



COMMUNITY SERVICES DISTRICT

Finance Sub-Committee Minutes

February 16, 2021 / 10:00 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 Finance Sub-Committee meeting scheduled on February 16, 2021 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: Chair Stephen Tange, Director John Reynolds and Director John Saefke in attendance via telecom establishing a quorum after a roll call vote. GRCS D Treasurer Bob Coler, General Manager Aaron Corr and Office Administrator Carol Logan were also in attendance.

B. Call to order: 10:00 a.m.

C. Approval of minutes from last meeting(s): November 10, 2020 and December 8, 2020 Special Meeting. Chair Tange called for a motion for approval of the minutes from both Finance Sub-Committee Meetings on November 10, 2020 and Special Meeting held on December 8, 2020. He invited questions or comments. There were no questions or comments. Director Reynolds made a motion to approve both meeting minutes. Director Saefke seconded the motion and the motion passed unanimously by a roll call vote.

D. Public Comments: None

E. General Business:

- 1. November, December 2020 and January 2021 Budget Reports:** General Manager Aaron Corr reviewed the budget reports for November and December 2020 and January 2021. He noted that E-1 A through C showed a monthly in-depth reporting on operations revenue and expenses. He called for comments and questions. There were no questions or comments. He pointed out that in November and December principal loan payments may not have been included as they are filed differently through QuickBooks. GRCS D has incorporated these amounts in the monthly Budget vs Actual reporting. He indicated in summary on item E-C page 4 through 9 that GRCS D incorporated a period from July through January with comparison to prior years using 2019-2020 for reference. Personnel expenses have increased since the prior year due to rate increases, position promotions in Lead Operator position and more office hours. Water Source and Supply on tract. Water pumping reported the same except for the SCADA allocation expense of about \$9000.0 for the main computer crash last October 2020. Water administration was on tract

except for increase in office lease, office communication and liability insurance. Water Transmission noted from last year the \$63,151.00 recoating of the Storage tank project. Sewer collection as noted last meeting GRCS D still has 6 grinder pump assembly's valued at \$5000.00 each on hand as a safety net. Sewer Treatment Fiscal year to date is \$12,326.10. GRCS D is estimating 2 to 3 vault and haul trips, spring, fall and summer for good maintenance levels at treatment plant. Overall GRCS D has a 7-month goal of 58% of expenses. GRCS D is currently at 59.63% for this fiscal year. He reiterated that a lot of the administrative costs like permits and licenses are annual and are already covered. The bulk of operations expenses come spring and summer being 70% are characteristic based on usage.

