

# *Ponderosa Community Services District*

Minutes of meeting  
August 12, 2011

## Present:

Directors: D. Doty, C. Marchaunt, M. Moroney, B. Benton, Barbara Dolmovic

Staff: D. Robertson, J. Robertson, M. Strickbine, T. Griesbach

Staff volunteers:

Guests: Carl Cappelen, Kent Lowry, Lynn Lowry, Alvie Kracik, Sandra Duffy, Marv Shortz, Rod Coffey, Carol Rainwater, Dave Reese, Bill Dolmovic, John Bozanich, Alena – Benton granddaughter

The meeting was called to order at 1:00 p.m. followed by the flag salute.

## President Comments

Welcome to all the guests. The board is glad you are here. We welcome and need your comments, questions, and criticisms.

## Comments from the Public –

C Cappelen – agenda does not make any reference to the issue I brought to the board's attention at the last meeting about collecting unpaid water and snow removal fees. Mr. Cappelen does not have a copy of the minutes to see what was reported about the issue. (*Secretary's note – apologize that there were not extra copies of minutes available to the public due to the lack of time prior to the meeting to make additional copies, the time planned for copying minutes was used instead to copy the Treasurer's report – minutes are not made available until approved by the board*). Mr. Cappelen's complaint is that there is no follow up in the agenda regarding those that have not paid their water bills. For example in Porterville, if you did not pay your water bill in a few months, your water would be shut off. It was pointed out to Mr. Cappelen that the item was indeed already in this meeting's agenda. There has been research on it, there will be more information presented in the secretary's report.

A Kracik – Inquired that since there are three board positions up for election in November, are all three current members planning to remain on the board? Mr. Doty and Mr. Moroney have already filed to keep their seats. If Mrs. Dolmovic does not register, then that seat will remain open to new candidates for one more week. Mrs. Kracik felt that since the current board has started the grant/loan and water project, they should be the ones to see the project to conclusion, rather than have someone new try to 'catch up'.

## President Comments

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## Secretary Report

As several board members did not bring their copy of the minutes for the special meeting held July 19, 2011 regarding negotiation of terms for the snow removal contract, and there were no additional copies available to the public, the secretary read the minutes aloud. At the conclusion of the reading, Mr. Doty asked if there were any questions or comments regarding these special meeting minutes. Mr. Bozanich stated that he has talked to two different boards and has shown that the district could do their own snow removal for \$25,000 per year, which would have saved \$100,000 just this past snow season. Mr. Doty told him the board planned to follow up on the idea of the district providing its own snow removal. Mr. Bozanich believes that a loader can be leased for \$3,000 per month (with no upkeep requirements), there would be \$4,000 in wages (200 hours @ \$20/hour), \$1,000 in workmen's comp,

\$1,200 worth of diesel fuel costs, the only thing left to do is get a blower. Pay for a \$25,000 blower at \$200 per month.

Mr. Doty stated that the board would take this under advisement. The district has the obligation to provide the best service for the least cost.

There was a request for an agenda item to review and amend the by-laws so that a husband and wife could not serve on the PCSD board at the same time. The secretary explained that this issue has come up in the past, there are no by-laws, there have never been by-laws and there will never be by-laws for the PCSD. This is a government agency; by-laws are not required. The PPOA has by-laws because they are a community agency, the PCSD is a governing board; elected by the public in an open election. In consultation with the attorney (again), we cannot create any sort of rule that prohibits any qualified individual from running for a public office. That is a violation of their constitutional right to hold a public office. The only qualifications for office are age, voter registration status and residence address. Having said that, is it a good idea to have related individuals serving on a board, no. But, we cannot make it a rule that they can't, there is nothing we can do about it. The attorney sent a memo (Sept 2009) regarding this issue which was the second time this question had been asked. So, for the third time on the record, there are no by-laws and we cannot make a rule that spouses and/or other related people (father/son, mother/daughter, cousins...or husband/wife) cannot serve at the same time. If the people in the district do not want related individuals serving together...don't vote for them, that is the choice you have.

The issue of placing a lien for unpaid water and/or snow removal fees and how we can collect. After researching, the attorney was consulted for confirmation. When a property owner does not pay their property taxes, the county automatically files a lien. We are included in that lien. When the county finally collects that money, they will forward our fees to us. The only way we can file a lien ourselves is to sever that property from the county tax roll. (Not something we want to do, the attorney is not sure we would be able to sever only one or a few properties). The only way we will not get the full amount due to PCSD is if the county charges a fee for processing, or if the property goes to a tax auction sale and sells for less than what is owed. The county will collect their money first. The attorney suggestion is that the board takes into account that not all fees owed will be collected and adjust the budget accordingly. A question was asked who was currently delinquent. At this time, there are only two properties delinquent in water fees. There has been a report that there are about nine properties delinquent. I did find that report, which was dated April 29, 2011. The county is notoriously slow at updating their records, the last update showed five delinquent properties. When Ms. Marchaunt called the tax collector's office to inquire, they reported only two currently delinquent properties. We are investigating the process to turn water service off to delinquent properties. The attorney is checking to see if we have to follow different time guidelines because we do not bill monthly.

