

Golden West Community Service District
P.O. Box 448, El Dorado, CA. 95623
www.gwcsd.org



July 11, 2015- Meeting Minutes for Golden West Community Services District
Regular Meeting, held at Fire Station 44
6109 Quartz Dr., El Dorado, CA 95623

1. Call to Order/Roll Call – President MacConnell called the meeting to order at 10:30 a.m. Board Members present were Ken Hasse, Diana Kaighn, Connaught Lindberg, Audrey Keebler and John MacConnell, constituting a quorum. General Manager Ed White and Secretary Marc Regelbrugge were also present. (Secretary’s note: Board Consultant Hope Leja joined the meeting at 10:34 a.m.)
2. Approval of Agenda – Hasse moved to approve the agenda as submitted. Kaighn seconded. The motion passed unanimously (5-0).
3. Consent Calendar –Kaighn requested to remove items (b) and (c) from the Consent Calendar. Hasse moved to approve Consent Calendar items (a) and (d) and reserve items (b) and (c) for Board discussion and action. Keebler seconded. The motion passed unanimously (5-0).

Discussion moved to item (b) El Dorado County Financial Reports. Kaighn informed that certain charges recorded as paid in the General Ledger (GL) did not appear to have been recorded as expenditures in the FY 14-15 GL. Kaighn also questioned an item appearing in the General Ledger, under Category 431 Expenditures, on 11/3/14 in the amount of \$981.75, as to whether the item should be categorized under the “Legal Services” Object Code (4313). Keebler took the action to review the object codes associated with these transactions, and noted that the County was not expected to close the books on FY14-15 until later in August, at which time the Object-Code specific accounting totals would be complete.

Regarding item (c), Kaighn questioned certain charges on the District Counsel’s invoice for June relating specifically to (i) a telephone discussion on 6/22 with a District resident, and (ii) documents provided to the attorney by Kaighn, and subsequent review thereof, on 6/19. The Board’s consensus was to make clear to the Attorney not to discuss District business with Residents, instead to forward their inquiries to the General Manager. Hasse moved to remove the Attorney’s billing from the Voucher Request and submit the remainder of the items for payment, and further to authorize Lindberg to make clear to

the Attorney not to discuss District matters with District residents unless authorized by the Board, but to refer any such un-authorized inquiries to the General Manager. Lindberg seconded. The motion passed unanimously (5-0).

4. Public Hearing: Appropriations Limitations Resolution 15-04 – After a reading of the proposed Resolution, Hasse moved to approve Resolution 15-04 adopting the Gann Appropriations Limitation of \$316,087 for Fiscal Year 2015-2016. Keebler seconded. The motion passed unanimously (5-0).

5. Public Hearing: GWCSO 2015-2016 Preliminary Budget Resolution 15-05 – Referring to the Preliminary Budget submitted to the Board in June, and questions resulting therefrom, Keebler informed the Board that discussions with the County had clarified that there was no required minimum for Contingency budgets, and that transferal of budgeted amounts from a Contingency fund to any Operating fund required a 4/5 vote of the Board in affirmation. The General Manager noted that one item on Attachment 1 of the Preliminary Budget should be annotated differently. Keebler agreed to correct. Hasse moved to approve Resolution 15-05 as submitted, with Attachment 1, Preliminary Budget, with corrected annotation. Keebler seconded. The motion passed unanimously (5-0).

6. Financial Report - Keebler presented the Financial Report, appended hereto. A member of the Public suggested adding a category for Income Received, in addition to Expenses Paid. The General Manager offered a correction to the first entry listing General Manager services; to substitute “May” for “April,” noting that the corresponding invoice for “May” had been listed subsequently. Keebler concurred with the requested change.

7. Payment/Voucher Process – The Directors discussed as follows:

- a) Keebler noted she had provided a detailed procedure, updated based on the discussion of the prior meeting, for incorporation in the Procedures Manual. The detailed procedure is in consonance with the outline procedure developed by consensus at the prior meeting.
- b) Kaighn noted that the mechanism for submittal of Director and Staff expenses was unclear.

