

BOARD OF DIRECTOR'S MEETING
ESPARTO COMMUNITY SERVICES DISTRICT
ESPARTO, CA

SPECIAL MEETING
JULY 26, 2006

MINUTES

1. CALL TO ORDER: The meeting was called to order at 6:05 P.M. by Chairman Laurel Kieny.
2. ROLL CALL

MEMBERS PRESENT Joseph Moreland, Mike Goodin, Laurel Kieny and Bill Setnik

MEMBERS ABSENT Daniel Albano

Director Mike Goodin requested the staff to clear the position so the District can pursue recruiting a new member.

OTHERS PRESENT Ron Loudon, Anna McNamara, Sharon Huitt, Michelle Fletcher and Representatives of Emerald Homes

3. APPROVAL OF AGENDA
Director Mike Goodin made a motion to approve the agenda as written and was seconded by Director Bill Setnik.

No discussion.

Ayes: 4 Noes: 0 Absent: 1

4. PUBLIC COMMENT

No public comment.

5. PUBLIC HEARING-ORDINANCE AMENDMENTS TO ALLOW RATES TO BE ESTABLISHED BY RESOLUTION-FIRST READING OF THE ORDINANCE AMENDMENTS

Chairman Laurel Kieny read the Ordinance Amendments, #14 and #15 (please see attached).

The Chairman Laurel Kieny opened the hearing to the public.

No public comment.

It was the consensus of the Board to close the hearing.

6. PUBLIC HEARING-RESOLUTIONS TO ESTABLISH WATER AND SEWER RATES FOR THE DISTRICT

No public comment.

It was the consensus of the Board to close the hearing on the resolutions.

The Board convened into closed session at 6:16 p.m.

7. CUSTOMER PRESENTING DAMAGE CLAIM TO THE BOARD

8. BOARD DISCUSSION ON ACTION OF CLAIM SUBMITTED BY CUSTOMER

The Board reconvened into open session at 8:20 p.m.

Report of closed session:

The claim will be researched and referred to District Counsel and will be brought back on the August 9, 2006 meeting.

9. REVIEW AND APPROVAL OF THE WATER AND WASTEWATER TREATMENT/SEWER AND NEW FACILITIES AGREEMENT BETWEEN THE ESPARTO COMMUNITY SERVICES DISTRICT AN EMERALD HOMES LT, LLC FOR THE STORY SUBDIVISION AND E. PARKER SUBDIVISION PER THE REVIEW BY THE DISTRICT'S ATTORNEY

The General Manager stated the district's counsel gave Mark Armstrong a list of corrections, of which Mr. Armstrong has done, which was then sent back to the attorney.

The General Manager read the District Counsels' findings, having the District taking the role of responsible agency instead of lead agency (please see attached) and stated with the finding the agreement could be approved by the Board.

The General Manager and the Representative from Emerald Homes discussed who would be the lead agency.

The Districts' Counsel had concerns about being the lead agency when the tentative map was not even approved by the County.

The Chairman questioned how the district is dealing with the water supply taking on the new subdivisions.

The General Manager and the Board discussed the fact that the Well #5 Tank and SMM7-26-06—Page 2 of 3

Booster Pump will supply the two new subdivisions, Story and E. Parker.

Director Mike Goodin made a motion to approve the WATER AND WASTEWATER TREATMENT/SEWER SERVICE AND NEW FACILITIES AGREEMENT BETWEEN THE ESPARTO COMMUNITY SERVICES DISTRICT AND EMERALD HOMES LT, LLC FOR THE STORY SUBDIVISION AND E PARKER SUBDIVISION with the inclusion of the language that was recommended by the District's Attorney and was seconded by Joseph Moreland.

No discussion.

Ayes: 4 Noes: 0 Absent: 1

10. DISTRICT INFORMATION AND CORRESPONDENCE

- 1) ECSD WWTF Capacity Evaluation, prepared by Laugenour & Meikle, which was presented by Emerald Homes which was dispersed for Boards review.
- 2) ECSD State System No. 5700007 Water Supply System Update, prepared previously by Laugenour & Meikle, presented to the appropriate State agencies by the District was dispersed for the Boards review.

11. ADJOURNMENT

Director Mike Goodin made a motion to adjourn the meeting at 8:35 p.m. and was seconded by Director Bill Setnik.

No discussion.

Ayes: 4 Noes: 0 Absent: 1

Laurel Kieny-Chairman of the Board

Anna McNamara-Clerk to the Board
