

**MINUTES OF THE
REGULAR MEETING OF THE
LEE LAKE WATER DISTRICT**

July 20, 2004

PRESENT

C.W. Colladay
J. Deleo
P. Rodriguez
G. Destache
O. Garrett

ABSENT

GUESTS

J. Rems
L. Harrison
S. Yoo
B. Woods
H. Riebe

STAFF

J. Pastore
A. Harnden
S. Dragan
R. Mann
K. Caldwell

1. Roll Call and Call to Order.

The regular meeting of the Lee Lake Water District was called to order by Director Deleo at 8:37 a.m.

Charlie Colladay joined the meeting at this time.

2. Presentations and Acknowledgments.

a. Re-scheduling of August 17, 2004 Meeting to August 3, 2004.

ACTION: Director Deleo moved to re-schedule the regular meeting date from 8/17/04 to 8/3/04. Director Garrett seconded. Motion carried unanimously.

The General Manager introduced Harry Riebe of Dudek & Associates.

3. Public Comment. – None.

BOARD ITEMS:

4. Minutes of the June 15, 2004 Regular Meeting.

ACTION: Director Rodriguez moved to approve the Minutes as presented. Director Garrett seconded. Motion carried unanimously.

5. Payment Authorization Report.

ACTION: Director Garrett moved to approve the financial report and to authorize payment of the June 2004 invoices. Director Deleo seconded. Director Rodriguez absent. Motion carried.

6. Revenue & Expenditure Reports. (Unaudited)

a. Revenue & Expenditure Report.

ACTION: Note and file.

b. Bad Debt Write-Off – None.

7. Sycamore Creek CFD #1.

a. Project Update - Brian Woods reported that they will be paving DePalma Road next week, he also reported that out of 139 houses, 110 have sold, and that by the end of the year 140 houses will be closed. As part of the Starfield project a fire station will be constructed on Campbell Ranch Road. The Sycamore project has been changed to include a 3.1-acre swim/recreation center and a proposed 190-200 multi family residential phase. Brian also reported that they are grading the second phase and by October they will begin building 952 lots.

b. 1526 estimated houses to be built.

Joyce Deleo joined the meeting at this time.

8. Citation Homes “Montecito Ranch CFD #2”.

a. Project Update – None.

b. 305 houses to be built. 262 houses occupied to date. 86% complete.

9. Empire Capital “The Retreat CFD #3”.

a. Project Update – Jim Rems reported that Empire is working on the off-site transportation issues and that plans will be in with the County for first plan check by Friday. He reported that the encroachment plans for the I-15 water crossing at Weirick Road were submitted and they should have a permit in the next couple weeks. Jim continued that Empire will release the first two maps in August. Also that Retreat Parkway has been paved, the storm drain crossings are in and the reservoir is ready for cleaning and disinfection.

10. KB Home “Painted Hills” Project.

a. Project Update – None.

- b. 204 houses to be built. 200 houses occupied to date. 98% complete.
- 11. Shea Homes “Trilogy” Project.**
- a. Project Update – The General Manager reported that he had been in contact with Brett Hughes and received the following report on the projects. Tract No. 29416 and 29416-1 are occupied, Tract No. 30819 the land development is complete and 180 houses are occupied. Tract No. 31742 will have 329 lots, mass grading is starting and move ins are expected the second quarter of next year. Tract 31662 will start in 2005 with 174 lots to be developed.
 - b. 1266 houses to be built. 640 houses occupied to date. 51% complete.
- 12. Ranpac “Temescal Hills” Project.**
- a. Project Update –Sam Yoo reported that the project name has been changed to Toscana. Sam reported that they are submitting the second screen check today. Sam passed around artist renderings of the development for the Board’s review.
 - b. 1443 estimated houses to be built.
- 13. Ridge Properties “Wildrose East Business Park” Project**
- a. Project Update – Director Destache reported that Ridge Properties next building will be starting the first week of August, they will also begin street improvements in August. They will be going to public bid on the Regional Drainage Facility.
- 14. Mission Clay “Serano Specific Plan” Project (Blair Dahl).**
- a. Project Update – Owen Garrett reported that they had their first all hands meeting and that the land has gone through an HANS Assessment and it was determined that a portion should be preserved.
- 15. Water Utilization Reports.**
ACTION: Noted and filed.
- 16. Annual Meeting of the Lee Lake Water District Financing Corporation.**
ACTION:
- I. President Colladay called the Meeting to Order at 10:23 am.

