

Ponderosa Community Services District

Minutes of meeting
October 11, 2012

Present:

Directors: D. Doty, C. Marchant, M. Moroney, B. Benton (12:45 pm)

Absent: Barbara Dolmovic

Staff: T. Griesbach, J. Robertson, D. Robertson, M. Towfiq, volunteer J. Parminter (1:00 pm)

Absent staff: none

Guests: B. Arnold, George Tsapanos, Sharon Lanagno, Kat Harris (1:58 pm)

It was determined there was a quorum of directors was present and the meeting was called to order at 12:34 p.m. followed by the flag salute. The president welcomed the guests. Director Bill Benton arrived at 12:45 pm, it was noted that Director Barbara Dolmovic was out of town.

Comments from the Public

None

Communication

from S. Witherow via email on 9/13 a letter stating the PCSD was in violation of Brown Act requirements in the posting of the Aug 30, 2012 special meeting with a demand to cure and correct – forwarded to the attorney for review and response *Per advice of counsel the actions of the special meeting will be reviewed and validated at this meeting to ‘cure’ the late posting*

from S. Witherow email string beginning on 9/19 regarding previous request for 2012-2013 amended budget *The amended budget will be discussed during the Treasurer’s report – following any decision made, Mr. Witherow will be properly notified*

from S. Witherow via email on 9/23 a letter stating his interpretation of future USDA loan payments, allocation of water rate income and lack of funding to make annual loan payments with a request for the Board to place his item of financial concern on the agenda. *The board declines to place the item, as Mr. Witherow outlines, on any future agenda.*

from S. Witherow email dated 9/25 requesting status of his request for bank reconciliation documentation. *There was discussion, with the Treasurer explaining why a standard checking account reconciliation is not required by Mr. Hylton for the annual State audit report. All monies into the bank account come from Tulare County. All expenditures from the Union bank account go through the same voucher payment process as if the bill was paid through the County – therefore all transactions already go through the same review and tracking process. All bank statements are reviewed by the treasurer and any outstanding transactions observed. The statements are then set aside in a file to be sent to Mr. Hylton in order to perform the annual audit. If the board desires to create a reconciliation process, Mr. Hylton suggests that the treasurer simply staple the voucher payment request copies of any outstanding transactions to that statement. Mr. Hylton sees no need to create an additional spread sheet or other tracking method since it would be redundant accounting. The General Manager reported that, at a governance workshop, a similar issue was addressed. A government entity is not required to create a document or procedure simply because a member of the public requests it. Since the professional CPA auditor is telling the board that the current Union bank procedure is sufficient and creating any new procedure would result in additional work for an employee and once a procedure is started it will need to be continued in the future even if found to be redundant, he recommends the board not to require a new reconciliation procedure. Following some further questions from board members, it was determined that the current procedure of reviewing the bank statements for outstanding transactions was sufficient to meet the requirements of the CPA auditor and the State review, therefore no new procedure are required. Mr. Witherow will be informed there is no such reconciliation documentation as he requested to provide to him.*

From S. Witherow email dated 9/25 requesting the board to stipulate that the PCSD does not have the following programs in place and that is why he has not been provided with the requested documentation for Hazardous Energy Control, Heat Illness and IIPP programs. *These documents will be addressed by Mr. Griesbach during the General Manager's report*

From S. Witherow email dated 9/25 asking if the Hazardous Material Communication Plan is available yet – forwarded to General Manager *This will be addressed during GM report*

From S. Witherow 9/30 request for 2012-2013 amended budget and a request for financial documentation from July and August regular meetings *These items will be addressed in the secretary and treasurer reports*

President Comments

Would like to discuss moving the current water storage tank at Summit to the Holby well site once a new larger water storage tank is placed at the Summit – this option needs to be cleared with the USDA engineer and representative Lisa Butler. Mr. Doty and others on the board will do research. The secretary will check with PCSD attorney to see if the old tanks at the Holby well site can be given to a community member once they are no longer in use.

Minutes from previous meeting(s)

It was moved, seconded and passed to accept the minutes of the September 13, 2012 regular meeting as written.

On September 13, 2012 Mr. Witherow sent, via email, a complaint about the agenda for the special meeting of August 30, 2012 not being posted in a timely manner per Brown Act requirements. The President and secretary acknowledge that the agenda for the 8/30 special meeting was not posted to the website 24 hours prior to the special meeting and that due to circumstances at the time the meeting was held anyway. Per the advice of district counsel, to exercise and abundance of caution, the acceptance of Aug 15 special meeting minutes and the closed session business that was conducted at that Aug 30 special meeting will now be reviewed, validated and reported.

There was a brief discussion that this motion was recommended by our attorney due to a complaint from Mr. Witherow, even though the California State legislature has temporarily suspended the posting requirements of the Brown Act. There was further discussion that the minutes in question were deemed correct at the August 30, 2012 special meeting – therefore the motion to accept them should be validated. It was also noted that the decision to authorize the payment to Schöllhammer was held during a closed session and was already in process upon receipt of Mr. Witherow's complaint. While it is regrettable that the notice was not posted in a timely manner, the closed session business would not have been available for public participation and therefore the action should be validated.

It was moved and seconded to validate the acceptance of the August 15, 2012 special meeting minutes and the authorization of the payment to Dr. & Mrs. Schöllhammer for the Summit tank easement expansion. The motion carried unanimously.

Secretary Report

The secretary reported that there was a personal computer hard drive failure – most district files were backed up to a flash drive, the few recent documents that were not backed up have been recreated (a couple of resolutions and the approved version of Aug. minutes [from the pdf draft version on the website]) – as far as can be determined to date, nothing seems to be missing.

The website was not updated after the September meeting because of the computer problems. It is now current.

