



Helendale Community Services District

BOARD OF DIRECTORS MEETING
June 21, 2018 at 6:30 PM
26540 Vista Road, Suite C, Helendale, CA 92342

Call to Order - Pledge of Allegiance

1. Approval of Agenda

2. **Public Participation** - *Anyone wishing to address any matter pertaining to District business listed on the agenda or not, may do so at this time. However, the Board of Directors may not take action on items that are not on the agenda. The public comment period may be limited to three (3) minutes per person. Any member may speak on any agenda item at the time the agenda item is discussed by the Board of Directors.*

3. Consent Items

- Approval of Minutes: June 7, 2018 Regular Board Meeting
- Bills Paid and Presented for Approval

4. Reports

- Directors' Reports
- General Manager's Report

Discussion Items

5. Public Hearing

Discussion and Possible Action Regarding Adoption of Resolution 2018-13: A Resolution of the Helendale Community Services District of the Helendale Community Services District Determining That There was No Majority Protest to Proposed Increases to Refuse Collection Services and Adopting a Rate Schedule for Such Charges and Superseding Existing Applicable Rates

6. Discussion and Possible Action Regarding Adoption of Resolution 2018-01: A Resolution of the Board of Directors of the Helendale Community Services District Transferring an Asset and Associated Liability from the Parks Department to the Wastewater and Establishing a Pay-Back Agreement

7. Discussion and Possible Action Regarding Purchase of a Sensus Radio Tower for AMI Meters

Other Business

8. Requested items for next or future agendas (Directors and Staff only)

9. Adjournment

Pursuant to Government Code Section 54954.2(a), any request for a disability-related modification or accommodation, including auxiliary aids or services, that is sought in order to participate in the above agendized public meeting should be directed to the District's General Manager's office at (760) 951-0006 at least 24 hours prior to said meeting. The regular session of the Board meeting will be recorded. Recordings of the Board meetings are kept for the Clerk of the Board's convenience. These recordings are not the official minutes of the Board meetings.

Providing:

- Water
- Wastewater
- Park & Recreation
- Solid Waste Management
- Street lighting
- Graffiti Abatement for the Helendale Community

OFFICE HOURS:

Monday-Friday
8:00 – 5:30 p.m.

PHONE:

760-951-0006

FAX:

760-951-0046

ADDRESS:

26540 Vista Road
Suite B
Helendale, CA
92342

MAILING

ADDRESS:

PO BOX 359
Helendale, CA
92342

Visit us on the Web
at:

www.helendalecsd.org





Minutes of the Helendale Community Services District
REGULAR BOARD OF DIRECTORS MEETING FOR
June 7, 2018 at 6:30 PM
26540 Vista Road, Suite C. Helendale, CA 92342

Board Members Present:

Ron Clark - President; Tim Smith – Vice President; Sandy Haas – Secretary; Craig Schneider – Director; Henry Spiller – Director

Staff Members Present:

Kimberly Cox – General Manager
Craig Carlson – Water Operations Manager
Cheryl Vermette – Program Coordinator

Consultants:

Steve Kennedy, Legal Counsel
Richard Nino, Burrtec Waste
Sunny Kim, RAMS

Members of the Public:

There were four (4) members of the public present.

CALL TO ORDER AND PLEDGE OF ALLEGIANCE – The meeting was called to order at 6:30 by President Ron Clark, after which the Pledge of Allegiance was recited.

1. Approval of Agenda

Action: A motion was made by Director Schneider to approve the agenda as presented. The motion was second by Director Haas.

Vote: Motion carried by the following vote: 5 Yes – 0 No

2. Public Participation

None

3. Consent Items

- a. Approval of Minutes: May 17, 2018 Regular Board Meeting
- b. Bills Paid and Presented for Approval

Action: A motion was made by Director Haas to approve the consent items as presented. The motion was second by Director Smith.