- II. Report on Status of Projects – None.
- III. Approval of prior meeting minutes of July 15, 2003.
ACTION: Director Destache moved to approve the minutes. Director Deleo seconded. Director Rodriguez absent. Motion carried.
- IV. Election Appointment or Rotation of New Officers.
ACTION: Director Destache moved to maintain the current position of officers. Director Garrett seconded. Director Rodriguez absent. Motion carried.
- V. Public Comments.
- VI. Other Business – The Board directed the General Manager to place this item on the September Agenda for consideration of terminating the Corporation.
- VII. Adjournment.

President Colladay called for Public Comment, hearing none President Colladay closed the Annual Meeting at 10:27 a.m.

17. Consideration of Audit Services for FY 2003/04 by Ahern, Adcock, Devlin, LLP in the amount of \$9,395 plus expenses.

ACTION: Director Garrett moved to approve the proposal in the amount of \$9,395.00. Director Destache seconded. Director Rodriguez absent. Motion carried.

18. Approval of Re-allocation of Sewer and Water Service Rights from Ridge Properties APNs 283-100-055, 056, 057, 064 & 070 and 283-110-060 to APN 283-100-058.

Prior to discussion of this item, Director Destache excused himself from the meeting and left the room due to a conflict of interest.

ACTION: Director Rodriguez moved to Approve Re-allocation of sewer and water service rights to APN 283-100-058. Director Garrett seconded. Director Destache absent. Motion carried.

19. Agreement to Form Basin Monitoring Program Task Force with SAWPA and Task Force Agencies.

ACTION: Director Destache moved to rescind Agreement No. A-04-10. Director Deleo seconded. Director Rodriguez absent. Motion carried.

ACTION: Director Destache moved to Approve Agreement No. A-04-13. Director Deleo seconded. Director Rodriguez absent. Motion carried.

20. In-Lieu Agreement for Mitigation.

The General Manager reported that Director Rodriguez had concerns regarding the immediate necessity for this agreement. President Colladay reported that the RCRC had numerous

developers requesting to purchase mitigation credits immediately. The Board expressed a concern that 3 acres of mitigation area may not be sufficient. It was the overall consensus that 6-acres would be more appropriate. President Colladay appointed a Committee of Director Destache and Director Deleo to work with staff on this matter.

ACTION: Director Destache moved to approve Agreement No. A-04-14 with the condition that a Committee review changes to the Agreement and determine if additional acreage should be included. Director Deleo seconded. Director Rodriguez absent. President Colladay abstained from the vote due to his position on the RCRCB Board being a possible conflict of interest. Motion carried.

21. Committee Reports.

- a. Finance (Director Garrett) – None.
- b. Engineering (Director Rodriguez)
 1. Excess Sewage Capacity Allocation. – CNUSD has reserved capacity.
- c. New Facilities (Director Destache) – Director Destache reported that the new administration building is under construction.
 1. Regional Storm Drain Project update.
- d. Public Relations (Director Deleo) – Director Deleo reported that the Temescal Heritage Foundation would be holding a luncheon next month for the developers in the community. Director Deleo also reported on the Water Symposium that she attended. She also reported on a recent MAC meeting, where over 100 Trilogy residents expressed their concerns over traffic caused by Tom’s Farms.

22. General Manager’s Report.

- a. General Manager’s Report – Noted and filed.
- b. Operations Report – Noted and filed.
 1. Sewer Spill Report – Jeff Pape and Ken Caldwell discussed this matter in detail with the Board.
- c. Treatment Plant Construction (Jeff Pape).
 1. Update.
- d. Request to Transfer Real Property APN 283-390-005 (0.79 acres) to Temescal Land Company, LLC in Return for Fee Title to Portion of APN 283-100-045 (0.69 acres approx.) and a 30-foot Easement Across Remaining Portion of APN 283-100-045.

