

# *Ponderosa Community Services District*

Minutes of meeting

March 8, 2012

## Present:

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

Absent:

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

Absent staff:

Staff volunteers: Jim Parminter

Guests: B. Arnold, R. Smith, W. Dolmovic

The meeting was called to order at 1:05 p.m. followed by the flag salute. The president welcomed the guests.

## **Comments from the Public**

Mr. Dolmovic is attending because he feels he may be able to provide some clarification in discussions later this meeting.

Minutes – from previous meeting were reviewed. It was moved, seconded and passed to accept the minutes of the February 9, 2012 meeting as written.

## **President Comments**

Welcome to Roger Smith, thank you for coming and preparing a presentation. The board appreciates your time and effort.

## **Secretary Report**

No prepared report – Mrs. Towfiq presented a draft version of the website publicity postcard. Board members reviewed the draft version. It was determined to look for a different graphic; Mr. Dolmovic will see if he can put a graphic file together to be added to the postcard. Mrs. Dolmovic has a mailing list and will mail the postcards when they are ready.

## **Communication**

Rec-

Notice from Resource Management Agency (RMA) that draft version of Tulare Co Housing Element is available for review and comment

LAFCO meeting agenda for March 7, 2012 – new action item: initiate SOI update for our district among several others

Notice from County Clerk of the Board – reminder to file form 700 Statement of Economic Interest and notify Board Of Supervisors (BOS) in writing when completed

Copy of BOS resolution appointing board members in-lieu of election

Full term members – Dale Doty

Barbara Dolmovic

Short term member – Mike Moroney

Notice from our insurance company for receipt of claim for Holby well site damage – waiting for adjuster to visit the site

Letter from Tulare Co Auditor/Controller/Treasurer-Tax Collector requesting resolution to authorize new agreement for services required for special assessment direct charge

Letters from Witherow:

- Requesting copy of Hazardous Material Business Plan
- Requesting copy of SWPPP document
- Requesting current expenditure list “to-date” for water system improvement project

## Reports

- Treasurer  
Please see Financial Executive Monthly Summary (posted to website)

The salary figures have been “fixed” by the county but the newest figures do not appear to have been applied correctly, Mrs. Towfiq will follow up.

Rufert invoice was paid from FEMA funds and there has been some interest earned on the FEMA funds

There have been no expenditures out of the ordinary, we have paid for the annual state required audit, Hylton understands that the board has suspended the forensic audit  
Mr. Doty suggests the board keep the forensic audit suspended but not stopped; we still need the written statement from Mr. Hylton regarding current PCSD accounting practices that was part of the forensic audit request. No further action is required at this time; the forensic audit remains suspended pending Mr. Hylton’s opinion of the PCSD current financial status.

Invoices presented for payment through RCAC.  
Resolution 2012-62-A to authorize RCAC payment

4 Creeks	\$8921.83	inv# 2084
Attorney	\$ 253.75	inv# 6389
Attorney	\$ 181.25	inv# 6355

It was moved, seconded and passed to accept resolution 2012-62-A authorizing the payment of the above listed invoices through RCAC,

An invoice for \$157.50 was presented for some repairs to Holby well site due to the fallen tree. As previously mentioned an insurance claim has been filed, the adjuster has not yet visited the site.

There was a leak at Abbot’s cabin on Tamarack; the leak was on their side of the meter. During the search for the leak, the Summit tank level dropped to 6 feet. PCSD will pay J. Parminter for his time and labor to repair the leak, the property owner will be billed.

It was moved, seconded and passed to accept the treasurer’s report as presented.

- Financial Coordinator  
Nothing additional to report
- General Manager  
Regarding application for FEMA extension – 2 phone calls have been made trying to learn if the FEMA extension has been approved.

The FEMA quality control survey has been completed.



## Unfinished Business

### Ongoing items

- PCSD building maintenance
  1. Replace portions of fascia boards
  2. Paint building
  3. New roof—with additional roof over fire truck door
  4. Repair North & South ends of Holby bridge – *pending*
- Update water ordinance 99W
- Obtaining an easement from the Forest Service for access to Holby well site – B. Benton with attorney Julia Lew – *in process*
- Status on water system improvement project
  - Matt working on final plan, has SCADA plan in process as well. When drawings are available, the water group will review. PCSD will have input on bid specifications to encourage hiring local contractors

## New Business

- Resolution 2012-61-A to authorize a new agreement with the Tulare County Tax Collector for services required for 2012/13 (and forward) related to the listing on and collecting through the Tulare County Property Tax roll of Direct Charge Assessments

The Tulare County tax collection department is requesting all entities with direct charge assessments on the property tax rolls to authorize a new cost recovery rate agreement. This new agreement will allow the tax collector to charge the PCSD \$1.00 per parcel (for electronically submitted) on direct charge listings or \$3.00 per parcel (for manually submitted) on direct charge listings effective July 1 2012 for fiscal year 2012-2013 and forward. The new agreement also contains language that allows fee increases in the future without having to authorize a new agreement each time (there will be notification from the county of any fee increase).