Vote: Motion carried by the following vote: 5 Yes – 0 No

4. Reports

a. Director's Reports:

- Director Haas thanked staff for the help with her husband's memorial.
- Director Spiller said that he enjoyed the concert in the park and thanked staff for their work on Concerts in the Park.
- President Clark thanked Staff for their work on Concerts in the Park.

b. General Manager's Report

- Operations Manager Carlson gave the water report:
 - Completed the annual EAR & CCR Reports

- Staff has been working on Air Vac replacement/repair program
- Completed monthly inspections for the month of May
- Repaired split coolant hose on emergency generator
- Staff has been working with paving contractor at fairway condos to avoid destroying our valve lids
- Contractor bored through an unmarked 6" AC line at the intersection of lakeview and hitching post
- Program Coordinator Vermette presented the program report:
 - Staff seeded the baseball fields and we are starting to see germination
 - Flag football was cancelled for the season
 - Soccer registration is now open
 - Tai Chi classes are Monday's and Friday's
 - First Aid Training is on June 30
 - Guitar lessons are Friday's at 5:00 pm. Ten students are enrolled and 4 are on the waitlist.
 - We have two workshops coming up, an Irrigation workshop on June 23rd and a Plants, Trees and Shrubs workshop on June 28th
 - We have a Concert in the Park coming up on July 7th the time was changed to 6:00 pm.
 - Staff picked up picnic benches for the park.

Discussion Items

5. Public Hearing to Receive Comment and Possible Adoption of Resolution 2018-10; a Resolution of the Board of Directors of the Helendale Community Services District Approving and Adopting the 2019 Annual Budget and Authorizing Appropriations Therefrom
 Discussion: General Manager Cox went over the budget with the Board. President Clark opened the Public Hearing at 6:57 pm, there were no public comments. The public hearing was closed at 6:57 pm.
Action: Director Spiller made the motion to approve of Resolution 2018-10; a Resolution of the Board of Directors of the Helendale Community Services District Approving and Adopting the 2019 Annual Budget and Authorizing Appropriations Therefrom. Vice President Smith seconded the motion.
Vote: The motion was approved by the following roll call vote: 5 – Yes 0 – No
 Director Schneider: Yes; Director Haas: Yes; President Clark: Yes; Vice President Smith: Yes; Director Spiller: Yes

6. Discussion and Possible Action Regarding Adoption of Resolution 2018-11: A Resolution of the Board of Directors of the Helendale Community Services District Establishing the Appropriations Limit for Fiscal Year 2018 Pursuant to Article XIII B of the California State Constitution
Action: Director Schneider made A Motion to Adopt Resolution 2018-11; A Resolution of The Board of Directors of The Helendale Community Services District Establishing the Appropriations Limit for Fiscal Year 2019, Pursuant to Article XIIB of The California State Constitution, Director Haas seconded the motion.
Vote: The motion was approved by the following roll call vote: 5 – Yes 0 – No
 Director Schneider: Yes; Director Haas: Yes; President Clark: Yes; Vice President Smith: Yes; Director Spiller: Yes

7. Discussion and Possible Action Regarding Adoption of Employee Pay Schedule for Fiscal Year 2019
Action: Director Haas made the motion to adopt the pay scale for Fiscal Year 18/19, Director Schneider seconded the motion.
Vote: The motion was approved by the following roll call vote: 5 – Yes 0 – No

Director Schneider: Yes; Director Haas: Yes; President Clark: Yes; Vice President Smith: Yes; Director Spiller: Yes

8. Discussion Only Regarding Proposed Increase in Solid Waste Fees Based Upon the Consumer Price Index (CPI) and Other Related Fees

Discussion: General Manager Cox presented the proposed rate increase and announced that the public hearing will be held on 6/21 at which time public comments will be taken and the Board will render a determination based upon protests received.

Action: There was no action on this item

9. Discussion and Possible Action Regarding Adoption of Resolution 2018-01: A Resolution of the Board of Directors of the Helendale Community Services District Transferring an Asset and Associated Liability from the Parks Department to the Wastewater and Establishing a Pay-Back Agreement

Discussion: General Manger Cox discussed the transfer of 35 acres to wastewater from the date of the purchase of the property. The repayment to Wastewater is outlined in the ordinance. Staff received a broker's opinion of value for subject property. The broker rendered the value of the property for the transfer at \$326,154.50. Debt service based upon the value will become an obligation of wastewater. Payment made by Parks that will offset the loan is \$227,841.70. The Board discussed the mechanics of repayment. The Board unanimously agreed that there should be no interested charged. The Board discussed the repayment terms including length of the repayment and annual payment amount. The Board asked Staff to bring this item to the Park and Rec committee for further discussion.