Prior to discussion of this item, Director Destache excused himself from the meeting and left the room due to a conflict of interest. The General Manager reported that the Temescal Land Company would be unable to grant fee title to the 0.69 acres as there was a lien holder on the property. A 30-foot easement would be granted instead.

ACTION: Director Garrett moved to approve the transfer of real property. Director Colladay seconded. Director Deleo abstained from the vote, citing a conflict of interest with Gail Trucking. Director Destache absent. Motion carried.

- e. Request to Transfer a Portion of APN 283-390-007 to County of Riverside Flood Control for Future Storm Drain Maintenance.

Prior to discussion of this item, Director Destache excused himself from the meeting and left the room due to a conflict of interest.

ACTION: Director Rodriguez moved to approve the transfer of a portion of APN 283-390-007 to County Flood Control. Director Deleo seconded. Director Destache absent. Motion carried.

- f. Vulnerability Assessment Report.

ACTION: Noted and filed.

- g. Riverside County Local Hazard Mitigation Plan Update.

ACTION: Noted and filed.

- h. District Insurance Update.

The Board directed Staff to report back as to the legality of passing some of the cost on to the CFD's.

ACTION: Director Garrett moved to accept and approve payment for insurance renewal. Director Deleo seconded. Director Rodriguez absent. Motion carried.

- i. Results of Focused Gnat Catcher Survey for Wildrose Reservoir II.

ACTION: Noted and filed.

- j. Report on Wildrose Reservoir By-pass Plan – The General Manager reported that conditions have now changed and the Plan will have to be re-analyzed with Western Municipal Water District.

- k. Authorization to approve transfer of Ridge Properties excess water & sewer service rights to KB Homes' Canyon Oaks and Starfield Sycamore Creek projects

in compliance with District policy.

Prior to discussion of this item, Director Destache excused himself from the meeting and left the room due to a conflict of interest.

ACTION: Director Rodriguez moved to approve the transfer of water & sewer rights to KB Home. Director Deleo seconded. Director Destache absent. Motion carried.

- l. Request by Gail Trucking for lease of District's option parcel for temporary de-silting basin.

The Board expressed concern over the long-term effects of the stored material and the ability to assure proper cleanup by Gail Trucking.

ACTION: No action taken.

- m. Request for Purchase of 2004 Utility Truck.

ACTION: Director Deleo moved to approve the purchase. Director Garrett seconded. Director Rodriguez absent. Motion carried.

- n. Consideration of a Section 125 Cafeteria Plan.

ACTION: Director Garrett moved to approve Resolution No. R-04-09. Director Destache seconded. Director Rodriguez absent. Motion carried.

23. District Engineer's Report.

- a. Status of Projects – Note and file.

24. District Counsel's Report.

- a. Temescal Heritage Foundation Donation – District Counsel explained that the District is not able to make “gifts”. Counsel stated that the District could, however, sell or auction the trailer. Sam Yoo thanked the Board for their consideration of this matter.

25. Seminars/Workshops – None.

26. Consideration of Correspondence.

An informational package containing copies of all pertinent correspondence for the Month of June was distributed to each Director along with the Agenda.

27. Closed Session.

1. At 11:48 am, President Colladay adjourned the regular meeting to closed session, which was being held for the purpose of "Personnel Matters", in accordance with Section 54957.6 of the Government Code.

At 11:52 am, President Colladay re-opened the regular session of the meeting and reported that he had formed a recruitment committee of Directors Garrett and Director Deleo to work with staff to find a replacement for Sharon Dragan.

27. Adjournment.

There being no further business, the July 20, 2004 Regular Meeting of the Lee Lake Water District Board of Directors was adjourned at 11:53 a.m. by President Colladay.

ATTEST:

APPROVED:

Owen Garrett, Secretary

Charles Colladay, President

Date: _____

Date: _____