A brief discussion followed – the alternative to placing direct charge assessments on the property tax roll is to directly bill for snow removal and water service, no one wants to explore that option. The PCSD does submit the direct charge list electronically so the fee will be \$1.00 per parcel.

It was moved, seconded and passed to accept resolution 2012-61-A to authorize a new agreement for services with the Tulare County Tax Collector.

- Presentation by Roger Smith regarding
  - The Question of Tankage At Summit
  - The Cost and Utility of a SCADA System
  - Possibility of Re-Fi USDA-RD Loan with Commercial Loan

Notes *for* Oral Presentation (provided by Mr. Smith for the secretary to include in the minutes)

First thank the Board for the invitation.

The document I sent to you earlier this week can be summarized in three words. Downsize, Renegotiate, Vote.

**DOWNSIZE** the project by eliminating the increased tankage at Summit and the SCADA system.

While increased tankage may have been included initially because the PCSD Board thought it was required by Rural Development, we know now that it is not. The draft Board letter to Dr. Schollhammer (January 2012 minutes) indicates that the PCSD Board either misunderstood the USDA requirements or

they intentionally misrepresented them to obtain an easement. I choose to believe that the Board misunderstood and will therefore be open to eliminating the increased tankage.

Our water storage exceeds CA standards. We have not had poor reliability due to a lack of tankage. I do not know 5 Creeks estimate of the cost of demolishing the current tank and building the new one, but the P&P firm's original all in estimate for a 60,000 tank suggests a cost approaching \$400,000. I suspect that the P&P cost estimate was high, but in any event we are talking about a large savings.

A substantial part of the cost of \$ 1 30,000 for the SCADA can be saved by concentrating on repairing and upgrading the far simpler and easy to maintain well and tank level controls. Any additional enhancements to the control systems should undergo rigorous cost benefit analysis to make sure they pay for themselves in decreased maintenance and increased reliability. From a major supplier's literature "SCADA systems are used to automate complex industrial processes where human control is impractical - systems where there are more control factors, and more fast-moving control factors than human beings can comfortable manage." - this is not a description of our water system

**RENEGOTIATE** the grant loan package with USDA/RD at a level reflecting the downsizing above. For example a \$150,000 grant and \$250,000 loan. Assuming that RD will continue to ignore USDA-RD guidelines for eligibility, the grant portion would fully cover the money wasted on the PER and environmental reviews.

**VOTE** We now know two additional facts about the USDA-RD loan. The program is for poverty and near poverty communities so it is unclear whether Ponderosa with 85% second homes really qualifies. The loan is callable by RD at any time they decide that we are able to obtain a commercial loan at commercial rates. This makes it wise to have an election of all PCSD users. A YES vote if they prefer to accept the renegotiated grant/loan or NO vote to accomplish the repairs and upgrades over time with the funds generated by the recent rate increase.

Bottom line, I am asking the board to consider a mid-course correction. We know more about this project now than we did last summer. You are all intelligent people. Intelligent people reconsider decisions when faced with new facts.

Thanks for your attention and I will be glad to respond to questions directed to me or to listen to any other comments and opinions.

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Mr. Doty – is impressed with Mr. Smith's credentials and would have liked to have Mr. Smith give input at the beginning of this process.

Mr. Benton wants Mr. Smith to understand that the early meetings had as many as 30 property owners present. The board has been asking the community for input all along.

Mr. Smith had family obligations and was unable to participate in those initial meetings.

Mr. Smith questioned how the Ponderosa community managed to qualify for this loan from USDA-Rural Development...the previous board (prior to 2011 election) provided the information to USDA that created the qualifications for this grant/loan. The current board does not know what criteria the USDA used in their determination of eligibility.

Mr. Smith requested that the board put the water system improvement project to a YES or NO vote of all current water users. He understands that this is not required, but the board has the option to do this even though it is not required. The board acknowledges Mr. Smith's concerns, but chooses not to put this current water system improvement project up for a YES or NO vote of all current water users.

To address one of Mr. Smith's points – the SCADA system as outlined in the original PER (by Provost & Pritchard) has been reduced in the preliminary plan (by 4 Creeks).

Mr. Dolmovic – appreciates Mr. Smith's abilities and feels his comments are constructive; Mr. Dolmovic respects Mr. Smith's opinion and wishes Mr. Smith had gotten involved at the beginning.

Mr. Smith would like it noted for the record that the board is not willing to reduce the tankage at Summit and is not willing to put the project to a vote, but is working on reducing the proposed SCADA system.

The board invites and encourages Mr. Smith to join and participate in project discussions.

Mr. Smith – is anyone concerned about the call-ability of the loan?

Answer – no

Mr. Smith – how did the PCSD qualify as low income?

Answer – the board does not know what criteria was used by the USDA. The previous board provided the information as requested by the USDA. The improvement of the water system and pursuit of possible funding has been an ongoing concern for all PCSD boards of directors.

The board again thanked Mr. Smith for his time, for coming to the meeting and for his presentation.

The date for the next regular Board meeting will be **Thursday April 12, 2012 at 1:00 p.m.** in the District Building.

The meeting adjourned at 2:40 pm

Respectfully submitted,  
Jennifer Robertson – board secretary