

GREENHORN CREEK COMMUNITY SERVICES DISTRICT
MINUTES OF THE BOARD OF DIRECTORS
June 19, 2008

A meeting of the Board of Directors of the Greenhorn Creek Community Services District was held on June 19, 2008, at the Greenhorn fire station. Persons in attendance included:

Board Members: Susan Lake, Candy Miller, Roy Mills, Brian Morris
District Staff: Roy Carter, Susan Scarlett

1. Approval of Minutes

Upon a motion made by Roy Mills, seconded by Susan Lake, and approved on a vote of three to zero with Candy Miller abstaining, the minutes from the meeting of May 15, 2008, were approved with one correction.

2. Public Comment Opportunity

A resident addressed the board regarding concerns over conditions and uses on a neighboring property. Mr. Carter explained that the jurisdiction of the Community Services District was limited to the fire department and the community water system and did not include enforcement of Plumas County codes or any Greenhorn subdivision CC&Rs.

3. Finance Report

Susan Scarlett presented the financial report. As of June 15, Water Department revenue was \$112,421 and expenditures were \$82,170; Fire Department revenue was \$23,523 and expenditures were \$22,588; cash on hand was \$272,288.

Ms. Scarlett presented the draft budget for 2008-09. Following discussion, upon a motion made by Roy Mills, seconded by Candy Miller, and unanimously carried, the Board approved the preliminary budget with the addition of a 3.9% cost-of-living adjustment for Roy Carter. The public hearing on the budget and final adoption are scheduled for the July board meeting.

Ms. Scarlett presented a proposal from Bob Johnson, CPA, to provide outside audit services for the District at a flat fee of \$4,500 for the District's annual audit. Following discussion, upon a motion made by Brian Morris, seconded by Roy Mills, and unanimously carried, the Board approved the proposal and authorized the General Manager to sign an engagement letter with Mr. Johnson.

Mr. Morris presented a proposed travel and expense reimbursement policy for the District. The policy was tabled until the July meeting to give the Board members an opportunity to review the proposed policy.

4. Water System Report

Mr. Carter reported that the water system was operating properly and presented a draft of the 2007 Consumer Confidence Report that will be distributed to all customers.

Mr. Carter reported that he was scheduled to meet with Shaw Engineering on June 25 to review the bid package for the Phase 1 water system work and the engineering agreement for the Phase 2 work.

Mr. Morris reviewed questions that had been raised by some residents regarding the start of water service billing upon issuance of a will-serve letter, particularly where construction of a new home was delayed for some reason. Mr. Morris stated that the current policy had been implemented at the time the capacity fee was put in place for new connections. Mr. Carter stated under the previous policy, water service billing started upon occupancy of new residence, but there were problems with people moving into homes unnoticed, as well as the issue of water use during home construction.

It was noted that under the current policy a customer whose construction was delayed could return a will-serve letter and thereby terminate further water bills. Following discussion, upon a motion made by Brian Morris, seconded by Candy Miller, and unanimously carried, the Board agreed to revise the District's water policy by clarifying that when a customer returned a will-serve letter for an unimproved lot, any capacity fee paid to the District would be refunded upon the District's cancellation of the will-serve letter.

Mr. Morris reported that he had reviewed the Uniform Standby Charge Procedures Act and that mailed notice and a public hearing were required to adjust the current standby charge for unimproved lots, which would be difficult to complete by the August 10 deadline for putting charges on property tax bills. Mr. Morris stated that the current standby charge was put in place before Proposition 218 and that he also wanted to review procedures other districts may have used for standby charges in order to comply with Prop. 218. It was the consensus of the Board to look at adjusting the standby charge for 2009.

5. Fire Department Report

Mr. Carter reported that five volunteers participated in training on June 10 and that the Fire Department responded to one medical call during the month. Substantial maintenance was performed on Engine 8325, including installing on-board charging units for the department's hand-held radios.

6. Transition Issues

Mr. Morris reported that there were no applicants for the vacancy on the board of directors.

7. Adjournment

The meeting adjourned at 8:20 p.m. The next meeting is scheduled for Thursday, July 17 at 7:00 p.m.

I, Brian L. Morris, Secretary of the Board of Directors, certify that the foregoing minutes of the Greenhorn Creek Community Services District Board of Directors are correct as recorded.

/s/ Brian L. Morris

Brian L. Morris, Secretary