

# MOUNTAIN GATE COMMUNITY SERVICES DISTRICT

14508 WONDERLAND BLVD., REDDING CA 96003

## MINUTES – REGULAR MEETING

February 20, 2019 at 6:00 PM

Directors Present: Kobe, Anderson, Gunter, Peterson  
Directors Absent: Stierli  
Staff Present: Jeff Cole- Manager, Tim Heck- Chief Operator  
Minute Recorder: Tim Heck

**CALL TO ORDER:** Director Kobe called the meeting to order at 6:00 PM.

PLEDGE OF ALLEGIANCE

**PUBLIC COMMENTS:** Public comments were given.

**SIGNATURE SIGNING WITH TRI-COUNTIES BANK:** Tabled until next month.

**COMMUNICATIONS & INFORMATION ITEMS:** Board reviewed list of communications and copies of those items included with list (*Copy of list attached*).

**UPDATE FROM PAUL REUTER ON THE SOLAR PROJECT:** A quick recap on the letter that has been prepared regarding the District's interest in the Solar Project. The letter has described the proposal that the district staff has received from a local solar provider, and it presents all kinds of different rates of return and cash flow paybacks and net present values and all that stuff, but when it comes right down to it what is the payback. In making a cash investment, when do I see my money paid back and when am I making money. In most Solar Proposals there is an assumption that power rates are going to escalate to some value, in their particular proposal they assume 5% per year over 20 years, that is a 250% increase and it shows that you will make lots of money. Let's see if this thing pencils out assuming no escalation in value, this takes a lot of risk away from the District trying to make a financial investment decision predicated on rates increasing. The letter reflects an upfront cash investment by the district in the proposal of \$240,000.00, so if electric rates do not escalate over time the payback period is 26 years and the life of the system is 25 so there is no payback. So the District would need to decide if we assume an inflationary increase the power rates are going to increase maybe it's a viable investment. Subsequent to the letter Jeff reached out to the solar provider and confirmed that is not an additional investment by the district it's a tax credit that they will apply for and obtain so the district would not have that initial investment. That is a game changer and basically the second email and subsequent graph that I sent the board trying to plot what the payback periods would be at various power escalations, so even if power costs didn't go up over the life of the project which is 25 years there would still be a 15 year payback, so you would have another 10 years remaining life with the equipment and would be covered under warranty where you would be building cash. Even at 0% it is probably a viable investment, the chances of power costs remaining constant for 25 years is probably unlikely especially in light of the PG&E bankruptcy. If you were to obtain more of an inflationary type increase in power which is reasonable your payback would go down to 9 years and so you would have an additional 16 years of positive cash flow over the life of the system. This is kind of a no brainer. Looking at the districts power bills in the recent past they have not increased in three years so assuming a very low escalation from an investment perspective is probably a good idea. If power prices didn't go up the district would gain about 380,000.00 in the life of the system.

**10 B) DISCUSSION OF CONFLICT OF INTEREST CODE WITH COLLIN BOGENER:** This item pertains to an amendment of your Conflict of Interest Code. Under the government code it's required that every two even years that you review the conflict of Interest Code and make a determination as to whether or not it needs to be amended. Meeting with staff we made a determination that the code does need to be amended and updated especially since the last time it was amended was 2005. The primary changes are that we are adding two individuals to designated employees. Under the code any individuals who are designated employees be included in the conflict of interest code and then every year they must file the form 700 which indicates what sort of financial interest they may have within the jurisdiction. We made the determination that both the Office Manager and the Chief Operator should be included within that.

**CONSENT AGENDA:**

- A) Approval of the Minutes from the Regular Meeting of January 9, 2019.
- B) Approval of transfers of funds & payment of the bills for operating expenses.

Director Gunter made a motion to approve items A & B the consent agenda and it was seconded. Motion passed.

Gunter Aye  
Peterson Aye  
Anderson Aye  
Kobe Aye

**REPORTS:** (Status Reports on District Operations)

- A) Fire Chief's Report:
- B) Grant Consulting Report:
- C) Water Operations Report:
- D) Auxiliary Report:
- E) Staff Report:

**DIRECTOR COMMENTS:** Director comments were given.

**UNFINISHED BUSINESS:** None

**NEW BUSINESS:**

- A) Resolution 2019-01 A Resolution Establishing a Sexual Harassment Policy for the Mountain Gate Community Services District. (potential action)

Director Anderson made a motion to accept Resolution 2019-01 as corrected and it was seconded. Motion passed.

Gunter Aye  
Peterson Aye  
Anderson Aye  
Kobe Aye

- B) Item was moved to 5.1 under Item 5 above.
- C) Resolution 2019-02 Amending the Conflict of Interest Code. (potential action) Director Gunter made a motion to adopt Resolution 2019-02 and it was seconded. Motion passed.

Gunter Aye  
Peterson Aye  
Anderson Aye  
Kobe Aye

- D) Gary Gunter to attend the Bureau of Reclamation Contract Conversion Meeting of March 13, 2019. (potential action)

Director Anderson made a motion that Director Gary Gunter attend the Bureau of Reclamation Contract Conversion Meeting on March 13, 2019 and it was seconded. Motion passed.

Gunter Aye  
Peterson Aye  
Anderson Aye  
Kobe Aye

- E) Mechanics Bank to change the name on checking account 05028231 to Mountain Gate CSD Auxiliary.

Director Anderson made a motion to change it and it was seconded. Motion Passed.

Gunter Aye  
Peterson Aye  
Anderson Aye  
Kobe Aye

F) Over Budget Item: Chiefs Vehicle. (potential action)

Director Gunter made a motion to approve the over budget item for a chiefs vehicle and it was seconded. After discussion this item was tabled.

G) Set a date and time for the Board Goal Setting Session. (potential action)

Add Goal Setting Session to the agenda next month.

Motion to adjourn and seconded. Motion passed. Meeting adjourned: 7:12 PM

Gunter Aye  
Peterson Aye  
Anderson Aye  
Kobe Aye

APPROVED:

Board Chairperson

3-13-19

Date

ATTEST:

Janice Heck, Secretary

Date

3/13/19