10. Discussion and Possible Action Regarding Adoption of Resolution 2018-12: A Resolution of the Board of Directors of the Helendale Community Services District Approving Award of Sole Source Contract for High Desert Underground for Helendale Wastewater Recycled Pipeline Project

Discussion: The District is required to expand the irrigation area for treated effluent. Part of the pipeline was installed under the roadway previously by High Desert Underground (HDU). This project would be a completion of what HDU has already completed. HDU has a unique knowledge of the wastewater facility and the location of the water main in close proximity to the area. Staff is requesting that the Board approve a sole-source contract with HDU based upon the foregoing factors. Vice President Smith made the motion to approve Resolution 2018-12: Approving award of sole source contract for High Desert Underground for Recycled Pipeline Project in an amount not to exceed \$90,862.50

Vote: The motion was approved by the following roll call vote: 5 – Yes 0 – No

Director Schneider: Yes; Director Haas: Yes; President Clark: Yes; Vice President Smith: Yes; Director Spiller: Yes

Other Business

11. Requested items for next or future agendas (Directors and Staff Only)

Closed Session

The regular meeting adjourned to closed session at 7:32 pm.

12. Conference with Legal Counsel – Anticipated Litigation
Significant Exposure to Litigation
Pursuant to Government Code Section 54956.9(d)(2):

Two Potential Cases

13. Announcement of Closed Session Actions

Closed session adjourned and went into open session at 8:03 pm. There was no reportable action from closed session items.

14. Adjournment

Action: President Ron Clark adjourned the meeting at 8:03 pm

Submitted by:

Approved By:

Ron Clark, President

Sandy Haas, Secretary

The Board actions represent decisions of the Helendale Community Services District Board of Directors. A digital voice recording and copy of the PowerPoint presentation are available upon request at the Helendale CSD office.



Helendale Community Services District

Date: June 21, 2018
TO: Board of Directors
FROM: Kimberly Cox, General Manager
BY: Sharon Kreinop, Senior Account Specialist
SUBJECT: Agenda item # 3 b.
Consent Item: Bills Paid and Presented for Approval

STAFF RECOMMENDATION:

Report Only. Receive and File

STAFF REPORT:

Staff issued 51 checks and 12 EFT's for the period of June 4, 2018 through June 18, 2018 totaling \$276,242.64

Total cash available:	<u>6/18/18</u>	<u>6/4/18</u>
Cash	\$ 5,448,869.01	\$ 5,158,142.12
Checks Issued	\$ 276,242.64	\$ 186,305.23

Investment Report

The Investment Report shows the status of invested District funds. The current interest rate is 2.06% for CalTRUST Short-Term and 2.54% for Medium-Term Investments, 1.80% for LAIF, and 0.25% for the CBB Sweep Account for May 2018. Interest earned in May 2018 on the CalTrust investments and the CBB Sweep Account is \$6,887.26



