

**MINUTES**  
**GREENSTONE COUNTRY COMMUNITY SERVICES DISTRICT**  
**BOARD OF DIRECTORS REGULAR MEETING**  
**Time & Date: Jan. 9<sup>th</sup>, 2019 at 4:30PM**  
**Place: 3451 Stagecoach Rd., Placerville, CA**

**1. CALL TO ORDER/ROLL CALL**

- Rod Rozman called the meeting to order at 4:30PM
- Present: Rod Rozman, Dan Schmidt, Bob Vance, Greg Smith, Terry Schutten, Geologist George Wheeldon, HOA President Dave Mosakewicz, CSD GM Shelly Greene

**2. APPROVAL OF AGENDA**

- Terry Schutten motioned to approve the agenda with additions, second by Dan Schmidt. No discussion, motion carried.
  - Additions
    1. Item 6, Old Business ii
    2. Item 6 , New Business i
    3. Item 7

Rod Rozman – Yes  
Dan Schmidt – Yes  
Bob Vance – Yes  
Terry Schutten – Yes  
Greg Smith – Yes

**3. APPROVAL OF BOARD MINUTES**

- Terry Schutten motioned to approve October 18<sup>th</sup> regular meeting minutes, second by Greg Smith. No discussion, motion carried.

Rod Rozman – Yes  
Dan Schmidt – Yes  
Bob Vance – Abstained – Did not receive minutes  
Terry Schutten – Yes  
Greg Smith – Yes

**4. ELECTION OF OFFICERS**

- Bob Vance motioned to leave all Board Officers in their current positions, second by Terry Schutten.
  - President, Rod Rozman
  - Vice President, Dan Schmidt
  - CFO, Bob Vance

No discussion, motion carried.

Rod Rozman – Yes  
Dan Schmidt – Yes  
Bob Vance – Yes  
Terry Schutten – Yes  
Greg Smith – Yes

## 5. CSD GEOLOGIST REPORT

- To expedite processing, George Wheeldon agreed to have his contact information included on the Waste Water Application form so resident may contact him directly if necessary. Shelly will also add a space on the application for an email address for the applicant.

## 6. GREENSTONE COUNTRY CSD

- Old Business
  - Reserve Policy
    1. Terry Schutten motioned to approve the Reserve Policy.
      - a. Discussion: Rod Rozman recommended a resolution be drafted for the Reserve Policy. Shelly will draft resolution.
      - b. Motion second by Dan Schmidt. Motion carried.  
  
Rod Rozman – Yes  
Dan Schmidt – Yes  
Bob Vance – Yes  
Terry Schutten – Yes  
Greg Smith – Yes
  - Draft letter to HOA (*Addition*)

Terry Schutten reviewed the draft letter to the HOA regarding submissions for emergency funding requests (attached).

Rod Rozman suggested clarifying how we handle emergency funding, and items that are not an emergency should go into the reserves as much as possible.

Terry and Shelly will work on clarifying the language.
  - Proposition 172 Funding
    1. Shelly was advised by the Asst. County Auditor that the Board of Supervisors designated Prop.172 funding for Sheriff, Courts, DA and Probation.  
  
Shelly will talk to the Sheriff's office regarding contract services.
- New Business
  - i. Septic Policy – Tabled for next meeting. Shelly will send a copy of the current policy to the Board for review.
  - ii. Property Assessment Increase
    - Bob Vance presented a proposal for increasing the current property assessment (attached), and asked if the Board wanted to pursue an increase and what the dollar should be. Bob felt the documents from the election authorizing the increase should be reviewed by legal counsel.
    - Dan Schmidt commented the CSD will need to anticipate paying higher costs when the current geologist and inspector retire.

