

GROUND SQUIRREL HOLLOW COMMUNITY SERVICES DISTRICT

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MINUTES FOR DECEMBER 9, 2015 BOARD MEETING

Call to Order and Flag Salute:

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

Roll Call:

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

Public Hearing

The public Hearing of this meeting will tabulate ballots and take action on the new assessment of \$155.00 per year per impact parcel to fund chip seal roadwork. The vote count must be 50% plus 1 of the majority vote of all ballots submitted. There will be no action taken on project approval at this meeting. If the majority of the ballots received do not protest the assessment increase the Board will adopt Resolution 15-04 and forward the new assessment amount to San Luis Obispo County for collection to begin on the 2016/17 property tax roll. We do not have a loan nor do we have plans and specification to do the work as of this date. All action on the roads and chip seal project will occur at the subsequent meetings. If loan approval fails the project will cease and an assessment will not be imposed.

The Public Hearing was opened by Director Fulmer at 7:09 pm.

Public Comment on Public Hearing:

None

Public hearing was closed by Director Fulmer at 7:10 pm.

The sealed ballots were submitted by Bookkeeper Turner to Manager D’Ornellas and opened one at a time and announced as either in Support or Opposition to the assessment. A Meridian Fire Station Firefighter tallied and checked the number of votes on a poster board for public viewing as they were announced and calculated.

There were 99 yes votes and 46 no votes for a total submitted ballots of 145. The vote supporting the proposed chip seal project calculates to 68% of the majority vote. The opposition calculates to 32%.

A Motion was made by Director Duckworth to approve resolution 15-04. The Motion was seconded by Director Martinson and passed unanimously by roll call vote.

Director Martinson: Yes
Director Duckworth: Yes
Director Simons: Yes
Director Fulmer: Yes
Director Dougherty: Yes

Public Comment

None

Consent Items

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

John D'Ornellas	\$ 2,604.28	GM Through October 2015
	<u>1,307.00</u>	GM Through November 2015
Total	\$ 3,911.28	
Beverly Giminez	\$ 400.00	Secretarial services thru 10/31/15 inv. #53
	<u>86.92</u>	Office Supplies
Total	\$ 486.92	
Board Stipends	\$ 400.00	BOD Meeting 10/21/15
Cyber Scriber	\$ 99.75	Web site update Inv. #95
Catherine Turner	\$ 150.00	Invoice #11 bookkeeping for Oct. 2015
	150.00	bookkeeping for November 2015
	<u>286.74</u>	Office supplies/Postage
Total	\$ 586.74	
Mitch Frederick	\$ 3,460.00	Invoice #102915-1 Pepper Tree & Silverado
Mitch Frederick	\$ 450.00	Inv. #102815-1 damage 5920 Silverado (Lowes)
Keith V. Crowe, PE	\$ 3,575.00	Invoice #20570 Public Imp. plans & specs
Ground Up	\$ 170.00	Final Inspection 5880 Silverado Inv. #1449
Vince Vanderlip	\$ 935.00	Permit refund 5880 Silverado
Shipsey & Seitz	\$ 422.40	Legal fees invoice #108106
Crosby Co., CPA	\$ 3,500.00	Audit for 2014/15 invoice #1338
Pam Fulmer	\$ 209.61	Staples Cannon Printer
CSDA	\$ 819.00	2016 membership dues ID#27112
Pam Fulmer	\$ 477.25	Printer Ink Staples
Shaun Blume	\$ 155.00	Permit refund 5810 Forked Horn

General Manager Report

Your GM has begun to look for a new District Engineer. The current communication and ability to work within the GSHCSD's budget and historical practices has become problematic with our current engineering service consultant. Your GM has taken on much more road work analysis than previously necessary. There is a need to find an Engineer that is local and available to respond to questions and needed inspections quickly.

The District Franchise Agreement with Paso Robles Country Disposal provides the rates as approved at the start of the Agreement may be adjusted from time to times. PRCS has sent notice that they will not seek a CPI fee increase for 2016.

Correspondence Received

There were two (2) notes received within ballot envelopes. One that stated they no longer owned property and the 2nd opposed the proposed chip seal project, stating that they already pay for road maintenance and that there would be no speed bumps.

