

Ponderosa Community Services District

RESPONSIBLY PROVIDING PURE MOUNTAIN WATER AND EFFECTIVE SNOW REMOVAL

Minutes of Special Meeting

December 22, 2018

Present:

Directors: D. Doty, R. Cope, L. Gray and P. Cohen (via telephone conference call)

Staff: T. Griesbach, J. Robertson

Guest: A. Bozanich, B. Dolmovic

The meeting was called to order at 11:00, followed by the flag salute.

President Comments

Mr. Doty thanked everyone for being here today.

This special meeting is to address one specific action item. No other district business will be discussed or acted upon during this meeting.

Comments from the Public

None

Business

Due to a miscommunication, the final snow removal contract terms were not agreed to by both the contractor and the board of directors. At this time, there is not a valid contract in place for the current snow removal season. However, High Sierra snow removal has already cleared snow.

The General Manager, Mr. Griesbach negotiated the contract terms with Mr. Dolmovic. Mr. Griesbach said he could defend Mr. Dolmovic's request for an annual 3% increase in his contract amount as very reasonable. Mr. Griesbach bases this on his own business experience and does not believe it puts the PCSD snow reserves in jeopardy.

At the November meeting, Mr. Griesbach brought the negotiated terms to the board. The November minutes reflect that the board wanted to have a 2 year contract with an optional 3 year to be continued at the same rates. That change to Mr. Dolmovic's original proposal for 3 years did not go back to him for his approval. When Mr. Dolmovic was finally sent a revised copy, it included his signature from his original proposal. He was not given the opportunity to review the revised contract and agree to its terms. There were other clerical mistakes in the final version of the contract, which along with contract term discrepancy, rendered the contract void.

Mr. Dolmovic presented his original proposal, to which he believed the board had agreed. The principle points of contention are item #7 the length of the contract term (2 years versus 3 years) and the possible amendment of terms with the district being able to cancel the contract if no agreement it reached; And item #9 the annual 3% increase to total cost of snow removal.

The board wants an annual review of the actual increase, not have it be an automatic amount. Mr. Dolmovic clarified that the increase is based on the total amount of actual snow removal costs. For instance, if the total snow removal costs for a season were \$58,000.00, then 3% would be an additional \$1,740.00 – for a total bill of \$59,740.00.

After much debate between directors and the contractor about costs versus income, actual snowfall amounts, average snowfall amounts versus abundant snowfall, and actual totals billed for snow removal, the following terms were suggested.

Item 7 will read as follows: This Agreement may be modified or amended at any time by the express written consent of both parties. The parties further agree that although the term of the contract is for 3 years, the cost items will be reviewed annually by the parties and are subject to re-negotiation.

Item 9 will read as follows: It is mutually agreed that the District shall pay Contractor a minimum payment of thirty-five thousand dollars 35,000.00 base for each 2018-2019, 2019-2020, and 2020-2021 snow season. After the first year of the contract, a base increase of +/- 3% will be added to the total actual cost of snow removal; subject to review and agreement of both parties. A twenty thousand (\$20,000.00) working capital draw shall be provided by the District prior to October 1st of each year.

The contract will be for 3 years: 2018-19 season, 2019-20 season, and 2020-21 season, ending in May 2021. The guaranteed minimum for each season is \$35,000. High Sierra Snow Removal will get a \$20,000 draw at the beginning of each snow season. Snow removal invoices will be billed against this draw until \$20,000 is reached, then invoices will be paid as presented and approved.

Snow removal on Ponderosa community roadways will be done to the standards stipulate in Exhibit A of this contract.

The hourly cost of snow removal equipment will be as follows:

For 0 to 13 feet of snow: \$190.00/equipment hour, regardless of equipment used

For all snow over 13 feet: \$160/equipment hour, regardless of equipment used.

\$65.00 per hour for miscellaneous labor (ex. Cutting trees out of road ways)

**As stated in item 9 of the contract, following the 2018-2019 snow season, a base increase of +/- 3% will be added to the total actual cost of snow removal; subject to review and agreement of both parties.*

It was moved by D. Doty to accept the snow removal contract as amended, negotiated, and clarified. The motion was seconded. As there was no further discussion, the motion carried by the following vote.

Aye – 3, Nay – 0, Abstain - 1

The final contract will be created and email to Mr. Dolmovic for his review prior to signing. The secretary was also directed to write Mr. Dolmovic a formal apology letter,

Adjourn 12:30 pm

The next regular meeting will be Thursday January 10, 2019 at 12:30 pm in the district building.

Minutes prepared by
Jennifer Robertson
Board Secretary