- Terry Schutten asked if we are able participate in investment pooling with the County. Shelly will check.
- Rod Rozman felt the increase would just be to build the reserves.
- Dan Schmidt commented that if the CSD is going to assist the HOA with drainage/culverts, something will have to be done to increase revenue. Dan said he was in favor of looking into increasing the assessment.
- Rod Rozman said he did not feel comfortable with raising the assessment.
- Dan felt the assessment increase was a better option than waiting for an emergency and having to charge another large assessment.
- Terry was in agreement that the assessment increase should be explored. He felt the infrastructure in the community will not be sustained without increased revenue.
- Rod suggested we confirm what we can legally do.
- Terry recommended we first confirm what the process would be for increasing the assessment. He felt the requirements have probably changed since the assessment was originally voted on.
- Greg Smith felt there needed to be significant public outreach explaining what the assessment is for.
- Terry commented we needed to be very clear why we are suggesting the increase.
- Bob asked for the Board's permission to communicate with the attorney and update the board at the next meeting or schedule a special meeting.
- Shelly recommended talking to the County first to confirm what the process is.
- The Board agreed to allow Bob to consult with the attorney and report back.

#### iii. Purchasing Policy Draft

- Shelly reviewed a draft purchasing policy.
- Rod Rozman felt it was too segmented and suggested limiting it to two ranges for contracts. \$25,000 and above requires competitive bid. \$25,000 and below requires three quotes.
- Terry wanted to make sure there was language allowing the General Manager to enter into agreements under a certain dollar amount.
- Shelly will work on the revisions.

#### iv. Meeting Schedule for 2019

- Regular meetings will be changed from quarterly to bimonthly on the second Wednesday of the month. March 13<sup>th</sup>, May 8<sup>th</sup>, July 10, Sept. 11, Nov. 13 at 4:30PM.
- August 28<sup>th</sup>, 4:30PM, Special Meeting for Final Budget Approval.

## **7. GREENSTONE COUNTRY HOA**

- Analysis/Bid for Culvert Repair (*Addition*)
  - The HOA requested to use \$1500 of the culvert repair funds (\$61K) to pay for a project manager to obtain bids for culvert repairs.
  - The Board agreed \$1500 of the \$61K funding for culverts could be used for a project manager for bids.

## **8. DIRECTORS COMMENTS**

- None

## **9. MANAGERS REPORT**

- Septic Report  
Shelly reviewed the most recent report.  
Lot 335 has not been inspected in two years because we cannot access the property. Letter has been sent, but the property owner has not responded.
- Budget Update
  - Bob Vance and Shelly Greene gave the most recent budget update. Bob reported that in addition to the 310 Reserves Account there is the 350 Account, which is the unreserved/undesignated fund that carries-over each year, so we actually have \$427,492 (minus the \$61K for culverts). See attached slide.
  - Shelly reviewed the operational expenses. Most line items are where they should be at this point be in the budget.
- CSD Website
  - Shelly gave a demo of the new website. The data from our old site is being up loaded to the new website and will be available for preview at the next meeting.

## **10. OPEN FORUM**

- None

## **11. NEXT REGULAR MEETING**

March 13<sup>th</sup>, 2019 at 4:30 PM (Tentative)

## **12. ADJOURN**

- Dan Schmidt mentioned to adjourn, second by Rod Rozman. No discussion. Motion carried. Meeting adjourned at 7:08PM  
  
Rod Rozman – Yes  
Dan Schmidt – Yes  
Bob Vance – Yes  
Terry Schutten – Yes  
Greg Smith – Yes

ATTACHMENT

# GREENSTONE C O U N T R Y E

## Community Service District

January 8, 2019

To: Greenstone Country Home Owners Association (HOA) Board of Directors, From:  
Greenstone Country Community Services District (CSD) Board of Directors

Subject: Emergency Funding

From time to time, the HOA has come to the CSD and requested emergency funds for unanticipated needs over and above the normal funds that are annually allocated by the CSD to the HOA. Under the current funding formula of receiving monies through property taxes and a special assessment, the CSD has limited cash reserves to handle those unforeseen requests.

