

GROUND SQUIRREL HOLLOW COMMUNITY SERVICES DISTRICT

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MINUTES FOR JANUARY 9, 2013 BOARD MEETING

Call to Order and Flag Salute:

Director Simons called the regular meeting to order at 7:03 p.m.

Roll Call:

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

Oath of Office Elected Board Members

Director Milbury was due to receive the Oath of Office but was absent this meeting. The Oath of office will be given to Director Milbury during the next regular meeting.

Public Comment

Mr. Allan Duckworth reported that the Forked Horn Project has successfully opening a bank account and that account currently carries a balance of approximately \$1000.00.

Mr. Steve Bayus reported that trucks to and from the new construction at 5660 Ground Squirrel Hollow has left mud on the road. The driveway is currently not drivable. It was stated that the County is responsible for enforcing permit regulations. Manager D’Ornellas will contact the county regarding the erosion problem.

Consent Items:

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

Beverly Giminez	\$ 457.89	Secretarial services thru 12/31/12
John D’Ornellas	\$ 932.64	Gen Mgr. Consulting for December
Board Stipends	\$ 400.00	BOD Meeting 12/12/12
Ground Up	\$ 187.50	Inspection @ APN 015-325-033 Inv. #1057
Crosby Co.	\$ 3,500.00	11/12 Audit Inv. #22981
Edwin Hale	\$ 1,007.00	Permit Fee refund APN 015-293-043 5080 White Tail (Lost original check and is requesting a replacement)
Mike Milbury	\$ 100.00	Stipend for Nov. meeting

Per Board’s direction Manager D’Ornellas researched the issue of the offer of dedication for the public right of way at the Vaughn property. This question came up because there is some level of confusion from realtors/residents about the public right of way on the easterly side of lot 62 on Reindeer Place. The issue was the roadway was considered private for the use of Reindeer Place residents. The District accepted an offer of dedication from Mr. Vaughn of a 40 foot section of road to be used as a public

right of way in 2006. This offer was accepted by GSHCSD under Resolution 06-01 and recorded with the County Clerk recorder. In 2007 Vaughn filed a complaint and among other things sought to cancel this previous offer of dedication. In 2010 a bankruptcy court approved a settlement with Vaughn's trustee and withdrew all objections/claims regarding the offer.

It was noted by the Board that the road mentioned in the Offer of Dedication should be Gazelle and not Reindeer place. The lot numbers noted in the Offer of Dedication appear to be correct therefore making the Offer of Dedication Valid and currently in place.

Manager D'Ornellas traded several emails back and forth with GSH resident Mr. Dave Muehlhausen. Director Simons had previously spoken with Mr. Muehlhausen regarding some issues/concerns he had about damage to his driveway and conflicts with neighbors. Mr. Muehlhausen now has issues with the validity of Covenants Conditions and Restrictions of the area that he lives in at GSH historically known as Deer Park. He claims there are CC&Rs for his neighbors and that the GSHCSD can/should manage/enforce these. He was informed that the CSD does not normally have the power/authority to manage/enforce CC&Rs. Unfortunately, the County often encourages developers to establish CC&Rs for new development but there is no follow through or continued management of these CC&Rs once the project is finished and homes are built. Mr. Muehlhausen has sent a letter to the CSD Board Attorney but was frustrated when the Attorney would not respond. The Board Attorney will only respond to the Board and will not respond unless approached by the Board.

Director Turner mentioned that the "Deer Park" CC&Rs would not be formed until homes are built on all lots within the property area. Than someone must form a Board to enforce CC&Rs.

An original LAFCO charter will be sent to Manager D'Ornellas to forward to Mr. Muehlhausen for review. Mr. Muehlhausen is still seeking a solution for the driveway problem.

The Board will not entertain anymore research on CC&Rs in regards to the driveway situation. The Board will inspect the area in question in the future. After Board review, plans to do some road maintenance work in the area of concern in the spring.

