



COMMUNITY SERVICES DISTRICT

GRCS D Board Meeting Minutes

December 21, 2021 Tuesday / 9:00 a.m.

A. Roll Call: President Jim Miller, Vice President Kathy Roberts, Director John Reynolds, Director John Saefke and Director Stephen Tange were in attendance via telecom establishing a quorum after a roll call vote. Bill Desjardin, General Manager Larry Smith and Office Administrator Carol Logan were also in attendance.

Call to order: 10:03 a. m.

B. Approval of GRCS D Current Agenda: No additional additions or corrections

C. Approval of minutes from last meeting(s):

1. **September 21, 2021 Board of Directors Meeting Minutes:** One correction was made that the OIT in training resigned and was not laid off. No further questions or comments.
2. **October 7, 2021 Board of Directors Special Meeting Minutes.** No questions or comments.
3. **November 2, 2021 Board of Directors Special Meeting Minutes.** No questions or comments.
4. **November 30, 2021 Board of Directors Special Meeting Minutes.** One correction was made as the title should be Minutes not Agenda. No further questions or comments. After President Miller presented the minutes, he called for a motion to approve all four of the minutes with stated corrections. Director Reynolds made the motion. It was seconded by Director Saefke and it passed unanimously by a 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. **September, October and November 2021 Budget Reports for approval.** General Manager, Larry Smith indicated that the Account #0915 Fidelity Projects account balance was \$13,414.41. He also indicated that there was a series of voided checks, #1878 through #1883 that were incorrectly feed into the printer and the original voided checks are on file in the GRCS D Office. It was clarified that Quickbooks account # 1500 “other” was a total of the GRI defaults and all other past due receivables that are not current assessments, meter reads or connection fees. General Manager Larry Smith called for questions and comments. There were no further comments or questions. President Miller called for a motion to approve the Budget Reports for September, October & November 2021. The motion was made by Director Tange. It was seconded by Director Reynolds and passed unanimously by a roll call vote.

F. General Business:

1. **GRCS D Finance Sub-Committee August 10, 2021 Meeting Minutes submittal:** President Miller presented the GRCS D Finance Sub-Committee August 10, 2021 Meeting Minutes and called for questions and comments. Having no questions or comments the minutes were accepted and filed.

2. **GRCSD Finance Sub-Committee Meeting November 9, 2021 report out:** Stephen Tange, GRCSD's Finance Sub-committee Chair reported out on GRCSD Finance Sub-Committee Meeting August 10, 2021.
 - August, September, October 2021 Budget Reports were pre-audit totals
 - A/R volume water outstanding invoices \$6326.15 as of October 31, 2021
 - The live Oak CD#7623 matured and moved into Fidelity Operations account. General Manager Larry Smith recommended that this amount stay in Fidelity to cover operations through March 2022. The Finance Sub-Committee was in full agreement.
 - A STEP retrofit was completed in November 2021 and reduces the Fidelity Project account #0915 by approximately \$14,000.00.
 - The Expense account #9000-17 Training was reduced by the \$625.00 Scholarship General Manager Larry Smith received when he attended the CSDA Conference.
 - Electric utilities are up but will balance out in winter. Treatment lab testing will go up 5% next year
 - Discussion was held regarding the term allowed for auditor services. General Manager clarified and indicated that special districts can use the same auditing firm but must change lead auditors every 5 years. He did mention that there was a 40% hike in Robert Johnson Accountancy's bid for next 3-year contract.
 - Investment Account Update. General Manager Larry Smith reported out that Bill Desjardin did not have his credentials with Live Oaks or Fidelity yet. The investment accounts gained small interest.
 - A/R Update on Meter Read Invoicing. As of November 9, 2021 there was an outstanding balance of \$4,530.26. There were 2 leak adjustment credits issued. Discussion was held as to the concern of one resident regarding the need for a professional rate study. General Manager Larry Smith took several calls from residents who felt they had water leaks as their bill seemed high. He checked with every resident who called and confirmed there were no further leaks.
 - Statements will be sent out after 60 days on unpaid balances and defer any late charges until next billing cycle.
 - The Finance Sub-Committee agreed that a safe would be unnecessary for the office as all checks are endorsed and posted to accounts immediately. All checks are locked in a file in a locked office.
 - Office Administrator Carol Logan gave an update on the Merged Lot Hearing. 301 ballots mailed out on 11/8/2021. Discussion was held. Director Saefke will work with General Manager Larry Smith and will provide a report that will address concerns of loss of revenue if lots are merged by builders/developers.
3. **GRCSD Treasurer report out by General Manager:** General Manger Larry Smith reported out and indicated that Bill Desjardin did not have his credentials for Live Oak or Fidelity yet. He indicated that his log-in access should be complete within the week.
4. **Appointment of GRCSD Vice President Kathy Roberts and Director John Saefke/Oath new 2-year terms.** President Miller reported that because of COVID the County did not notify GRCSD of board member vacancies. Directors Roberts and Saefke have terms that end in December 2021. President Miller called for nominations for 2-year terms from 2021 through 2023. Director Reynolds nominated Kathy Roberts. The nomination was seconded by Director Tange. The appointment of Kathy Roberts as Director for a new 2-year term passed by a unanimous roll call vote. Director Reynolds nominated John Saefke as GRCSD Director. The nomination was seconded by Vice President Roberts and the appointment of John Saefke was passed with a unanimous roll call vote.
5. **GRCSD Audit FY 2020-2021 for Approval including Letter to BOD, Financial Statements and Accounting Control Report**