Mr. Cappelen would like to get the minutes sooner to publish on his website. Currently he does not get them until they have been approved in the following month. Mr. Cappelen feels that the public should have a more timely access to the minutes, within seven days with the stipulation that they are in draft form and have not yet been approved by the board.

The secretary responded that the minutes were not going to be done within seven days. The goal is going to be to have them done within two weeks of the meeting. This has not happened since Mrs. Robertson was hired back to the secretary position, but two weeks is the goal. However, the minutes will need to be reviewed by the board prior to them being posted. It is not a good idea to post them without approval, if changes are made after posting, they may not be noticed and incorrect information is circulated.

## Communications

### Received

Note from Mr. Lowry regarding agenda item to amend by-laws

New snow removal contract from Mr. Dolmovic, copies will be made for each board member to review.

Several letters from homeowners regarding 218 hearing. Letters were given to the secretary to keep until the hearing tomorrow (Aug 13). At the end of this meeting, the secretary made a list of all letters/votes received and secured them in the office to tabulate with any additional votes received at the hearing.

It was moved, seconded and passed to accept the minutes of the July 8, 2011 regular meeting and the July 19, 2011 special meeting as written.

## Reports

- Treasurer

The preliminary budget was completed in June. The revised budget is waiting for final information from the Financial Coordinator; he has been given the final financial figures from the county. The Treasurer then read a statement saying she was done offering financial advice or summaries since little of this is discussed by the board and is seldom mentioned in the minutes, all this is the FC job anyway. Ms. Strickbine said that in all future meetings, she would be leaving as soon as the financial report was completed unless requested not to. Any work she is requested to do must go through the financial coordinator. Ms. Strickbine will do the treasurer's job as written in the board-approved description, anything extra will be charged as extra time. In other words, Ms. Strickbine will not be doing the FC job any longer. There are several reasons that one person should not be in charge of all financial transactions – more oversight is necessary for fiscal responsibility. She will continue to provide financial reports for a short while, until the financial coordinator can get online and gets Excel.

There are still 2 water invoices from winter leaks that have not been paid. The treasurer is requesting direction as to what to do about rebilling. Directed to wait until we have clarification from attorney about legal wording regarding termination of service for failure to pay.

- Financial Coordinator

Not online, have no intention of getting an internet connection and no intention of getting or learning to use Excel.

Following the General Manager's report, Mrs. Kracik asked if the financial report was going to be read and voted on. Portions of the financial report prepared by the Treasurer were reviewed and discussed.

### Water 2020

Per CPA	start cash balance	\$17,000
	Expenses to date	(\$8,053.58)
	Cash to date	\$8,946.42

735 fund – no activity

Snow 2010 – no current activity

Legal fees involved in water project are reimbursable by USDA.

It was moved, seconded and passed to accept the treasurer's report as written.

- General Manager
  - Applied for an extension on FEMA – clean up roadway, tree clean up now complete
  - Pasadena has not given final approval of our application
  - We have received commitment letters (about \$20,000) for Fawn well, Lake well, and some (ancillary) snow removal costs
- Water Manager
  - Monthly use was 20,000 gallons compared to 19,830 gallons last year
  - Boy Scout Michael Davis with help from other members of troop 152 built the Holby 1 snow shed as his Eagle Scout service project. WM still needs to install metal roofing. A few Boy Scouts from troop 132 have been painting fire hydrants as a service project.
  - The lead/cooper tests came back – OK.
  - A repeat test of the routine monthly water test came back – OK.
- Water Coordinator
  - Still have a to-do list. Clean up at well sites has now been done.
- Snow Monitor/Snow Coordinator
  - Have had no snow. Have received a new contract from the contractor. This will be reviewed by board members. A special meeting was held with the snow contractor to negotiate terms of this contract. Board members will discuss and vote at the next regular meeting in September.
- PPOA/PCSD Liaison – C. Marchant
  - Nothing to report
- Committees – nothing to report

#### Director Comments

Kent Lowry – went to meeting where new fire fee was clarified

Reminded the board that in the past, when the district did regular billing for water service there was a reconnect fee if water service was disconnected due to non-payment. The secretary confirmed that there is a reconnect fee already established. That information is available; there is not a policy in place for the length of time before service is disconnected or method of notification.

Mr. Lowry also has information from his attorney on how the district could impose a stand-by fee for water on unimproved lots, will provide this information to the board.