Discussion Items:

1. LAFCO Election:

The Local Agency Formation Commission (LAFCO) is an independent local government agency that has planning and growth powers over all cities, counties, and special districts. San Luis Obispo County special districts have two representatives on the LAFCO Board. The current special district LAFCO regular members are Muril Clift of Cambria CSD and Ed Eby of Nipomo CSD. Mr. Clift's seat expired the end of last year and needs to be filled. If any of the regular members are not in attendance at a meeting, the alternate members takes the seat. The special district alternate seat is held by Marshall Ochylski of Los Osos CSD. Next month LAFCO will conduct a nomination and election to fill the now empty seat created when Ed Eby was not re-elected to the Nipomo CSD Board. The other LAFCO representatives include two elected officials from cities, two from the County, and one member of the general public.

There are two nominations for the open special district seat on LAFCO.

Muril Clifton, Cambria CSD Director

Dan Burgess, Heritage Ranch CSD Director

A motion was made by Director Simons to re-elect Muril Clifton of the Cambria CSD to the open seat for the (LAFCO) special district Board. The motion was seconded by Director Turner and passed by unanimous voice vote.

It was mentioned that CSDA would be providing free Ethics Training in the months of January and February for District's payment of insurance. This training is available on line. A link to this service will be sent to all Board Directors.

2. Annual Audit:

Government Code Section 61118 requires an annual audit of the District's finances. This year's audit was performed by Bob Crosby, Certified Public Accountant with assistance from Director 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 Manager D'Ornellas has sent the completed audit to the County Auditor-Controller as required.

Last fiscal year the District received income of \$149,666 and had expenses of \$136,095. Of the 136,095 expensed, 62% was directly spent on road repairs and maintenance. The other expensed included everything from insurance to staff and engineering costs.

A total of \$4,831 of permit fees was collected last year. The funding balance at the end of the fiscal year was \$111,724. Overall the percentage spent on road maintenance was good.

A motion was made by Director Simons to approve the 2011/12 Audit. The motion seconded by Director Dougherty and passed by unanimous voice vote.

3. Permit Status Report:

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

A permit invoice was sent to Richard Baddley of 5110 Stagg Hill Place for grading work for a new residence on this property. Records indicate that a permit on this project was issued before the District's road inspection program but this permit expired on 4/21/08 and a new permit was issued on 9/15/11. Based on Board direction, this new permit now falls within the District road inspection improvements purvey. SLO County has placed a hold on this permit pending approval of the GSHCSD. There has been no response from the property owner. Mr. Baddley claims that he is not going to build on the property but is cleaning his lot to sell.

4. Annual Road Evaluation

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.

At the December 2012 meeting Director Simons offered to tour all roads and come back to the Board at the January meeting with a list of recommended road projects based on the condition of the various roads. Director Simons presented his findings to the Board.

Director Simons reported that the street/road sign at the corner of Peppertree and Geneseo is missing. It was mentioned that the sign company previously used by the Board is currently out

of business. It was suggested there was a company in Atascadero that can be used. Director Dougherty mentioned that the County may install the sign if it is provided by the District.

It was confirmed that there was remaining money left in the mail box area bank account and that money would be used to fix the road deterioration at the mail box area.

It was mentioned by Mr. Bayus that Gazelle and Reindeer will need preventative maintenance soon to avoid future road deterioration.

A motion was made by Director Simons to get 2 estimates do emergency repairs at Silverado from 5900 to 5950. Emergency repairs not to exceed \$5,000 and present estimates at the next meeting for Board Review. The motion was seconded by Director Dougherty and passed by unanimous voice vote.

Director Simons noted that the culvert was smashed at 5580 Forked Horn. Director Simons has purchased a jack to fix the culvert. It was also mentioned that 5445 Ground Squirrel Hollow and Play Doe had culverts that also needed attention.

Directors/Managers Comments

Director Simons mentioned that all signs within the District have been updated to include all new phone numbers.

It was said that the emergency work approved in the December meeting is currently in progress. Director Turner mentioned that the two holes at the end of Silverado going onto Geneseo should be filled or paved. Small cars tend to scrape the road after rolling through the holes at the end of Silverado while proceeding onto Geneseo Road.

Adjournment:

A motion was made to adjourn the regular meeting by Director Simons, seconded by Director Turner and passed by unanimous voice vote. The meeting was adjourned at 8:00 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 13, 2013 at 7:00 p.m. at the Meridian Fire Station on Branch Road in Paso Robles, California.

Respectfully Submitted by,

Beverly Giminez, Recording Secretary