The Board concluded that a form suitable for submittal of Board and Staff expenses should be instituted as a uniform standard reporting facility. Hasse took the action to provide a candidate format for an expense-submittal form for use by Directors and staff who might not otherwise produce proper invoices for payment.

8. General Managers Report – The General Manager reported on the following items:

- a) 2015-June-13 Pothole Repair Schedule of work: A contract with Doug Veerkamp has been signed and is due to start mid-August, depending on contractor workload.

- b) Crystal Blvd. Resurfacing 2015: The District Engineer and General Manager conducted a site inspection with California Pavement Maintenance, who offer a less expensive alternative to engineered fabric (Petromat) applications. Estimated cost for a single application was \$30,550, exclusive of asphalt repair, lane markings and traffic control. The General Manager noted that the process requires 12-14 hours lane closure, and the result is not expected to be as durable as the engineered fabric solution. Estimation of relative costs in discussion indicated approximately equivalent cost of the two approaches over the 20+ year expected service life of the engineered-fabric solution. The Board's consensus was to pursue the more expensive, more durable approach.

The Board discussed roadwork priorities among drainage ditch maintenance, encroachment development and maintenance (side roads onto main roads), and resurfacing of Crystal Blvd. The General Manager indicated roughly \$4,300/100 ft. cost to re-shape drainage ditches and line with 4-6 inch rip-rap. The Board requested the General Manager to develop a contract for drainage ditch work for consideration at the August meeting. Kaighn further moved to direct the General Manager and District Engineer to develop a contract for Petromat resurfacing of Crystal Blvd. from the cul-de-sac at the end of Crystal to Mica. Hasse seconded. The motion passed unanimously (5-0).

- c) Contact information associated with the districts internet domain name (gwcsd.org) needs to be updated with the domain name registrar. The Board requested the General Manager to work with Bill Kaighn to update contact information as needed.
- d) District envelope boxes at Mica, Pyrite and Pride Realty will be replaced. Two new boxes remain to be placed.
- e) The General Manager recommended that the next weed-spray contract be implemented in two, separate and complete applications as some weeds are returning after this year's single complete and spot follow-up applications.
- f) The General Manager requested direction on where election notices should be posted within the District in addition to the three envelope boxes discussed above.

9. New Ordinance 5: Culvert and Roadway Maintenance and Repair – Hasse noted that the draft documents need some revision after review by a CSDA Attorney. The CSDA Attorney is revising the documents accordingly. Hasse further noted that the District's CSDA membership entitles the district to one free hour of legal consultation per year, which was used for the review. Beyond that, the Attorney's services are billed at \$245/hr. Hasse hopes to offer revised documents for consideration at the next meeting.

10. Law Suit Update #1 – Lindberg reiterated the direction given to District Counsel at the June 12th Special Meeting's closed session, which was to file an answer to the Second Amended Cross-Complaint. The Answer was filed on June 17th. It constitutes a general

and specific denial of each and every Allegation and Cause of Action advanced by the Cross-Complaint, and offers four, supporting Affirmative Defenses. Some discussion ensued regarding the propriety of posting the Answer on the District's web site. No action was taken on this item.

11. Law Suit Update #2 – Kaighn reported on researching case documents at Superior Court, and noted that the June 8th Case Management Conference filing contained a statement made by the Cross-Complainants attorney stating that “Parties and the HOA have been trying to resolve case prior to serving all cross-defendant neighbors who are using Mica Street. A stipulation is being prepared and submitted for Mica Street defendants.” As the District is not presently in negotiations with Cross-Defendants, Kaighn's further research indicated that the District should prepare and send to the Court a letter setting forth the District's need to answer the Cross-Complaint and establishing the fact that the District is not in negotiation with Cross-Complainants.

12. Review Attorney Contract/Billing Invoices/Firm Options – Kaighn introduced the topic by questioning Girard & Edwards' performance, qualifications and rates relative to District matters, and noting that certain billed activities appear to be duplicated among partner and associate, that travel costs from the firm's Sacramento office have been high, and potentially excessive, and that the firm's published biographies do not appear to reflect experience relevant to the District's needs at this time. Kaighn broached the question as to whether the District should seek alternative representation. Subsequent discussion questioned whether the District had yet addressed issues of approach, propriety of ancillary costs and agreed-upon scope with the Attorneys. MacConnell indicated he and Lindberg would bring these issues and the Board's expectations to a discussion with the Attorney regarding the District's path going forward.