Mr. Witherow requested the financial packets from August and September meetings, in the shuffle of replacing the computer, the packet from September was misplaced and cannot be located – there are not electronic versions of the documents in the packet. The files in the office will be checked for another copy and when found will be sent after this meeting with today's packet.

Mrs. Robertson and Mr. Griesbach are registered for an ethics training session put on by RCAC in Visalia

Reports

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

Regarding the amendment of the 2012-2013 740-water budget, the treasurer reported that she has been unable to write the amended budget because she is waiting for the answers to some procedural questions from the county and the CPA.

The treasurer recommended that the board rescind the amendment until procedural questions are answered. The board had determined to amend the water portion of the 740 budget in response to questions from Mr. Witherow about the setting aside of monies in a reserve asset account as directed in the loan agreement with the USDA. While these are valid concerns, the treasurer has not received responses to request for guidance on how to account for a reserve asset account or any other loan funds. The county needs to respond about whether the PCSD will be given a new restricted fund (similar to the current 735) for the reserve asset account and loan payment or if it will need to be included in the current 740 fund. Additionally, she needs direction from Mr. Hylton on how to record the accounting of these monies. Since there is not a current USDA loan, there is time to wait for the answers to these procedural questions and not set up something that will have to be changed later.

It was moved, seconded to rescind the August 15, 2012 board decision to accept an amended 2012-2013 budget until certain procedural questions have been answered. There was a brief discussion with the general consensus being it is better to set up the funds/accounts correctly than to change them in the future. The motion carried. A budget amendment or new fund budget approval will be revisited in the future and before the USDA loan closes.

Mr. Witherow will be informed of this new decision and that there is no budget amendment to provided him at this time.

Monthly report – most business as usual. The activity in the 735 fund was due to the Holby repair and Schöllhammer payment

The Schöllhammer payment was not originally part of the 735 budget. There is money available in the 735 contingency line. The payment for an easement expansion is considered a capital improvement to the water system. The treasurer recommended that the board authorize the transfer of \$10,000 from 735 contingency to 735 line 5000 (Building and Improvements) to bring the 735 fund back into balance.

It was moved, seconded and passed to accept Resolution 2012-80-A authorizing the transfer of funds from 735/contingency to 735/5000.

Another result of the computer hard drive failure was a delay in the treasurer receiving Resolution 2012-79-A authorizing the dispersal of funds from 735 to pay invoices related to Holby well site

repairs. The payments were made instead from the 740 fund. The accounting has already been corrected at the county and the financial spreadsheets in the director packets are correct – only the voucher log does not yet show the corrections.

The annual audit is in process with Mr. Hylton and should be done soon

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

- Financial Coordinator
Nothing to add

- General Manager
The Hazardous Communication plan was sent to Mr. Witherow

Mr. Griesbach has an appointment to meet with the USDA next Thursday to ‘fine tune’ the Emergency Response Plan

The secretary will retype the employee drug plan

GM has been in touch with Schöllhammer’s son/attorney, he thanked the PCSD staff for keeping in touch with him and providing contact names/numbers at the county while waiting for the payment to be issued for the easement.

The Hazardous Energy Control and Heat Illness Prevention programs are in process, they need to be tailored specifically to PCSD situations and conditions. Mr. Griesbach has been in contact with an OSHA representative that told him to build up to compliance with all these programs since they were not in place when PCSD assumed operation of the water system.

Still waiting for the latest notice from FEMA

- Water Manager

September usage

Current usage	Last Year
563,330 gallons/month	412,330 gallons/month
18,172 gallons/day	13,765 gallons/day

185,500 Gallons transferred from Holby
310,000 Gallons pumped from Fawn
94,830 Gallons pumped from Lake

There was a leak at Holby well site, dug up 4” concrete and repaired pipe.
New locks have been installed on all well sites

- Water Coordinator
At September meeting WM was directed to replace copper pipes in PCSD building to see if this affected lead testing results – it was discovered that the PCSD building has steel pipes – so piping is not the source of lead contamination. WM has purchased a new faucet for the sink; apparently faucets manufactured in China may be a source of lead contamination. The county has directed PCSD to retest only the PCSD site.

Black top will be repaired before freezing weather

The project done list has not yet been created

The WC was authorizing the installation of 9 water meters at a cost of \$350.00 each to be done by water manager and J. Parminter.

Another possibility for reducing the overall cost of the water system improvement project is to look at 1 variable speed pump, have a 4 inch hydrant placed at the street – tied directly to the new tank, not the water system. Parts can be obtained by Dennis Lack and labor can be provided by staff and other local contractors. Need to check with USDA if this option is acceptable.

The Holby well site access document has not yet been provided to the PCSD by the Forest Service.

- Snow Monitor
No snow

Snow Coordinator – snow removal contractor is unavailable; 2013-2014 contract negotiation will be carried forward

High Sierra Snow Removal has submitted their request for the annual \$25,000 draw against the current 2012-2013 snow removal contract. It was moved, seconded and passed to authorize payment of the draw request.

- PPOA/PCSD Liaison
Liaison not present
- Committees
Nothing new to report

Director Comments

As noted at the September meeting, small Aspen trees growing up from under the PCSD building foundation need to be removed – WM directed to do as soon as possible.

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 – request for plans
- Update water ordinance 99W
- Obtaining an easement from the Forest Service for access to Holby well site – waiting for final document
- **Status on water system improvement project**
Due to the delay of water system improvement project, the current RCAC loan will need to be extended; this item will appear on the November or December agenda.

New Business

- Discussion and development of an independent contractor agreement – treasurer directed to research and bring proposal to next meeting – item carried forward

The date for the next regular Board meeting will be **Thursday November 8, 2012 at 12:30 p.m.** in the District Building.

Respectfully submitted,
Jennifer Robertson – board secretary