

**GREENHORN CREEK COMMUNITY SERVICES DISTRICT
MINUTES OF THE BOARD OF DIRECTORS**

August 18, 2011

A meeting of the Board of Directors of the Greenhorn Creek Community Services District was held on August 18, 2011, at the Greenhorn fire station. Persons in attendance included:

Board Members: Candy Miller, Brian Morris, Marlynn Jordan, David Schmid

District Staff and Volunteers: Roy Carter, Susan Scarlett, Carl McDonald

Fourteen members of the public

1. Approval of Minutes

Upon a motion made by Brian Morris, seconded by David Schmid, and unanimously approved, the minutes from the regular meeting on July 21, 2011, were approved as presented.

2. Public Comment Opportunity

There was no public comment.

3. Road Association Annual Meetings

The Board of Directors recessed its meeting and the annual meetings of the Unit 1 and Unit 2 Road Associations were called to order.

Road Association Members in Attendance:

Janice Bishop
Roy Carter
Gayle Higgins
Marlynn Jordan
Susan Lake
Carl McDdonald
Carol McDonald
Candy Miller
Lester Miller
Brian Morris

Norma Reece
Bill Reece
Frank Madden
David Schmid
Joanne Segoria
Steve Segoria
Guy Senter
Paul Smith
Mike Summerfield

Roy Carter, the General Manager of the Community Services District, reported on the expenditures for each Road Association for the 2010-2011 fiscal year.

Mr. Carter also explained the Road Maintenance Agreement that the two Road Associations had entered into with the CSD, which provided for the CSD to administer

all road maintenance activities. Under the agreement, Mr. Carter is compensated for 7 hours of work each month for each unit.

Mr. Carter also reported on efforts to collect past-due road association dues. The CSD has started filing actions in small claims court. The first case went to court in July and the property owner agreed to make payments. The judge did not issue a final decision but ordered the property owner to return to court in 60 days for a review on the progress of payments. A second case against another past-due account is scheduled to be in court on September 16.

In response to a question from Guy Senter, Susan Scarlett stated that the road association bills are due and payable upon receipt. Mr. Senter suggested that a specific due date be stated on each bill.

Steve Segoria asked whether the lots on the paved section of Greenhorn Road would continue to receive a discount on the road association dues. It was the consensus of the members present that the 50 percent discount for lots with direct access to the paved road should continue until different direction is provided by the Unit 2 members or board of directors.

Mr. Carter presented the proposed budget for Unit 1 for fiscal year 2011-12, which continued the dues at a rate of \$150 per lot. There was consensus among the Unit 1 members to adopt the budget as presented.

Mr. Carter presented the proposed budget for Unit 2 for fiscal year 2011-12, which continued the dues at a rate of \$165 per lot. Janice Bishop objected to the proposed dues and stated that the dues should be the same as for Unit 1. Discussion followed regarding the additional road mileage for Unit 2 and the terrain in Unit 2, both of which require more time and materials for snowplowing and maintenance.

Mike Summerfield asked whether money was available in the budget to repair street signs. There was consensus to add a \$500 line-item for work on the Unit 2 signs.

Following discussion, the Unit 2 members present agreed to adopt the budget as presented, with the clarification that \$500 would be committed to repair of street signs.

Mr. Carter solicited volunteers to serve on the boards of directors for the two Road Associations. Lester Miller volunteered to continue to serve as president of the Unit 1 Road Association. Gayle Higgins volunteered to serve as Treasurer for Unit 1. The Unit 1 members elected Lester Miller and Gayle Higgins by acclamation.

Mike Summerfield volunteered to continue to serve as president of the Unit 2 Road Association, and Guy Senter volunteered to continue to serve as treasurer. The Unit 2 members elected Mike Summerfield and Guy Senter by acclamation.

