



COMMUNITY SERVICES DISTRICT

GRCSD Board Meeting Minutes

December 15, Tuesday / 9:00 a.m.

On March 4, 2020, Governor Newsome declared a state of emergency due to the threat of COVID -19. In light of the ongoing threat of COVID-19, on March 12, 2020, Governor Newsom issued an Executive Order N-25-20 to temporarily grant state and local agencies certain powers to aid in the implementation of social distancing measures recommended by state and local public health officials. In accordance with Executive Order N-25-20, the Grizzly Ranch Community Services District Regular Board meeting scheduled on December 15, 2020 will be conducted remotely. Please refer to the call-in availability information for participation access to this meeting.

Call in is available for this meeting:

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

A. Roll call: President Jim Miller, Vice President Kathy Roberts, Director John Reynolds, Director Stephen Tange were present. Director Saefke was absent. A quorum was established. GRCSD Treasurer Bob Coler, General Manager Aaron Corr and Office Administrator Carol Logan were also in attendance.

B. Call to order: 9:02 a.m.

C. Approval of minutes from last meeting(s): September 15, 2020: President Miller presented the minutes from the last meeting, September 15, 2020. He invited questions or comments. He noted changes on page 3 section G.1, with the recommendation of changing previously stated 3rd day to 2 days to maintain integrity with existing ordinance. He called for a motion to approve and accept the September 15, 2020 minutes as stated. Director Tange motioned to accept the minutes with noted changes, Vice President Roberts seconded the motion and the motion passed unanimously by a roll call vote.

D. Public Comments: None

E. CONSENT CALENDAR – *Items listed on the consent calendar are considered routine in nature and may be enacted by one motion. If discussion is required, that particular item will be removed from the consent calendar and will be considered separately.*

- September - November 2020 Budget Reports:** General Manager Aaron Corr reviewed the budget reports for September – November 2020. GRCSD has relocated the principal payments of the CoBank to the Balance Sheet under liabilities per recommendations from our CPA in the FY19/20 audit. The Budget vs Actual report will show those items to be zero. However, General Manager Aaron Corr will maintain that amount in budget proposal as it will be expensed out of our operating budget. He stated that the CSD is at about 48% of our total budgeted amount for FY20/21. One impact on the budgeted items was the SCADA main computer server crash back in September/October, which was over \$9,000.00. SCADA/electrical maintenance contingency items were utilized in that repair. Note all annual fees, dues, subscriptions, permits, licenses and property taxes all paid in full and are 100% on those line items. A 5-month goal indicates GRCSD is still on course for the fiscal year.

President Miller called for a motion to accept and approve the September through November 2020 Budget Reports. Director Roberts made the motion, Director Reynolds seconded and the motion passed unanimously by a roll call vote.

F. General Business

1. **GRCSD Treasurer's Report:** GRCSD Treasurer Bob Coler, reported on the Investment Report for the Period Ending November 30, 2020 detailing interest earned for period ending November 30, 2020. Interest earned from par value to current value is .8 -1.4%. Fidelity accounts earning 10 basis points currently. Recommendations will be forthcoming from the working group in the next week for CDs maturing in late December 2020.
2. **GRCSD Finance Sub-Committee August 27, 2020 minutes submittal:** Questions for minutes as approved: since there were no questions the GRCSD Finance Sub-Committee August 27, 2020 minutes were accepted and filed.
3. **GRCSD Finance Sub-Committee report out:** GRCSD Finance Sub-Committee Chair Tange reported out on a Special Finance Sub-Committee meeting which was held on December 8th. The meeting included Representatives from Robert Johnson Accountancy to discuss the prior accounting treatment of expenses incurred during the retrofit phase of the wastewater project and how the expenses were represented on draft financial statements for FY19/20. The results of this meeting would introduce the following line item 4, for discussion and consideration for possible action by the GRCSD Board of Directors.
4. **Ownership and accounting treatment of Retrofit STEP Tanks discussion for possible action:** Bob Coler, GRCSD Treasurer reported out on the ownership and accounting treatment of retrofit STEP tanks. The GRCSD Finance Sub-committee met with GRCSD's Accounting Firm, Robert Johnson Accountancy Corporation regarding:
 - FY19/20 Draft financial statement already prepared expensing incurred cost
 - Merits of both treatments of expense or capitalize were discussed
 - Advocates of capitalization/depreciation want to ensure recognized expenses can be utilized to justify a sustained standby rate.
 - Goal is to do what is best long term for GRCSD
 - CPA would support either approach
 - If capitalization/depreciation is approved, the draft FY2019/2020 would require revision involving some additional CPA charges.

He illustrated the different effect on each treatment as to expense or to capitalize/depreciate over a 12-year period. His recommendation was to capitalize and depreciate.

President Miller called for Board comments and questions: Discussion was held. The Board decided that capitalizing/depreciating the retrofit phase of the wastewater project would benefit the CSD long term. The Board also referenced existing Resolution 2018-4 in which new build ownership and responsibilities would be maintained. The CSD would continue their responsibilities of routinely inspecting and maintaining STEP system pumping and control systems as well as overseeing and implementing solids pumping of the tanks.

