

GROUND SQUIRREL HOLLOW COMMUNITY SERVICES DISTRICT

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MINUTES FOR NOVEMBER 12, 2014 BOARD MEETING

Call to Order and Flag Salute:

Director Fulmer called the regular meeting to order at 7:06 p.m.

Roll Call:

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

Public Comment

None

Consent Items

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

John D’Ornellas	\$ 1,827.40	October 2014 Statement
Beverly Giminez	\$ 400.00	Secretarial services thru 10/31/14 inv. #41
Board Stipends	\$ 500.00	BOD Meeting 10/8/14
Ground Up	\$ 225.00	Invoice #1288 Inspection 2075 Maverick
Scott Simons	\$ 75.83	Inv. #A20686/3 Statewide Signs (replacements)
Cyber Scriber	\$ 26.25	Web site update Inv. #4978
Shipsey & Seitz, Inc.	\$ 334.40	Legal Fees Roads Fees Collection & Assessment Invoice #107431
Stephen Bayus	\$ 450.00	RE: USDA Loan estimate-RW Carnes Inv. #128

General Manager Report

Your GM met with Ian Hoover, of Paso Robles County Disposal , to discuss our solid waste franchise agreement. A draft of an agreement to begin the discussion was presented to Mr. Hoover. PRCD felt the agreement was a good start but did have several questions and requests for changes. Most of the requests were minor administrative items with little impact to the district. We are currently working under the County Franchise Agreement that expires on January 31, 2015. The new solid waste agreement is tentative until approved by your Board.

Correspondence Received

The County Public Works Department is offering free sand to CSD's to be used for sand bags in case of flooding. The Board will accept sand from the county to be delivered to the CSD storage lot.

The County is offering a loan program for low income families that are in need of drilling a new well. They will finance up to \$15,000 with low income qualifications.

A resident emailed the Board in reference to Peppertree. It was said that "the road was impassable". Directors Fulmer and Turner drove the road and found it to be acceptable. Because of the steep grade some vehicle with worn tires may have some problems when driving too fast.

Discussion Items:

1. Resolution of Appreciation 14-08:

Cathy Turner was a founder and organizer of the GSHCSD, was appointed to the first Board and has served as a Director for the last ten years. Cathy provided her business and road experience to the District and performed our bookkeeping duties since the start of the District. The Board presented Cathy Turner with Resolution 14-18 to thank her for her years of service. Cathy's service is very much appreciated by our Board and our community.

Cathy's position as a Director and decision maker for the community will end on December 5, 2014, but she will continue as our bookkeeper on a contract basis similar to the general manager and secretary pursuant to her proposal at the October meeting.

2. Community Wide Chip Seal Project funding Options:

At the October meeting, your Board reviewed preliminary cost and scope of work for chip sealing all base roads, improving existing chip seal roads, and improving our main access road of Ground Squirrel Hollow. USDA Rural Development Program staff gave a presentation on their loan for the proposed community road project. Your Board directed the District Engineer and Manager to further refine the cost estimate per public works standards and prepare funding scenarios for the project for a future public workshop. As the newsletter was being prepared it became clear that we needed a GSHCSD proposed funding process on how the project can be accomplished. Before we publish anything on a community road project we need a proposal on how we can fund the project.

The District Engineer updated the initial cost for the project and found that it would be impossible to fund the entire project from current tax income. Your Manager researched new income options to fund this project through the proposed USDA loan.

One option is to add a new assessment for only this project to all parcels through a special assessment. This assessment could be worked in a few different ways. An equal assessment could be collected yearly from each parcel or we could assess more or less per benefit of each parcel. For example a parcel on a base road would pay more than a parcel on a chip seal or paved road.

The District shall give notice by mail to the record owner of each identified parcel regarding the proposed increased assessment. Each notice shall include:

- i. Total amount of the proposed assessment chargeable to the entire district,
- ii. Amount chargeable to the record owner's parcel,
- iii. Duration of the payments,
- iv. Reason for the assessment and the basis upon which the amount of the proposed assessment was calculated, and
- v. Date, time, and location of a public hearing on the proposed assessment.

