

GROUND SQUIRREL HOLLOW COMMUNITY SERVICES DISTRICT

5915 Silverado Place
Paso Robles, California 93446
(805)238-7040
groundsquirrelhollowcsd.org

MINUTES FOR JANUARY 8, 2014 BOARD MEETING

Call to Order and Flag Salute:

Director Fulmer called the regular meeting to order at 7:00 p.m.

Roll Call:

Directors Simons, Turner, Fulmer, Duckworth and Dougherty were in attendance. Manager D’Ornellas and Secretary Giminez were also present.

Public Comment

Mr. Steve Bayus asked an opinion from the GM regarding the current water district proposals. Your GM response was that the community should come to some type of agreement before the State steps in. Also that there needs to be Ag and residential water restrictions implemented without losing our water rights.

Consent Items

Director Duckworth made a motion to accept and approve the December Regular Meeting Minutes, the Treasurer’s Report and payment of the outstanding invoices, Motion was seconded by Director Simons and passed by roll call vote by Directors Simons, Turner, Dougherty, Duckworth and Fulmer. The following invoices were approved for payment.

Beverly Giminez	\$ 418.88	Secretarial services thru 12/31/13 inv. #32
John D’Ornellas	\$ 1,206.00	Gen Mgr. Consulting for December
Board Stipends	\$ 500.00	BOD Meeting 12/11/13
Cyber Scriber	\$ 26.25	Website update inv. 4743
LAFCO	\$ 3,500.00	Intent & Service Plan for Solid Waste

General Manager Report

Directors Fulmer, Dougherty and Duckworth signed up to attend the January 16th educational workshop in Templeton; "How to be an Effective Board Member". Your GM applied for a \$675 grant to fund this workshop through the Special District Leadership Foundation. GSHCSD was awarded the \$675 grant to fund the workshop.

As required by State law all officials and designated employees that receive any compensation must go through a two hour Ethics Training course every two years and within one year of taking office. A free online training course has been offered by the CSDA. This Ethics training course is available between January 1 and February 28, 2014 only. Directors Simons and Tuner must complete the course by the end of February, Director Duckworth has until October 2014 to complete the training.

Most of the month was spent finalizing the application and resolution for submittal to LAFCO to activate our solid waste powers. A draft was sent to the LAFCO executive officer and he did not see any problems with our submittal.

Correspondence Received

An e-mail was received from a resident informing the Board of a pothole on Prancing Deer.

Public Hearing-Solid Waste Powers

The State Government code provides community services districts thirty functions/services they may provide to their communities. These range from water service to graffiti abatement. The only service the GSHCSD was authorized to provide upon formation is road repairs, maintenance, and improvements. All other services not originally authorized are considered a latent power and must be authorized before the service can begin. GSHCSD must activate its solid waste powers to begin this service for the community.

In order to activate our solid waste powers your Board must submit an application to LAFCO. The cost to activate a latent power including the application submittal is \$3,500.00 plus staff time to process the application and complete all paperwork. Once the application process is complete, a new solid waste franchise agreement must be prepared and negotiated with the hauler and minimal annual cost to administer the service. This cost should be approximately \$1,000 per year.

If GSHCSD becomes the solid waste authority for the community the current 10% franchise fee imbedded in each customer's solid waste bill will be paid to the District rather than to San Luis Obispo County. This franchise fee will be paid by customers regardless if the GSHCSD is the solid waste authority or the County. Current monthly solid waste franchise fees are in the \$800 to \$900 range depending on the number of customers, solid waste fees, and level of service. This would equate to an annual amount of \$9,600 to \$10,800 to be used for road maintenance in the GSH community.

There will be no increase in solid waste fees or level of service charged to residents resulting from the GSHCSD activating its solid waste powers.

Once the Resolution and application is submitted to LAFCO then they will make an environmental determination and review the submittal for completeness. LAFCO staff will make a recommendation to their Board and conduct a public hearing. This process should take two to three months. The Manager and/or Board members will have to attend this LAFCO public hearing and provide testimony.

A motion was made by the Board to go forward with Resolution 2014-01 directing staff to submit an application to LAFCO requesting activation of solid waste powers. This motion was passed by unanimous roll call vote.

Director Simons - yes

Director Turner - yes

Director Dougherty - yes

Director Duckworth - yes

Director Fulmer - yes

Discussion Items:

1. Road Improvements funding Programs:

Your GM discussed with the Board an option of retaining a loan from the United States Department of Agriculture Rural Development loan program. The idea is to do one large

road project to get all of the roads up to standard with an engineered project that provide good specification and standards.. Our district does not have the annual funding to allow much movement forward. Money must be spent annually to maintain and repair roads, the administrative cost to "bid" out projects, and pay operating cost of the district. This does not leave enough funds to get all roads up to chip seal and has not allowed us to move forward on improvements of base roads. The key advantage of doing a large project all at once is it allows one big comprehensive engineered project for bid that provides improvements to all the roads at once. Once this is done, the agency can focus every year on maintaining the chip seal with one standard specification and bid out smaller projects on a regular basis.

Director Fulmer pointed out that the cost of road repairs are going up every year. It may be cost effective to get a fixed loan at 3% or 4%. The District's revenue for last fiscal year was \$156,760. Of this amount, \$155,011 was from road assessments. The new proposed solid waste fund should produce approximately \$10,000 per year and increasing in future years. Calculations show that if we were to borrow \$700,000 at 4% for 20 years, our annual loan repayment would be \$52,000. This would leave extra funds for smaller road repairs and upkeep.

If the Board decides to go forward with the suggested loan, the process would take 6 to 8 months from pre application to actual loan.

The Board decided to continue to pursue this subject in the future.

2. Permit Status Report:

There are currently five (5) active permits, six (6) permits on hold and zero (0) permits were finalized last month.

There was evidence of construction of a shop at 5675 Lone Pine. GM to check on permit status with the County.

3. Annual Road Evaluations:

It is the practice of the Board to form teams who annually conduct field surveys of the entire road system, including culverts and drainage ways within the CSD service area, followed by discussion and prioritization of repairs and/or improvements based on available funds. This process starts in October of each year with the objective of "short listing" proposed projects by the following January - March, weather permitting. After the surveys are complete, the teams compare notes and provide a proposed work schedule based on preliminary budget estimates and the combined results of the road surveys.

A list of other priority road projects can now be developed. Funds are available for projects since the first installment of the 2013/14 road assessments have been paid. A list of repairs on some base roads can be developed and scheduled pending the first rain of the season.

After Board Discussion it was determined that Director Simons would inspect DG roads and fill out RFP's to send out to bid after the first rains. Approaches onto County Roads at Silverado and Lone Pine must have Encroachment permits submitted to the County. Your GM will submit a permit application prior to work being performed.

Directors/Managers Comments

It was mentioned by Director Turner that the CSD received a letter informing it that Mission Bank is merging with Heritage Oaks Bank.

Adjournment

A motion was made to adjourn the regular meeting by Director Dougherty, seconded by Director Duckworth and passed by unanimous voice vote. The meeting was adjourned at 9:03 p.m. The next regular meeting of the Board of Directors of the Ground Squirrel Hollow Community Services District will be held on Wednesday February 12, 2014 at 7:00 p.m. at the Meridian Fire Station on Branch Road in Paso Robles, California.

Respectfully Submitted by,

Beverly Giminez, Recording Secretary