President Miller discussed a need for a resolution to establish an accounting treatment for a retrofit program which involves a capitalization of all costs incurred and depreciation over the useful life for the asset. Also, to direct our accountant to do so, changing last year's financial statements. General Manager, Aaron Corr proposed a draft resolution 2020-4 Resolution of Grizzly Ranch Community Services District establishing the Accounting Guidance to Capitalize (and Subsequently Depreciate) the Districts Investment to Retrofit 53 Existing Grinder Systems with STEP Septic System, to be adopted at a special Board meeting.

President Miller called for a motion for a draft resolution as stated and to call a special meeting of the board to vote on adoption of the resolution. A motion was made by Director Tange and it was seconded by Director Reynolds. Motion passed unanimously by a roll call vote.

- 5. Review for amendment: Policy #7030 Accounts Payable/Check Processing:** Office Administrator, Carol Logan reviewed the amendment for Internal Control Policy #7030 Accounts Payable/Check Processing, noting changes in the A/P process from writing checks to the A/P accounting process in Quickbooks which records expenses more efficiently. One comment was to change the wording from Bookkeeper to Office Administrator.

President Miller called for a motion to amend Internal Control Policy #7030 Accounts Payable/Check Processing as stated. A motion was made by Vice President Roberts, it was seconded by Director Tange and the motion passed unanimously by a roll call vote.

- 6. Review for amendment: Personnel Policy #2900 Job Description: Office Administrator:** General Manager, Aaron Corr reviewed the amendment to Personnel Policy #2900 Job Description Office Administrator noting that the amended policy is condensed from the prior policy. It was noted that duties could be added as needed.

President Miller called for a motion to amend the Personnel Policy #2900; Job Description Office Administrator as stated. A motion was made by Director Reynolds, seconded by Vice President Roberts and passed unanimously by a roll call vote.

- 7. Operations Policy #3155 Budget Preparation review for adoption:** General Manager, Aaron Corr reviewed the Operations Policy #3155 Budget Preparation indicating the timeframe of budget proposals in May to allow enough time to present the budget to the Board for approval at the June Board of Directors meeting.

President Miller called for a motion to adopt Operations Policy #3155 Budget Preparation. Motion was made by Director Reynolds and seconded by Director Tange and passed unanimously by a roll call vote.

- 8. Operations Policy #3160 Fixed-Asset Capitalization review for adoption:** General Manager, Aaron Corr reviewed the Operations Policy #3160 Fixed Asset Capitalization noting that single item purchases with a useful life of at least one year and a value of \$5000.00 or more will be capitalized as a fixed asset. The purchase of fixed assets for less than \$5,000.00 will be expensed.

President Miller called for a motion to Adopt Operations Policy #3160 Fixed-Asset Capitalization. A motion was made by Vice President Roberts, seconded by Director Reynolds and passed unanimously by a roll call vote.

G. Water and Wastewater operations

- 1. September, October, November 2020 Water Reports:** General Manager, Aaron Corr reviewed Water operations reports for September through November 2020. He noted a difference of about 350,000-gallons per month for the District in water usage entering the fall/winter seasons. The Water Treatment Plants exterior was recoated in September. In October the SCADA main server failed and was replaced. The air compressor located at the water treatment plant had failed and was replaced at no cost due to a warranty protection plan. Batteries were replaced and a battery charger was purchased for the portable generators. The portable generators were also load tested. He also stated that Well 1P, which is currently offline to the potable water system due to Arsenic issues and utilized only for Golf Course Irrigation supplementation, had failed. The CSD will work with the Golf Course to look into the matter.
- 2. Wastewater Operations Report:** General Manager, Aaron Corr stated wastewater operations has maintained regulatory compliance. He explained that wastewater flows have also decreased with seasonal usage changes which will decrease operational demand and expenses for the period.

3. **Wastewater Project Update:** General Manager, Aaron Corr stated that GRCSD has finalized 8 grinder pumps to STEP Septic Tank retrofits in the district for this year utilizing wastewater project loan funds. He stated there is one more upgrade slated for the wastewater facility. He projected that including the facility upgrade, the CSD may be able to perform two more retrofits in the spring/summer of 2021, which would expend remaining loan funds available for the project.
4. **GRCSD Project List Review:** General Manager, Aaron Corr reviewed the Project List updating accomplishments for the period.

H. Report Out on Meetings attended by Staff/Board Directors

1. **CSDA Webinar entitled Assessments, Utility Rates and Fees**
2. **RCAC Rate Study training event**

President Miller gave a report out on the CSDA Webinar regarding Assessments, Utility Rates and Fees and the RCAC Rate Study Training Event which all Board members attended.

- I. **Rate Study Update:** President Miller reported out on the rate study update. GRCSD Treasurer, Bob Coler, indicated that during a working group session at GRCSD, that a five-year budget projection would be part of the GRCSD Internal rate study as it was being developed.
- J. **Form 700 and Director Trainings Update:** Office Administrator, Carol Logan reviewed the Form #700 and Director Training update indicating that the California Statement of Economic Interest Form #700 was due from all of the board members by April 4, 2021. She will be reaching out to the board members in January to complete the 2021 #700 forms and noted that ethics training, AB1234 has to be completed by board members every 2 years as well.
- K. **Propose future agenda items:** President Miller indicated that GRCSD Board will schedule a special meeting as soon as GRCSD gets the resolution regarding the capitalization/depreciation of the retrofits.
- L. **Move to Adjourn:**
President Miller called for a motion to adjourn. Director Tange made the motion, it was seconded by Vice President Roberts and passed unanimously passed by a roll call vote.
Meeting was adjourned at 10:55 a.m.