Helendale CSD

Bills Paid and Presented for Approval

Transaction Detail

Issued Date Range: 06/04/2018 - 06/18/2018

Cleared Date Range: -

Issued Date	Number	Description	Amount	Type	Module
Bank Account: 251229590 - CBB Checking					
06/04/2018	EFT0002318	To record ETS Fees - #9691	-358.48	EFT	General Ledger
06/04/2018	EFT0002319	To record ETS Fees - #9692	-849.94	EFT	General Ledger
06/04/2018	EFT0002320	To record ETS Fees - #557	-68.45	EFT	General Ledger
06/04/2018	EFT0002321	To record Global Fee	-311.27	EFT	General Ledger
06/05/2018	20628	A Door Co.	-2,200.00	Check	Accounts Payable
06/05/2018	20629	David Chavez	-1,802.39	Check	Accounts Payable
06/05/2018	20630	All American Fence Erectors	-73,472.00	Check	Accounts Payable
06/06/2018	20631	PERRY PACK	-42.30	Check	Utility Billing
06/07/2018	20632	Apple Valley Communications	-130.00	Check	Accounts Payable
06/07/2018	20633	AVCOM Services Inc.	-107.50	Check	Accounts Payable
06/07/2018	20634	Boot Barn Inc.	-599.33	Check	Accounts Payable
06/07/2018	20635	Burrtec Waste Industries	-968.17	Check	Accounts Payable
06/07/2018	20636	Burrtec Waste Industries	-112.91	Check	Accounts Payable
06/07/2018	20637	Chris Pattison	-169.00	Check	Accounts Payable
06/07/2018	20638	City National Bank	-105,041.47	Check	Accounts Payable
06/07/2018	20639	Daily Press	-188.20	Check	Accounts Payable
06/07/2018	20640	Dennis Utterberg	-200.00	Check	Accounts Payable
06/07/2018	20641	Fedak & Brown LLP	-1,450.00	Check	Accounts Payable
06/07/2018	20642	G.A. Osborne Pipe & Supply Inc.	-285.82	Check	Accounts Payable
06/07/2018	20643	Grainger	-1,444.17	Check	Accounts Payable
06/07/2018	20644	Great Pacific Equipment, Inc	-1,560.00	Check	Accounts Payable
06/07/2018	20645	Hartford Life	-577.31	Check	Accounts Payable
06/07/2018	20646	HDMWA	-45.00	Check	Accounts Payable
06/07/2018	20647	Helendale School District	-151.85	Check	Accounts Payable
06/07/2018	20648	I Candy Website & Graphic Design	-41.25	Check	Accounts Payable
06/07/2018	20649	Jonathan A. Escobar	-176.50	Check	Accounts Payable
06/07/2018	20650	Land Pro Associates, Inc	-300.00	Check	Accounts Payable
06/07/2018	20651	Mojave Resource Management	-8,904.15	Check	Accounts Payable
06/07/2018	20652	On Line	-22.80	Check	Accounts Payable
06/07/2018	20653	Southwest Gas Company	-151.89	Check	Accounts Payable
06/07/2018	20654	County of San Bernardino, Solid Waste Mgmt. Div.	-933.41	Check	Accounts Payable
06/07/2018	20655	Liberty Composting, Inc.	-199.25	Check	Accounts Payable
06/07/2018	20656	O'Reilly Auto Parts	-361.82	Check	Accounts Payable
06/07/2018	20657	Rebecca Gonzalez	-549.00	Check	Accounts Payable
06/07/2018	20658	Robert Yeghoian Co., Inc.	-985.00	Check	Accounts Payable
06/07/2018	20659	Ron Clark	-500.00	Check	Accounts Payable
06/07/2018	20660	Ryan Herco Flow Solutions	-256.39	Check	Accounts Payable
06/07/2018	20661	Shred-it USA LLC	-73.06	Check	Accounts Payable
06/07/2018	20662	Sierra Analytical	-543.00	Check	Accounts Payable
06/07/2018	20663	Site One Landscaping Supply	-255.50	Check	Accounts Payable
06/07/2018	20664	Staples Office Supplies	-420.17	Check	Accounts Payable
06/07/2018	20665	Triple C Electric	-1,480.00	Check	Accounts Payable
06/07/2018	20666	Tyler Technologies, Inc.	-137.00	Check	Accounts Payable
06/07/2018	20667	UIA Ultimate Internet Access, Inc	-697.68	Check	Accounts Payable
06/07/2018	20668	United Site Services	-158.19	Check	Accounts Payable
06/07/2018	20669	USA of So. California	-76.00	Check	Accounts Payable
06/08/2018	EFT0002322	To record Payroll Fee Pmt	-172.38	EFT	General Ledger
06/11/2018	20672	DAVID WATSON	-22.87	Check	Utility Billing
06/11/2018	20673	ROBERT SPRINGER	-55.53	Check	Utility Billing
06/11/2018	20674	LAURA CAYLOR	-252.00	Check	Utility Billing

Issued Date	Number	Description	Amount	Type	Module
06/11/2018	20675	JONATHAN ORTIZ	-75.11	Check	Utility Billing
06/11/2018	20676	DARREL JONES	-118.31	Check	Utility Billing
06/11/2018	20677	KEVIN GATELY	-148.49	Check	Utility Billing
06/11/2018	20678	DAMIAN WILLIAMS	-56.59	Check	Utility Billing
06/12/2018	20670	Bank of America	-4,429.50	Check	Accounts Payable
06/12/2018	EFT0002325	To record CalPERS Health Premium Paid	-14,230.89	EFT	General Ledger
06/13/2018	20671	CHRISTOPHER L. HUTCHINSON	-277.00	Check	Utility Billing
06/14/2018	EFT0002328	To record Tasc Flex Claim Pmt	-619.21	EFT	General Ledger
06/15/2018	EFT0002331	To record Payroll Fee Pmt	-165.94	EFT	General Ledger
06/18/2018	EFT0002326	To post Payroll pmt - Dir Deposit	-31,610.42	EFT	General Ledger
06/18/2018	EFT0002327	To post Payroll pmt - PR Tax Pmt	-8,192.78	EFT	General Ledger
Bank Account 251229590 Total: (63)			-276,242.64		
Report Total: (636)			-276,242.64		

