



COMMUNITY SERVICES DISTRICT

GRCSD Board Meeting Minutes

The Outpost, 300 Club House Dr., Portola CA 96122

March 19, 2019 Tuesday / 9:00 am

A. Roll call

President Jim Miller, Vice-President Vici Downing, Director John Reynolds, Director Mark Roberts present establishing a quorum.

Director Alex Hickman absent.

General Manager Aaron Corr, Office Administrator Brandy Allingham and Wastewater Project Manager Daniel Smith were also in attendance.

B. Call to order: 9 am

C. Approval of minutes from last meeting(s): January 8, 2019 minutes were approved, motioned by Director John Reynolds, seconded by Vice-President Vici Downing and passed unanimously by roll call vote.

D. Public Comments: None

E. CONSENT CALENDAR – *Items listed on the consent calendar are considered routine in nature and may be enacted by one motion. If discussion is required, that particular item will be removed from the consent calendar and will be considered separately.*

1. **January and February 2019 Budget Reports:** January and February 2019 Budget Reports were presented and reviewed by General Manager Aaron Corr. General Manager Aaron Corr summarized for the board the actual cash received this period being \$206,080.40 in assessments and interest payments. General Manager Aaron Corr noted that there is a remaining balance for CSD tax assessments of \$223,049.90 for the remainder of the FY 18/19. He explained that he estimates that \$99,449.00 of the remaining balance will not be paid due to a trend of defaulted properties, which include 62 Grizzly Ranch Investor properties.

General Manager Corr noted that with staff being diligent and conservative, the budget remains stable with the total expenses being at 60.05% of the FY 18/19 budget which falls under the projected target of 66.7% for this period.

Vice-President Vici Downing motioned to accept the budget reports as presented, Director Mark Roberts seconded and the motion passed unanimously by roll call vote.

F. General Business

1. Review for adoption Grizzly Ranch Community Services District Debts Issuance policy and adopt Resolution 2019-1 Approving Debt Management policy:

Project Manager Daniel Smith introduced Best Best & Krieger's Mrunal Shah who attended the meeting via conference call. Mrunal Shah is a loan specialist whom is serving as bond counsel for the Grizzly Ranch CSD in connection with the financing transaction with CoBank. Mrunal was available for any legal questions regarding the proposed documents and agreements associated with the loan. Project Manager Daniel Smith then detailed out loan options with CoBank for the wastewater project. Mrunal Shah worked with Project Manager Daniel Smith throughout the creation of the loan documents, ensuring that all the California regulations were met and issuing opinion of whether-or-not the GRCSO was financially able to meet the terms of the loan.

Before the loan could be legally acquired the Grizzly Ranch Community Services District is required to adopt the Resolution 2019-01 APPROVING A DEBT MANAGEMENT AND ISSUANCE POLICY AND ADOPT THE GRCSO OPERATIONS POLICY #3100 DEBT MANAGEMENT AND ISSUANCE POLICY AND PROCEDURES.

Motion to adopt the resolution and the policy as presented so moved: Director John Reynolds
Motion Seconded: Vice-President Vici Downing

Discussion resulted in amending the resolution/policy #3100 title(s) to be uniformly worded as: "Debt Management and Issuance".

Motion passed unanimously by roll call vote.

2. Approve the wastewater finance documents as to form and authorize the General Manager to make changes and finalize as he deems fit in consultation with District Counsel:

Project Manager Daniel Smith reviewed Resolution No. 2019-02 RESOLUTION TO AUTHORIZE THE EXECUTION AND DELIVERY BY THE DISTRICT OF AN INSTALLMENT PURCHASE AGREEMENT TO FINANCE THE PROJECT AND APPROVING CERTAIN AND OTHER ACTIONS IN CONNECTION THERETO.

Motion to adopt the resolution as presented so moved: Director John Reynolds

Motion seconded: Vice-President Vici Downing

Motion passed unanimously by roll call vote.

3. Adopt the attached reimbursement resolution for preliminary planning and permitting, regulatory approvals for the wastewater upgrade project:

Project Manager Daniel Smith reviewed for the Board Resolution No. 2019-03: RESOLUTION DECLARING ITS INTENTION TO ISSUE TAX-EXEMPT OBLIGATIONS TO BE USED TO REIMBURSE THE DISTRICT FOR CERTAIN EXPENDITURES PRIOR TO THE ISSUANCE OF SUCH TAX-EXEMPT OBLIGATIONS
Project Manager Daniel Smith explained this resolution essentially allows the district to pay back some of the initial costs of the wastewater project with the loan.

Motion to adopt the resolution as presented so moved: Director Mark Roberts

Motion Seconded: John Reynolds

Motion passed unanimously by roll call vote.

4. Wastewater Project update:

Project Manager Daniel Smith reviewed the Report of Waste Discharge (ROWD), which was submitted to the California State Regional Water Control Board which outlined the Grizzly Ranch proposal for their Wastewater Treatment Project. This ROWD proposed was the most economical and the least technical allowed to recycle wastewater and could have been returned by the state with additional demands; however, the California State Regional Water Control Board accepted the ROWD as presented. The new WDR (Waste Discharge Requirement) permit will now be issued to the GRCS D for the new wastewater system.

