includes unlimited number of trips by cars and heavy vehicles.