Bank Account
[251229590 CBB Checking](#)

	Count	Amount
	63	-276,242.64
Report Total:	63	-276,242.64

Cash Account
[99 99-111000 Cash in CBB - Checking](#)

Report Total:

	Count	Amount
	65	-276,242.64
	63	-276,242.64

Transaction Type

Check
EFT

	Count	Amount
	51	-213,204.88
	12	-63,037.76
Report Total:	63	-276,242.64



Helendale Community Services District

Date: June 21, 2018
TO: Board of Directors
FROM: Kimberly Cox, General Manager
SUBJECT: Item #5

Discussion and Possible Action Regarding Adoption of Resolution No 2018-13: A Resolution of the Board of Directors of the Helendale Community Services District Determining That There Was No Majority Protest to Proposed Increases to Refuse Collection Services and Adopting A Rate Schedule For Such Charges And Superseding Existing Applicable Rates

Staff Recommendation

Staff recommends approval of the proposed resolution.

Staff Report

There have been no written protests to the proposed rate increase at the time of publishing the staff reports.

Background:

The exclusive franchise agreement (contract) with Burrtec became effective December 1, 2011. Prior to the execution of a new contract, (between December 2006 through December 2011), the District operated under an extension of the County's contract. Many of the provisions in County's contract were carried over into the new contract negotiated by HCSD to ensure the District's customer enjoy the same level of services previously provided. Effective January 2018, the District executed a new, updated contract with Burrtec with a seven-year rolling contract timeframe.

The HCSD contract has specific terms and conditions under which both parties must operate. The contract also has specific terms that require the request to be submitted to the Board for consideration in a timely matter to facilitate the Proposition 218 process. Burrtec is allowed to request an annual increase based upon the Consumer Price Index for local market index that includes LA-Orange County-Riverside-San Bernardino Counties as outlined in Section 10.05 which states as follows:

" The maximum rates set forth in Attachment D, Residential Bin and commercial Services may be adjusted annually effective each July 1st by an amount equal to the calendar year annual twelve-month mean average change in the Consumer Price Index for All Urban Consumers for Los Angeles-Riverside-Orange Counties as published by the United States Department of Labor, Bureau of Labor Statistics for the previous calendar year annual twelve-month period ("CPI"). ...It is understood by both parties that the maximum annual CPI increase shall be no greater than four percent (4%) in any given adjustment period."

On March 8, Burrtec sent via electronic mail the request for a contract-related CPI rate increase of 2.79%. On March 15, the Board reviewed the request and directed Staff to circulate proper notification to the District's customers and publish in the newspaper of general circulation as required. Staff has complied with that direction and public notices were mailed on May 4, 2018.

The CPI request results in a forty-cent increase over current rates as outlined below:

Trash service	\$0.42
Recycling Fee	(\$0.13)
Admin Fee	\$0.06
218 Recovery	\$0.01
Franchise Fee	<u>\$0.04</u>
TOTAL	\$0.40

The proposed rate increase, if approved, will be implemented July 1, 2018. The District has received no written comments or other inquiries related to this matter as of the date of this staff report. Attached for your review is a copy of the rate notification that was sent to both commercial and residential customers within the District.

Current monthly residential cart rate, for those paying the solid waste disposal fee on their tax bills, is \$20.24 and the proposed rate is \$20.64 which will result in a monthly increase of forty cents. The annual cumulative increase is \$4.80. This rate increase includes a thirteen-cent decrease in the cost of processing the recycling material at the Materials Recovery Facility in Victorville.

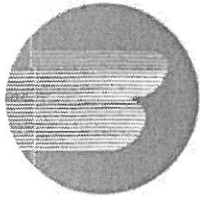
Commercial rates vary significantly based upon number and size of containers and frequency of pick up and service rates and are not discussed specifically in this staff report. However, the proposed commercial rates are included in Exhibit A of the proposed resolution.

The rate increase information was presented in a noticed public meeting held June 7th. The noticed public hearing is scheduled for the Board meeting of June 21, at which time the Board will receive public comments during the public hearing, consider any protests and make a final determination.