Recently, the CSD has adopted a "Policy for Designated Reserves for Capital Outlay and a Designated Reserve for Contingencies" (please see attached). This policy was approved to maintain a stable level of fiscal solvency for the CSD, as well as, providing a guide for the CSD in funding other projects within its financial limitations and active powers.

Therefore, future requests from the HOA should be included in the reserve study (capital replacement plan) undertaken by the HOA, which designates projects on a yearly bases. Naturally, those additional requests should be within the active power(s) of the CSD, which are drainage, waste water management, recreation and security.

As an example, the HOA reserve study (Browning Reserve Group) shows \$52,531 as an anticipated expenditure for culvert repairs in 2019. The CSD would entertain funding that expenditure provided adequate CSD funds were available and in accordance with the CSD Reserve policy. The expenditures should be undertaken during the appropriate year (2019) before additional funds would be allocated from the CSD in the culvert category.

As a Special District the CSD functions as a local government for waste water management i.e. septic tanks regulation, while choosing to be a conduit funding agency for the remainder of its powers (passes funds to the HOA to operate its drainage, recreation and security powers). To assist the HOA, the CSD, has the ability to raise its member's property assessment fees and use other funding vehicles such as bonding. The CSD would only entertain additional revenue increases upon the request of the HOA and significant impute from the community. Special District revenue increases have prescribed procedures required by state law.

Naturally, there will be major emergencies such as the Stagecoach Bridge collapse which would negate an orderly funding of projects but that is the exception rather than the rule.

We hope this letter is helpful in defining a process for future working relations between our two organizations.

Sincerely

ATTACHMENT

**GREENSTONE CSD Reserves 2018-2019**

**1) Allocated Reserves**

Item	Year Reserve Started for Item	Est Replacement Cost	EST COST LIFE	COST PER YR. OVER LIFE	REMAINING LIFE	2018-2019 ALLOCATION Amount	Saved Amount at the End of this Fiscal Year	
<b>BUILDING</b>								
- Roof	2012	\$11,790	15	\$786	8	\$786	<b>\$6,288</b>	
- Painting	2008	\$7,000	6	\$1,167	0	\$0	<b>\$7,000</b>	
- Carpet	1994	\$8,060	12	\$672	0	\$0	<b>\$8,060</b>	
- Heat Pump	2018	\$20,000	15	\$1,333	15	\$1,333	<b>\$1,333</b>	
- Septic Tank	1982	\$5,356	25	\$214	0	\$0	<b>\$5,356</b>	
- Septic Field	1982	\$4,499	30	\$150	0	\$0	<b>\$4,499</b>	
- Septic Pump	1994	\$2,678	12	\$223	0	\$0	<b>\$2,678</b>	
<b>Sub total of Allocated Reserves</b>		\$59,383	//////////	\$4,545	//////////	\$2,119	<b>\$35,214</b>	
							<b>Percent Allocated at end of this Fiscal Year</b>	<b>59.3%</b>

<b>2) Designated contingencies</b>	<b>\$337,009</b>
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<b>FY 2017-2018 End of Year CSD Reserves TOTAL Account 310</b>	<b>\$372,223</b>
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Account 310 RESERVES Balance as of July 1 2017	\$ 386,544.00
TRANSFER from account 310 RESERVES to Account 4343 SECURITY Effective 1 July 2017	\$ 24,321.00
ACCOUNT 310 FUND BALANCE RESERVES WITH AUDITOR AS OF 1 July 2017	\$ 362,223.00
TRANSFER from account 7800 RESERVES to Account 310 RESERVE GENERAL Effective 1 JULY 2017	\$ 10,000.00
<b>BALANCE as of 1 JULY 2018</b>	<b>\$ 372,223.00</b>

RSVD GENERAL FUND BALANCE Account 310 June 30, 2018	\$ 372,223.00
UNRSVD UNDESIGNATED FUND BALANCE Account 350 June 30, 2018	\$ 41,619.00
INVESTMENTS FIXED ASSETS FUND BALANCE Account 395 June 30, 2018	\$ 13,650.00
	<b>\$ 427,492.00</b>