- a. **Working Capital Reserve Fund #4000-02 increase to \$100,000 per Policy #3150 Reserve Funds:** General Manager Larry Smith recommended that per verbal recommendation from the Auditor, to consider an increase in the Quickbooks account #4000-02 Working Capital Reserve to \$100,000.00. He suggested that this item be referred to the Finance Sub-Committee for review for recommendation to the Board of Directors
- b. **Depreciation is now calculated by month starting July 2021 for FY 2021-2022:** General Manager Larry Smith indicated that per the Audit recommendation that accumulated depreciation account #2200-01 & #2200-02 will be entered monthly in Quickbooks for FY 2021-2022 and not annually as in previous years.

President Miller called for questions or comments. There were none. President Miller called for a motion to approve the FY2020-2021 Audit as stated. Director Reynolds made the motion. Director Saefke seconded the motion and it was passed unanimously by a roll call vote.

6. **GRCSD Policy #3170 Delinquent Charges Water Customers**

- a. Line #2 for implementation of late fees. It was decided by the Board of Directors to refer this to the Finance Sub-Committee for review and have the Finance Sub-Committee make a recommendation to the Board of Directors.
- b. Recommend GRCSD pay merchant fees as cost of doing business. YTD \$9.70. President Miller called for a motion to have GRCSD pay credit card merchant fees as a part of doing business. The motion was made by Director Reynolds. It was seconded by Director Saefke. The motions passed unanimously by a roll call vote.

General Manager Larry Smith brought up the difficulty of reading the meters during the snow months. Discussion was held. The Board of Directors agreed to hire out labor to help locate and read the meters each month that there is snow. This would be a more accurate way of billing residents than a meter estimation.

7. **GRCSD Resolution # 2021.05 AB-361 Re-Authorizing Remote Teleconference Meetings January 4, 2022 through February 3, 2022:** Discussion was held. President Miller called for a motion to pass GRCSD Resolution # 2021.05 AB-361 Re-Authorizing Remote Teleconference Meetings January 4, 2022 through February 3, 2022. The motion was made by Director Reynolds. It was seconded by Vice President Roberts. It passed unanimously by a roll call vote.

8. **GRCSD Merged Lot Ballot Count/Results:** President Miller called on Office Administrator Carol Logan to tally total votes on the Merged Lot Ballot Count. She indicated that there were 59 YES votes and 20 NO votes. President Miller called on General Manager Larry Smith and asked if he had verified this count. He indicated that he verified the count of the ballots. The total vote count was confirmed unanimously by a roll call vote.