With reference to item 11, a plurality of Directors suggested that the Board draft a letter refuting the assertion of the Cross-Complainants' attorney regarding negotiations and preparation of a stipulation. Kaighn was tasked to assemble a list of points to be made in a letter to the Court regarding the statements made in the June 8th Case Management Conference.

13. Correspondence – The following correspondence was discussed:

- a) Keebler noted receipt of \$9.36 as a dividend from State Fund.
- b) Keebler further noted receipt of a letter from Girard & Edwards detailing their fee structure beginning August 1, 2015.
- c) Keebler acknowledged receipt of a letter from State Controller Betty Yee discussing 2014 government compensation in California report, due 9/28.
- d) MacConnell noted an e-mail received from a Dolomite resident inquiring as to the extent of the District's easement on Dolomite. This message was directed to the General Manager for response.

14. Director Reports – Kaighn announced the next Bylaws workshop, to be held Thursday, July 30th at 9:00 a.m. in the Diamond Springs-El Dorado Fire Protection

District's Station 49 Conference Room (501 Pleasant Valley Rd. in Diamond Springs, CA).

Kaighn also noted that various information regarding the lawsuit had been collected by several Directors, personally, and that such records were considered to be "personal" records. Kaighn suggested that the District should be keeping an official record of the lawsuit proceedings for reference by any Director or auditor. The Board agreed to create a Litigation Binder to collect all pleadings and non-privileged correspondence relevant to the lawsuit for Board reference. Kaighn was assigned the action to create the Binder collection.

15. Open Public Forum – No discussion.

16. Adjournment – Hasse moved to adjourn. Kaighn seconded. The meeting was adjourned by unanimous (5-0) vote at 1:58 p.m.

Respectfully Submitted,

Marc Regelbrugge
GWCSO Secretary

Attachments:

1. Financial Report Prepared for 11 July 2015 Board Meeting (1 page)
2. Revenues and Expenditures Summary Report – Period ended June 30, 2015 (3 pages)

Golden West Community Services District
PO Box 448
El Dorado, CA 95623

Financial Report Prepared for 11 July 2015 Board Meeting

Beginning Budget FY 2014-15	\$301, 639
Appropriation for Contingencies (subtract from total)	\$ 25,000
Total Remaining for Services and Supplies	\$276, 639

BUDGET ACTIVITY YEAR TO DATE from 6 July 2015 EDC Rev/Exp Detail

Object Code	Description	Estimated	Actual	Balance
4100	Insurance	2,500	3, 255	-755
4191	Road Maintenance	231, 499	33,898	197, 601
4197*	Maint/Supplies	0	20	-20
4220	Memberships	790	488	302
4260	Office Expense	1, 300	402	898
4300	Prof/Spec Services	21, 250	13, 895	7, 355
4303*	Road Maint/Const (Spot on Signs)	0	475	- 475
4304*	Agency Admin Fee	0	88	-88
4313	Legal Services	15, 000	16, 622	-1, 622
4400	Pub/Legal Notices	1, 500	458	1, 042
4420*	Rent/Leases Eqpt (PO Box)	0	92	-92
4440	Rent/Lease Bldgs	800	964	-164
4500*	Special Dept Expense	0	84	-84
4602*	Mileage/Employee	0	764	-764
4604	Mileage/Volunteer	2, 000	250	1750
Total Services and Supplies		276, 639	71, 648	204, 991

Invoices Paid in June 2015

4191	Jesse James, Fog Line Striping	500.00
4260	Audrey Keebler Reimb 1 & 1 Internet Services	76.97
4300	GM Services Ed White, May 1-31, 2015	750.00
4602	GM Mileage Ed White, May 1-31, 2015	48.30
4313	Legal Services April, Girard and Edwards, Inv 6066	1963.50
4100	SDRMA Property/Liability Insurance Inv 51263	1, 619.37
4400	Post Public Notice Mt. Democrat	20.25
4313	Legal Services May, Girard and Edwards, Inv 6109	1, 632.00
4300	Consultant Services May, Hope Leja	1, 041.25
4602	Consultant Mileage May, Hope Leja	26.80
4300	GM Services May, Ed White	237.50
4602	GM Mileage May, Ed White	23.28
4260	GM Reimbursement Office Supplies (thumb drives)	29.14