5. Review re-coating bids for the water storage tank:

General Manager Aaron Corr reviewed two bids he received, after site visits, for the re-coating of the water storage tank. The first bid was estimated at \$69,000.00 and its scope of work suggested sand blasting the existing coating down to bare steel, applying a two-component epoxy primer and a final polyurethane coating. The second bid was estimated at \$63,150.00 and its scope of work was to prep the existing coating, address bare spots where primary and surface rust was starting to show through and then apply two coats of a Durathane direct to metal polyurethane finish coat over the existing coats of primer and paint. Both bidders provided different but effective scopes of work. The Board still had some concerns and questions after General Manager Aaron Corr's presentation. Therefore, General Manager Aaron Corr will address those concerns and questions and present his findings at the next scheduled board meeting.

6. Update on mileage reimbursement waiver inquiry:

General Manager Aaron Corr explained that he inquired with the Grizzly Ranch Community Services District's legal counsel of Best Best and Krieger about the necessity to obtain a mileage reimbursement waiver for those employees whom do not wish to receive the reimbursement. Legal counsel explained that the GRCS D mileage reimbursement policy states that the reimbursement is available and obtained through the submittal and review of an employee's log sheet. The employee makes the decision to accept or not accept the reimbursement based on their submittal or nonsubmittal of their log sheet. Therefore, a waiver would not be needed.

7. Introduction to the GRCS D Employee Handbook:

Office Administrator Brandy Allingham presented the draft Employee Handbook for the Board's review and suggestions. The Employee Handbook includes all personnel related policies authorized by the Board of Directors thus far.

8. Update and review of the submittal of the 2017-18 State Controllers Report:

Office Administrator reviewed that the FY 2017-18 State Controllers report had been successfully submitted by the auditing firm Johnson Accounting Corporation.

9. Annual Form 700 Reminder:

Office Administrator reminded Board Directors of the April deadline to turn in their annual Form 700s.

10. GRCS D Board of Director Elections:

Director John Reynolds presented information about the Elections Calendar he obtained from his attendance at the PC SDA Meeting on February 20, 2019. He noted that appointed Directors can only fill the position until the next election. If no more persons filed than position available, the District does not have to go to election and the District will receive a 'Certificate of Appointment in Lieu of Election' from the election's office.

Director John Reynolds then relayed that the Plumas County Elections Coordinator strongly suggested Grizzly Ranch CSD adopting a vacancy policy.

11. SDRMA Board of Director 2019 Election Notification:

Office Administrator presented the SDRMA’s Notification of Nominations – 2019 Election SDRMA Board of Directors inviting any interested parties to run for a seat on their governing board.

12. The Lodge at Grizzly Ranch initial correspondence:

General Manager Aaron Corr explained to the Board of Directors that he was approached with a request to provide a will serve letter for a proposed Lodge project in Grizzly Ranch. He explained that a commercial project of this size was never included in the original design of Grizzly Ranch or it’s water or wastewater infrastructure. General Manager Aaron Corr then explained that he provided requests to the Lodge proposers to provide more specific information to satisfy the concerns of the CSD regarding impacts to the District’s water and sewer existing infrastructure along with proposals to the CSD Board of Directors on how to bill the lodge for connection fees and annual assessments. General Manager Aaron Corr explained that he would continue correspondence and provide information as needed.

13. Review the Grizzly Ranch CSD Water Conservation Ordinance:

General Manager Aaron Corr reviewed the existing Grizzly Ranch Water Conservation Ordinance and supplied sample reports for reference. The reports consisted of the Districts’ commercial water usage for the previous year along with the Board of Directors water usage for the previous year, so they could get a feel for how water usage was affected both commercially and residentially in a calendar year. He explained that the CSD maintains its efforts to uphold the Water Conservation Ordinance and responsibly manage water usage throughout the District. The CSD is working with commercial users in their first phase of monitoring and managing water conservation efforts and cutting down on excessive use. He also explained that he will work towards educating residents of the Districts’ Water Conservation Ordinance and help them comply with the Ordinance on an as needed basis.

*Adjournment for a 5-minute recess reconvened and called to order at 11:54 am.

G. Update on water and wastewater operations

1. January and February 2019 Water Reports and Operations update:

General Manager Aaron Corr explained that Grizzly Ranch remained in compliance for the months of January and February 2019. He explained that staff is continuing preventative maintenance in the system such as well flushing and valve exercising. CSD staff were also able to temporarily fix a broken street valve cover box, which was struck by a plow during snow removal. He also explained that a lot of hours were spent by staff removing snow from CSD facilities and vital fire hydrants in the District during the months of January and February.

2. Project List Review:

General Manager Aaron Corr noted that he updated the cost of recoating of the water tank to reflect the bids he had received. He also stated that he will implement an additional project list which will incorporate proposed maintenance projects for this coming spring and summer.

H. Report Out on meetings attended by staff/board members

1. Finding Financing for Capital Improvements:

President Jim Miller reviewed with the Board the information obtained by attending a free class through SDRMA entitled Finding Financing for Capital Improvements. He encouraged the Board to take advantage of the classes offered through SDRMA some of which are free and others under \$100.

I. Propose future agenda items: none proposed.

J. Closed Session:

- 1. Discuss potential litigation regarding operations and maintenance contracts us by the GRCSD:** There were no reportable actions from the Board of Directors during the closed session.