9. **GRCSD Merged Lot Policy #7070 for Approval as Stated;** Discussion was held. All GRCSD Board members agreed that all members of the Board could vote on this policy. President Miller called for a motion for approval of GRCSD Policy #7070 as stated. Director Reynolds made the motion. It was seconded by Director Saefke and passed unanimously by a roll call vote.

10. **Consideration of a Legacy Clause to GRCSD Merged Lot Policy #7070:** Discussion was held. It was decided to amend GRCSD #7070 Merged Lot Policy to include a Legacy Clause that states that it would not apply to mergers that took place prior to August 1, 2016. President Miller called for a motion to amend GRCSD Merged Lot Policy #7070 to include a Legacy Clause stating that this policy will not apply to mergers that took place prior to August 1, 2016. Director Saefke made the motion. It was seconded by Director Reynolds and the motion passed by a majority roll call vote.

G. General Manager Operations Reports:

Staff: New OIT Travis Russell working 16 hrs./week during winter season and will ramp up as needed in Spring/Summer. Chief Operator Justus Lundy currently at 32 hrs./week. Electrician Dave Leal Laid-Off Season. Administrator Carol Logan currently working 28-40 hrs./week. General Manager Larry Smith full time and as needed. No additional hiring needed in foreseeable future.

1. **September, October and November 2021 Water Reports:** General Manager Larry Smith reported out on totals for produced, treated, metered and irrigation/Golf water. He also reported out on the Sub-Wells soundings.

Wastewater Operations Report: General Manager Larry Smith reported out on:

- a. Ax-Max filtration units, Lift Stations 1,2, and effluent vault are all performing as designed-no issues. Changed timers to adjust for lower flows.
 - b. Plumas Sanitation pumped primary and secondary settling vaults for total 7000-gal vault and haul cost \$2,100.00 on December 6, 2021.
 - c. Scheduled STEP inspection completed 309 Peppergrass approx. 40% capacity will check in 3 more years. No V&H.
 - d. Fidelity Projects account balance \$13,414 after STEP conversion on 36 Blacktail Point. Remaining balance to be spent on WRF retrofit for inflow to effluent vault.
2. **Wastewater Completed Project update:** General Manager Larry Smith gave an update on completed projects:
 - a. STEP completed on 36 Blacktail Point
 - b. Cla-Val PRV & E-PRV Rework. He indicated that a pressure reducing valve near 66 Blacktail Ridge was non-operational. The E-PRV is located near overflow pond below WRF. This valve was reworked and invoice for this rework to has not been received yet so he indicated that he did not know the cost.
 3. **GRCSD New Project List Review:**
 - a. Change out wall valves at WTP. Bid \$9000.00
 - b. Replace Well-9 Variable frequency drive. Bid \$15,000 in 2018
 - c. Bypass project from AX-MAX to effluent valve. \$14,000 bid, and \$13,000.00 will come from Fidelity Projects account.
 - d. Meeting with HOA pond clean out was brought up. Discussion was held. No action to be taken at this time.

President Miller called for a motion to proceed with the 3 projects, listed above a, b, c, after discussion to add a 15% additional contingency on b, the replacement Well-9 variable frequency drive. Director Reynolds made the motion. It was seconded by Director Tange and the motion passed unanimously by a roll call vote.

4. **GRCSD Dedicated Vehicle Purchase Discussion:** General Manager Larry Smith reported out on this and indicted that employee mileage per year averaged \$6,000 and the average price for A truck was \$35,000 to \$50,000 plus the cost of insurance, maintenance and registration. Mileage would still be paid out to employees with a new company truck. Discussion was held. He recommended that the project list should be addressed before looking at purchasing a company vehicle.

H. Report Out on Meetings attended by Staff/Board Directors: None

I. Propose future agenda items: Accounts Receivable Late Charges and Statements

J. Adjournment: President Miller called for a motion to Adjourn. Director Reynolds made that motion. It was seconded by Director Saefke and passed Unanimously by a roll call vote.

Meeting adjourned at 11:18 a.m.

James Miller

GRCSD PRESIDENT AS APPROVED

B-22-22

DATE

Caral Logan

GRCSD CLERK OF THE BOARD AS SUBMITTED

3-22-22

DATE