There must be a majority vote of (50.1%) of the assessment ballots submitted for a new assessment to be increased. If there is a majority protest against the imposition of the assessment of (50.1%) or higher, the agency shall not increase the assessment.

Assessments must be sent to the County for collection on the tax roll no later than August 10 of each year. A new assessment could not be collected on the tax roll until fiscal year 2015/16 with our first assessment coming in on December 2015. A project dependent on a new assessment will take longer to get approved and funded.

Below is an updated cost estimate from the District Engineer, Rob Carnes:

A. Chip seal existing base road and partial chip seal roads:	\$1,007,669
B. Improve existing chip seal roads:	\$ 216,448
C. Improve Ground Squirrel Hollow Road - Option #2	\$ 405,942
Total:	<u>\$1,630,059</u>
15% Contingency	\$ 244,509
10% Design/Engineering	\$ 163,006
7% Construction Management/Inspection	\$ 114,104
Total Project Cost:	\$2,151,678

The above total project cost of \$2,151,678 cannot be funded through debt using the current annual special tax revenue to pay the semi-annual payments, If your Board wants to move forward and propose the total project to the community with debt funding a new assessment will be needed to pay off the loan. The Alternative is to not construct the entire project and thus reduce the cost to a point that existing income can fund the debt. The project cost is in the range of \$1 million for our debt comfort level.

It was proposed that a Committee should be formed to work on the community wide chip seal special project.

Director Simons made a motion to form a Committee consisting of two GSHCSD Board members and four property owners within the District to work on the community wide chip seal special project. The motion was seconded by Director Turner and passed by unanimous voice vote.

There were six volunteers in all. Two GSHCSD members, Directors Fulmer and new Board member Ed Martinson. Our four community volunteers are Cathy Turner, Reddy Reddy, Stephen Bayus and Kevin McCamy.

3. Annual Audit:

Each year an audit is required by the state. This audit was performed by Bob Crosby, Certified Public accountant, with assistance from Director Tuner. Bob Crosby was able to provide an opinion that the District's financial statements fairly represent the financial position of the District. The State Controller's report has been filed and your Manager will send the completed audit to the County Auditor-Controller as required.

For the first time, the audit includes a Management Discussion and Analysis (MD&A) report in compliance with GASB 34. This was prepared by your General Manager and is intended to summarize and bring out the financial highlights of the District as compared to last year.

A motion was made by Director Duckworth to accept and approve the 2013/14 audit. A second was made by Director Dougherty and accepted by unanimous voice vote.

4. Permit Status Report:

There are currently six (6) active permits. Of these, two have been active for some time with no new inspections. There was one new permit in October.

Closed/Final Permits during the Month:

Alexander - Small Project Permit - 5525 Prancing Deer, partial garage conversion, 300 square foot project, \$250 permit paid.

Lehar - Small Project Permit - 2125 Maverick Way, 320 square foot shed installation, \$250 permit paid.

Active Permit:

Clark, New Development Permit - 5432 Blossom, received plans from owner, received \$1500 permit fee. Initial inspection completed.

Vanderlip, New Development Permit - 5539 Reindeer, received plans from owner, received \$1500 permit fee. Initial inspection completed.

Haggmark, (Palomar Homes) New Development Permit - 5125 white Tail, received \$1500 permit fee from contractor. Requested plans before final inspection. Initial inspection completed.

Robinson - Encroachment Permit - 2075 Maverick. Grading permit from County. Fee pending. Initial inspection completed.

There was one resident complaint/concern regarding mud track-out/erosion from the 5539 Reindeer project after the rains. Staff contacted the contractor and he indicated septic system work is occurring now along with finish grade and driveway and he will address erosion concerns and track-out of material to the road quickly.

5. Monthly 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.

The Monthly Road evaluation will be delayed until the loan details are sorted out.

Directors/Managers Comments

A motion was made by Director Simons to have 25 tons of base delivered to the GSHCSD storage lot. The motion was seconded by Director Turner and passed by unanimous voice vote.

Adjournment

A motion was made to adjourn the regular meeting by Director Turner, seconded by Director Duckworth and passed by unanimous voice vote. The meeting was adjourned at 8:37 p.m. The next regular meeting of the Board of Directors of the Ground Squirrel Hollow Community Services District will be held on Wednesday, December 10, 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