



# COMMUNITY SERVICES DISTRICT

## GRCS D Special Board Meeting Minutes

The Outpost, 300 Club House Dr., Portola CA 96122

December 18, 2018 Tuesday / 9:00 am

**REASONABLE ACCOMMODATIONS:** *In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact Grizzly Ranch CSD Staff or Board Directors. Notification 72 hours prior to the meeting will enable us to make reasonable arrangements to ensure accessibility.*

Call in is available for this meeting:

<u>User Name</u>	<u>Participant Code</u>	<u>Toll Free Dial-In</u>	<u>Toll/Int Dial-in</u>
Grizzly Ranch CSD	8535951	1-866-906-0040	1-857-288-2640

**A. Roll Call:** President Jim Miller, Vice-President Vici Downing, Director Mark Roberts, Director John Reynolds present. Director Alex Hickman absent. A quorum thus established. General Manager Aaron Corr, Project Manager Daniel Smith and Office Administrator Brandy Allingham also in attendance.

**B. Call to Order: 9:01 a.m.**

**C. Approval of minutes from last meeting(s):** December 14, 2018 Special Closed Session Board Meeting. Motion to approve the minutes as presented so moved by Vice-President Vici Downing, seconded by Director Mark Roberts and passed unanimously by roll call vote.

**D. Public Comments:** NA

**E. Special:** Review and consider approval options for the wastewater retrofit project financing.

General Manager Aaron Corr introduced Project Manager Daniel Smith to update the Board on the progress and financing term options for the Wastewater Project.

Project Manager Daniel Smith began by overviewing for the Board the preliminary cost estimate spreadsheet for the Wastewater project. The cost estimates included the installation of the Orenco AX-Max Treatment System, modifications and repairs to the existing system, a first phase in residential STEP tank retrofitting, permitting and engineering. The maximum preliminary cost estimate of the project being \$899,430.00. Project Manager Daniel Smith referenced the fact that some items listed have already been completed, while other estimates can change based upon Regulatory approvals and Engineering adaptations regarding the project. He explained that the projected \$899,430.00 amount reflected a high estimate for each item which also included a non-typical 20% construction contingency. Project Manager Daniel Smith explained that both he and General Manager Aaron Corr recommend a loan amount of \$600,000.00 based on their familiarity with the project.

Project Manager Daniel Smith then reminded the Board that the Environmental Impact report for the wastewater system was approved and the CSD now has it in writing from the County.

Next, the State Regulators require a “ROWD” (Report of Waste Discharge), which is being produced by SHAW Engineering to be submitted by early January, wherein the State has 30 days to review and request any addition information.

Finally, Project Manager Daniel Smith reviewed the loan term options which were presented by Co Bank for the Grizzly Ranch Community Services District. Daniel Smith and the Board discussed the differences in each term option which included taxable and tax-exempt examples, pros and cons to early payoff options, and the possibility of obtaining a construction loan. A construction loan would allow for interest only payments, which would consist of a set monthly schedule, during the construction process.

Terms	Int rate tax exempt	Int rate taxable	Payment tax ex	Payment taxable	Annual payment estimate	Tax ex total cost	Total cost taxable	Int cost tax ex	Int cost taxable	Taxable Premium	12 Month construction loan
7 years	4.37%	4.75%	\$8,304	\$8,410	\$100,920	\$697,536	\$706,440	\$97,536	\$106,440	\$8,904	
10 Years	4.52%	4.90%	\$6,224	\$6,335	\$76,020	\$746,880	\$760,200	\$146,880	\$160,200	\$13,320	
12 Years	4.62%	5.00%	\$4,979	\$5,023	\$60,276	\$805,632	\$824,308	\$205,632	\$224,308	\$18,676	\$2,500
15 Years	4.72%	5.10%	\$4,658	\$4,776	\$57,312	\$838,440	\$859,680	\$238,440	\$259,680	\$21,240	

1. Low interest fixed rate loan has a penalty for early pay off equal to what the lender would have gained from original terms.

2. Early payoff option is available for a .71% increase in interest rate.

3. Phased pay off terms are available on 15 yr loan after five years interest increase is .60% and after 10 years is .49%.

Director Mark Roberts suggested that the CSD should think about having a reserve set aside of 6 monthly payments for the loan in the future.

Motion for the Grizzly Ranch CSD to obtain the 12-month construction loan so moved by Director John Reynolds, seconded by Director Mark Roberts and passed unanimously by roll call vote.

Motion for General Manager to obtain from Co Bank the loan of \$600,000.00 with the 12-year term, at the lowest negotiable interest rate moved by Vice- President Vici Downing, seconded by Director Mark Roberts and passed unanimously by roll call vote.

**F. Propose future agenda items:**

Revisit the Auto Allowance policy.

Motion to adjourn at 10:17 a.m. moved by Vice President Vici Downing, seconded by Director John Reynolds and passed unanimously by roll call vote.

Board President

Board Clerk

Date



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