801116 Golden West - Community Service Districts

Revenues and Expenditures

Summary Accounting Period ended June 30, 2015

	Estimated / Budget	Actual Amount	Balance
801116 Golden West - Community Service Districts			
Revenue			
1 Taxes			
100 Prop Tax: Curr Secured	60,813.00	60,689.94	123.06
110 Prop Tax: Curr Unsecured	0.00	1,317.11	-1,317.11
120 Prop Tax: Prior Secured	0.00	-17.12	17.12
130 Prop Tax: Prior Unsecured	0.00	23.01	-23.01
140 Prop Tax: Supp Current	0.00	681.50	-681.50
150 Prop Tax: Supp Prior	0.00	325.37	-325.37
175 Tax: Special Tax	54,200.00	55,002.30	-802.30
1 Taxes	115,013.00	118,022.11	-3,009.11
3 Fines, Forfeitures and Penalties			
360 Penalty & Cost Delinquent Taxes	0.00	230.59	-230.59
3 Fines, Forfeitures and Penalties	0.00	230.59	-230.59
4 Revenue from Use of Money and Property			
400 Rev: Interest	0.00	721.37	-721.37
4 Revenue from Use of Money and Property	0.00	721.37	-721.37
5 Intergovernmental Revenue - State			
820 ST: Homeowner Prop Tax Relief	0.00	666.99	-666.99
880 ST: Other	0.00	1,953.67	-1,953.67
5 Intergovernmental Revenue - State	0.00	2,620.66	-2,620.66
22 Fund Balance			
1 Fund Balance	186,626.00	0.00	186,626.00
22 Fund Balance	186,626.00	0.00	186,626.00
Total Revenue	301,639.00	121,594.73	180,044.27
Expense			
30 Salaries and Employee Benefits			
3060 Workers' Compensation Employer Share	0.00	-30.96	30.96
30 Salaries and Employee Benefits	0.00	-30.96	30.96
40 Services and Supplies			
4100 Insurance: Premium	2,500.00	3,254.85	-754.85
4191 Maintenance: Roads	231,499.00	33,898.00	197,601.00
4220 Memberships	790.00	488.00	302.00
4260 Office Expense	1,300.00	402.00	898.00
4300 Professional & Specialized Services	21,250.00	13,895.35	7,354.65
4303 Road Maint & Construction	0.00	475.09	-475.09
4313 Legal Services	15,000.00	16,622.00	-1,622.00
4400 Publication & Legal Notices	1,500.00	458.14	1,041.86
4420 Rent & Lease: Equipment	0.00	92.00	-92.00
4440 Rent & Lease: Building & Improvements	800.00	964.12	-164.12
4500 Special Dept Expense	0.00	84.03	-84.03
4602 Mileage: Employee Private Auto	0.00	763.78	-763.78
4604 Mileage: Volunteer Private Auto	2,000.00	250.27	1,749.73
40 Services and Supplies	276,639.00	71,647.63	204,991.37

801116 Golden West - Community Service Districts

Revenues and Expenditures

Summary Accounting Period ended June 30, 2015

	Estimated / Budget	Actual Amount	Balance
77 Appropriations for Contingencies			
7700 Appropriation For Contingencies	25,000.00	0.00	25,000.00
77 Appropriations for Contingencies	25,000.00	0.00	25,000.00
Total Expense	301,639.00	71,616.67	230,022.33
801116 Golden West - Community Service Districts	0.00	49,978.06	49,978.06

801116 Golden West - Community Service Districts

Revenues and Expenditures

Summary Accounting Period ended June 30, 2015

		Estimated / Budget	Actual Amount	Balance
Report Total	Revenue	301,639.00	121,594.73	180,044.27
	Expense	301,639.00	71,616.67	230,022.33
		<u>0.00</u>	<u>49,978.06</u>	<u>49,978.06</u>