A District resident is requesting permission to build a small structure/box to create a "free library" near the mailboxes at the end of GSH. This would allow people to deposit and borrow books from the box with the idea of returning them when finished. Your Board will check into easement restrictions. If approved the plans for the box will have to be approved by the Board.

Received a letter from SDRMA (insurance).

Discussion Items:

1. Community Chip Seal Project Update:

The ballots were counted and the new assessment was approved with a 68% majority vote.

Summary of the project is as follows: Chip seal all base roads using a new assessment that funds half of the construction cost and one loan. Use annual GSHCSD reserves to fund the other half of the debt and all soft costs (engineering, bidding, legal/bond, etc.).

- a. Estimated Construction cost: \$1,140,400.
- b. Debt Estimated: USDA loan at 20 year, 4% rate. Annual payment of \$84,000.
- c. Assessment: \$155/year for 20 years for 274 property owners (\$42,470).
- d. GSHCSD Estimated Cost: Half of the debt \$41,530 and all soft costs.

The USDA process has proven to be unusually complex. We are currently stuck in the pre-application stage. We need to hire a project/loan coordinator to get us through the USDA loan process or we need to look for other loan options.

The strength of GHCS D's finances make us a candidate for more traditional capital improvement bond/loan. The terms and conditions of this type of funding are similar to the USDA funding with less red tape of a government sponsored loan. With private lending money can be received as early as February 2016.

We are currently problematic with engineering services. Our current District Engineer, Rob Carnes, informed your GM that he and the licensed engineers that he works with will not be able to prepare plans for the chip seal project unless a full survey is done regarding GSHCSD's ownership of the roads and any right of way, easement or ownership issues are cleared up. This request was not mentioned in the Evaluation and Recommendations for Chip Seal Road Assessment engineering report. The GSHCSD has been maintaining and improving the roads at GSH for ten years. After discussion with our Engineer, Attorney, and founding Board member of GSHCSD, there is no consistent answer and formal solutions.

2. Annual Audit:

The annual audit was performed by Bob Crosby, Certified Public Accountant, with assistance from District Bookkeeper Cathy Turner. 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 has sent the completed audit to the County Auditor-Controller as required.

Fiscal year 2015 the District received income of \$167,765 and had expenses of \$76,776. This represents an increase of \$8,973 in income compared to fiscal year 2014. The decrease in expense was a result of completing only small road repair/maintenance projects during the year as compared to year end 2014.

Of the 76,776 in expenses, 44% was directly spent on road repairs, maintenance and engineering expenses. Management, legal and accounting expenses increased by less than 2%. Administrative/operational expensed decreased by 3.3%.

Solid waste franchise agreement provides \$13,415 of income for fiscal year 2015.

The fund balance at the end of the fiscal year was \$180,381 which is higher than the historical average balance of the road fund.

3. Permit Status Report:

There are currently three (3) active permits. Of these, two have been active for several years.

Changes from last two months:

Vanderlip - New Development Permit - 5880 Silverado, final inspection complete.

Blume - Small project - 5810 forked Horn Place. Convert 513 SF garage to workshop. Small project on an existing home parcel with a driveway. No impact to roads, letter issued for no permit requirement.

Active Permits:

Clark - New development Permit - 5432 Blossom, received plans from owner, received \$1,500 permit fee, Initial inspection complete.

4. 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 through 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.

Emergency repairs totaling \$3,460 were done to Peppertree and culvert work on Silverado. \$450 of work was completed on Silverado to repair the damage done by Lowes delivery truck. A claim was filed with Lowe's and received payment. All other

work is pending the bid results of the Peppertree and Forked Horn pavement project and the major community wide chip seal project.

Discussions of culvert work and other road repairs will be looked into by Director Simons and discussed at the next regular meeting.

Directors/Managers Comments

The new street sign was installed at Mulberry. A new street sign is needed at Peppertree.

Adjournment

A motion was made to adjourn the regular meeting by Director Martinson, seconded by Director Duckworth and passed by unanimous voice vote. The meeting was adjourned at 8:32 p.m. The next regular meeting of the Board of Directors of the Ground Squirrel Hollow Community Services District will be held on Wednesday, January 13, 2016 at 7:00 p.m. at the Meridian Fire Station on Branch Road in Paso Robles, California.

Respectfully Submitted by,

Beverly Giminez, Recording Secretary