Mr. Carter reported on efforts to permanently consolidate the road associations into the Community Services District. Among the benefits of consolidation were:

1. Eliminating the two boards of directors for the road associations and having a single, publicly elected board of directors for the CSD.
2. Cost savings and efficiency by eliminating multiple insurance policies for the CSD and road associations.
3. Eliminating three sets of books for financial records.
4. Bringing the road functions under a public agency, along with the requirements for open meetings, public availability of records, and an annual audit.
5. Improved collection of road maintenance funds by placing the charges on the property tax rolls.

Roy Carter and Susan Scarlett have been working with the CSD's outside attorney to determine the feasibility and cost of consolidating the road association functions into the CSD. To establish a special assessment in place of the road association dues, one of the legal requirements is a report prepared by a registered engineer, which was estimated to cost between \$5,000 and \$10,000. There would also be \$5,000 to \$7,000 in attorney fees to establish an assessment district, as well as another \$5,000 in fees to go another step and formally dissolve the road associations. However, with the amount of outstanding dues in each road association and the time required to pursue individual accounts through small claims court, the consolidation costs would be justified by the long-term improvement in collection of road funds. It was the consensus of the members present to continue to pursue this process.

The annual meetings of the Road Associations adjourned, and the meeting of CSD board of directors reconvened.

4. Uniform District Election

Brian Morris reported that the four incumbent members of the board of directors had filed papers with the County Clerk for the Uniform District Election in November. Since none of the board seats are contested, there will be no election and the County Clerk will issue certificates to the board members for their new terms. There is still one vacancy on the board for a term that ends in December 2013.

5. Finance Report

Roy Carter presented the financial report. As of August 15, cash on hand was \$180,627. Water Department expenses were \$13,251 and income was \$26,178. Fire Department expenses were \$3,713 and income was \$0. Upon a motion made by Brian Morris, seconded by Candy Miller, and unanimously approved, the Board accepted and filed the monthly finance report.

Mr. Carter reported that he had issued 10-day shutoff notices to all overdue accounts. With resumption of work on the water meter project, priority will be to install meters and lockouts on customers with overdue accounts.

Brian Morris reported that he had spoken with Susan Scarlett about designating funds for use in future years, such as saving money to replace fire department equipment when safety standards require replacement. Under new guidelines from the Government Accounting Standards Board, these types of funds can be designated on the books as "assigned fund balance."

Brian Morris presented resolutions to continue the water standby charge at the same rate as the prior year and requesting that Plumas County collect the water standby charge and fire assessment on the property tax bills. Upon a motion made by Brian Morris, seconded by Candy Miller, and unanimously approved, the Board adopted **Resolution 2011-7463**, Continuing the Water Standby Assessment at the Same Rate for FY 2011/2012. Upon a motion made by Candy Miller, seconded by David Schmid, and unanimously approved, the Board adopted **Resolution 2011-7464**, Requesting Collection of Charges on Tax Roll for the water standby assessment and fire assessment.

6. Water Department

Roy Carter reported that a leak was repaired on Rideout Trail. Work on Well No. 1 is complete and everything is working well.

Two responsive bids were received to complete work on the water meter project. Wilburn Construction is the low bid, and contract award is awaiting approval of the contractor by U.S. EPA and the California Department of Public Health. The surety has already approved the contractor.

7. Fire Department Report

Fire Chief Carl McDonald reported that the fire department responded to one medical call and one fire. Assistant Fire Chief David Schmid spotted an early morning fire near the intersection of Greenhorn Road and Red Bluff Trail and suppressed and monitored the fire until the Forest Service arrived and assumed responsibility for the scene. The Forest Service is investigating the cause of the fire.

David Schmid reported that two members of the Fire Department would be attending vehicle extraction training in Chester.

Chief McDonald submitted a letter of resignation effective October 31. The resignation comes at the end of 20 years of service to the community as a member of the Fire Department. Chief McDonald recommended Assistant Chief David Schmid to be his replacement. Candy Miller accepted the letter of resignation with regret and thanked Chief McDonald for his contributions to the Fire Department and Greenhorn Community.

8. Adjournment

The meeting adjourned at 9:05 p.m. The next meeting is scheduled for Thursday, September 15, at the fire station.

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