#### Unfinished Business

##### Ongoing items

- Water system documentation – creation of operations manual – B. Benton
- New keys to PCSD building or combination locks, or? – B. Benton (waiting for new door installation)
- PCSD building maintenance
  1. Install new door
  2. Replace portions of fascia boards
  3. Paint building
  4. New roof—with additional roof over fire truck door
  5. Holby wells rehab and cement slab
  6. Lake well rehab
  7. Repair North & South ends of Holby bridge – have received wood

8. Holby 1 snow shed
  - Update water ordinance 99W
  - Obtaining an easement from the Forest Service for access to Holby well site – B. Benton with attorney Julia Lew
  - PER (Preliminary Engineering Report)

Rural Community Assistance Corp loan – March 2010 received word that PCSD would be eligible for a \$500,000 loan with a grant from USDA. Prior to receiving funds, a preliminary engineering report (PER) was required. At a special meeting, it was agreed to do a loan application with RCAC and pursue an engineer. The RCAC loan is for \$52,000. The PER from Provost & Pritchard is about \$23,000. The environmental report is about \$19,000. \$8,000 remaining funds, will need to draw about \$5,000 from that to pay toward additional environmental reports. This loan will be paid off by USDA when bidding begins however, we will need a wrap-around loan to pay engineering costs for design and specs. These short-term loans will be paid out of the USDA loan.

Three engineering firms have responded to the request for bids on the proposed water system improvement project.

4 Creeks

Roberts Engineering

Provost & Pritchard

The chosen engineer will be the one to complete the project. The proposed schedule is to break ground June 2012 and complete by Oct 2012.

Mrs. Kracik asked if the annual direct charge assessments had already been sent to the county to be put onto the property tax roll. How could the proposed increase to the water rates be collected if the assessments have already been submitted? Ms Marchaunt explained that the first loan payment would not be due until 2013; therefore, the district will be able to collect the increased fees prior to making a loan payment.

For clarification – the PCSD places direct charge assessments on your property tax bill annually for water service and snow removal service. Once the property owner pays the tax bill, the country distributes the collected amounts to the PCSD according to a schedule. The PCSD does not receive all the fees at one time. The direct charge amounts must be submitted to the County each year in the first week of August. Since the public hearing regarding the proposed increase to water rates is after the required County submission deadline, if approved the increase will not go into effect until the following tax year (Dec 2012 - Apr 2013).

Ms. Duffy inquired if there was a monetary cap on the proposed water project. Ms. Marchaunt replied the district could not spend more than \$800,000 since that was the total funding available. Ms. Duffy was concerned that projects often have cost overruns and that just because there was \$500,000 loan did not mean the project would only cost \$500,000.

Mr. Griesbach mentioned that he remembered the USDA had been asked something similar to this and the response was that there is a contingency built into the project budget. The contingency is 20% (\$88,000) in the estimated costs of the proposal. Also, the board considers the projected costs to be high; the actual bids should be lower than the projections.

### **New Business**

- Discussion on collection of delinquent water and snow removal fees. Determination of action necessary to collect delinquent fees. Establish procedure for notification of termination of water service due to non-payment. – this item will be carried forward, waiting for information from attorney.

Regarding the public hearing tomorrow.

Most of the letters returned as undeliverable have been resent as correct addresses were made available. Additionally some properties had new owners that the secretary was unaware of; letters were sent to those owners as soon as possible.

Letters resent, or sent once made aware of ownership

Flavin	Molls	Cash
Ertl	Morris	Haas
Hale	Bolanos	Kapka
O'Halleran	Davis	Faria

Elliot

Califf – said did not arrive

Renfrow – hand delivered

Salgado – returned, did not learn of this until too late to resend

Lollis – did not learn of ownership in time to send

Votes will be tabulated, verified by APN to ensure one vote per parcel. At the end of the meeting, votes will be reported. An attorney from the firm that represents the PCSD will be present at the hearing.

Mr. Dolmovic made a presentation about the Summit tank site. The main gravity fed water storage tank is located on private property. The PCSD has an easement for the tank. The current easement is basically the size of the tank. Mr. Dolmovic was requested to meet with the property owner Mr. Schoelhammer to see if he would allow an increase in the easement to allow for a larger tank or second tank in order to increase water storage capability. Mr. Schoelhammer is willing to allow the placement of a second tank behind the current tank site. This will require additional fill and compaction. He does not want any financial compensation, he just does not want the district to cut into the present hillside. Mr. Dolmovic presented pictures with alternative tank proposals.

Ms. Duffy wished to refute Ms. Marchaunt's mention that she (Sandra) requests Cheri to pursue a loan from RCAC.

Ms. Marchaunt read an excerpt of minutes from a special meeting Tuesday March 23, 2010.

*"S. Duffy moved to authorize and support C. Marchaunt to continue efforts to find another engineering firm for USDA grant/loan for water project."*

Ms. Duffy said she had never agreed with those minutes and had instructed, the secretary, Margaret Jewett, to correct those minutes but it was never done. She requested that those minutes be changed now. Current secretary, Jennifer Robertson, explained that since those minutes had already been approved, they could not be changed now. However, these minutes will reflect that Ms. Duffy disputes the previous record. She does not now and has never supported seeking a loan to complete a water project.

The date for the next regular Board meeting will be Friday September 9, 2011 at 1:00 p.m. in the District Building.

A Public Hearing as required by Proposition 218 (1996) regarding an increase in water rates will be held Saturday August 13, 2011 at 1:00 pm in the District Building.

The meeting was adjourned

Respectfully submitted,

Jennifer Robertson – board secretary