- 2. December 2020 Tax Apportionment Revenue review:** General Manager Aaron Corr indicated that the December 2020 Tax Apportionment was received late due to COVID-19 delays and the revenue check was received in the beginning of February instead of typically in mid-January. Total amount to be charged for FY 2020-2021 \$449,633.80. The Tax Apportionment total amount received was \$215,450.42. This is \$215,107.20 Special Assessments plus \$343.22 interest earned. There are 3 dates of receipt of funds, December, April assessment and the catch all others in June. The forecast observation report indicates the special assessment breakdown is 68 full payments in the amount of \$101,578.40 and 152 half (first installment) payments were received \$113,528.80. This is based on internal invoicing system in place and the county report. The unpaid special assessment breakdown of \$234,526.60 is 56 GRI = \$83,652.80 (56 GRI in default 3+ years), 8 others \$11,950.40, (8 other contribute to 3 years + in default). 17 others \$25,394.60 that are recent. No payment received at all in December = 81. There were 152 partial payments = \$113,528.80. Observational Notes: 3 of the 17 other non-payees included in \$25,394.60 amount include 3 GRA accounts. These accounts are expected to be paid in full on April's collection. \$4,481.40. 152 partial payments are projected to be received in April's collection also, \$113,528.80. 56 GRI + 8 other 3+yr non-payees are not expected to be received. \$95,603.20. 14 remaining in default, unsure if they will be paid, \$20,913.20. Other Notes:-3 transactions involving wolftree cabin sales contribute to minimum of \$4,432.62 revenue to be included on August Revenues, 2019 defaulted payments recovered. 4 transactions regarding GRA sales of GRI defaulted properties contribute to minimum of \$20,263.36 revenues to be included on August Revenues, 2017, 2018 and 2019 defaulted payments recovered. 78 total potential defaults for 2020 = \$116,516.40. The Projected expected April revenue is \$118,010.20. Total minimum expected August revenue \$19,013.18. Fiscal Year Tax Assessment Revenue Projection shows December collected \$215,107.20. April projection \$19,013.18. Total Tax Assessment Revenue Projection minus interest is \$352,130.58. General Manager Aaron Corr stated that the upcoming fiscal year would mark the 5th year of GRI defaulted payments and explained that he would follow up with the Plumas County Tax Collector for time frame of events regarding potential actions to be taken.
- 3. Investment accounts update:** GRCS D Treasurer Bob Coler reported out on the Investment Account Update. As of January 31, 2021, the total current invested value is \$225,656.59. This is before the \$215,450.42 tax revenue deposit in February. Two of the invested Cd's matured in December 2020. The \$25,000 CD for Waste Water Project Account was allowed to mature and the funds put into our operating account to continue to fund the retrofit program that is ongoing. The other \$100,00.00 CD from our normal operating investment account was rolled over to a new 6-month CD. GRCS D took \$125,00.00 of the \$215,000.00 revenue deposit from February and opened a new 6-month CD. This leaves enough operating cash to comfortably operate through the first half of calendar year 2021. The 6-month CD will mature then ensuring enough funds to pay the bills. All the investment accounts are still at very low interest rates. Chair Tange called for questions or comments. There were no questions or comments.
- 4. Budget Projection:** General Manager, Aaron Corr reported out on the Budget Projection Report. The Report included FY 19/20, FY20/21 and forecasted FY 21/22.

The recent \$125,000.00 CD is projected in this report as well as combined operations and investment accounts projected through 2021-2022. Revenue projections were also utilized based on recent trends through the remainder of FY 20/21 and FY 21/22. The projections in this report indicate that even though the District continues to face annual revenue losses of about \$90,000 +, the deficit has tightened up due to updated wastewater treatment operations and continued diligent operational practices. The budget projection is based on mainly fixed operational costs.

5. **FY 19/20 Audit update:** General Manager, Aaron Corr reported that he has been in communication with Johnson Accountancy and that the Board's decision to amend the Financial Statements for FY19/20 were explained. The amended changes to expense for the 2nd phase of the wastewater retrofit project would be restated as an asset. This will be stated on next audit FY 2020-2021. There is one year timeframe to make these changes. Current audit submittals to CoBank and California State Controllers office have been made timely.
6. **Internal Rate Study update:** General Manager, Aaron Corr reported out on Internal Rate Study. He stated that he is working with President Miller and have been moving forward working on material with input from the RCAC and other webinars to compile data to present to a working group with structure to move forward. Currently using raw data based on a 3-year water usage, operation revenue and operational costs to ensure a proper procedure to identify standby rates (tax assessment) and usage rates. Also, compiling water usage fees for the district. President Miller has been in touch with a representative from RCAC and introduced our situation, looking for assistance and guidance and was successful to be included by RCAC to get help as a free resource. GRCSD will be working on a model for rates starting next week. General Manager, Aaron Corr will be working with Treasurer, Bob Coler to help set up a working group for a draft structure model for rates.
7. **Propose future agenda items:** General Manager, Aaron Corr indicated that the Budget Policy Timeline for presentation of the Draft Budget FY 2021-2022 will be added as a new agenda item.
8. **Adjournment:** Chair Tange called for a motion to Adjourn. A motion was made by Director Reynolds and seconded by Director Saefke and passed unanimously by a roll call vote. Meeting was adjourned at 10:41 a.m.