FISCAL IMPACT: CPI increase will result in a slight increase of \$0.04 cents in the franchise fee currently received by the District per months per each residential customer and an increase in the administration fee paid to the District for handling the billing process for residential customers of \$0.06. The increase in the franchise fee for commercial customers varies based upon services options. The increase is a function of the application of the requested CPI increase.

EXHIBIT A HELENDALE CSD PROPOSED RATE INCREASE

Service Type	Current Rate	Proposed Rate	Service Type	Current Rate	Proposed Rate
Residential Service			Commercial Trash Service		
95-gallon barrel w/paid disposal costs	\$ 20.24	\$ 20.64	Size	Freq	
95-gallon barrel w/o paid disposal costs	\$ 27.50	\$ 27.90	1.5	1	\$82.31
Extra 95-gallon trash barrel	\$ 7.41	\$ 7.62	1.5	2	\$156.18
65/95-gallon recy. 1st extra	N/C	N/C	1.5	3	\$230.11
65/95-gallon recy. extra	\$ 1.46	\$ 1.50	2	1	\$106.90
Extra pick-up (barrels)	\$ 22.04	\$ 22.66	2	2	\$205.45
			2	3	\$303.99
			3	1	\$147.81
			3	2	\$295.58
			3	3	\$443.43
			3	4	\$591.23
			3	5	\$739.01
			3	6	\$886.82
					\$905.72
Commercial Barrel Service			Recycling Bin Service		
95-gallon barrel -1x	\$ 16.91	\$ 17.21	1.5	1	\$74.15
95-gallon barrel -2x	\$ 42.86	\$ 43.70	1.5	2	\$148.29
95-gallon barrel -3x	\$ 63.25	\$ 64.49	1.5	3	\$222.44
Automated Recy 65g - 1x	\$ 7.22	\$ 7.27	2	1	\$96.04
			2	2	\$192.09
			2	3	\$288.12
			3	1	\$131.53
			3	2	\$263.07
			3	3	\$394.62
			3	4	\$526.16
			3	5	\$657.68
			3	6	\$789.23
					\$747.41
			Temporary Bins		
			Temporary Bins		\$105.32
					\$108.26
			Miscellaneous Bin Charges		
			Locking container	\$ 7.41	\$ 7.62
			Container steam clean	\$ 36.70	\$ 37.72
			Pull-out service	\$ 36.70	\$ 37.72
			Extra pick-up	\$ 44.11	\$ 45.34
			Recy contamination	\$ 42.99	\$ 44.19
			Concrete Washout		
			Delivery	\$511.82	\$526.10
			Pump	\$377.13	\$387.66
			Pump Service	\$511.82	\$526.10
			Relocate	\$129.30	\$132.91
			Rental Fee (per day)	\$10.77	\$11.07
Residential Bin Service					
Size	Freq				
1.5	1	\$64.84			\$66.66
1.5	2	\$129.67			\$133.29
1.5	3	\$194.51			\$199.93
2	1	\$83.63			\$85.97
2	2	\$167.27			\$171.93
2	3	\$250.89			\$257.89
3	1	\$112.91			\$116.07
3	2	\$225.83			\$232.13
3	3	\$338.76			\$348.21
Permanent (Trash) + Disposal/Processing					
40 yard		\$194.70			\$200.13
20 yard		\$194.70			\$200.13
10 yard		\$194.70			\$200.13
40 yard compactor		\$194.70			\$200.13
Dry Run /Relocate		\$70.06			\$72.01
Rental Fee (per day)		\$23.70			\$24.37
Disposal (per ton)		\$59.94			\$59.94
Temporary Roll-Offs (Trash)					
40 yard		\$554.34			\$559.77
20 yard		\$794.10			\$799.53
10 yard		\$794.10			\$799.53
Dry Run /Relocate		\$70.06			\$72.01
Disposal (per ton)		\$59.94			\$59.94
Roll-Offs (Recycling) + Disposal/Processing					
40 yard		\$194.70			\$200.13
20 yard		\$194.70			\$200.13
10 yard		\$194.70			\$200.13
40 yard compactor		\$194.70			\$200.13



BURRTEC

WASTE INDUSTRIES, INC.

"We'll Take Care Of It"

March 8, 2018

Kimberly Cox
Helendale Community Services District
26540 Vista Rd, Suite B
P.O. Box 359
Helendale, CA 92342

RE: 2018 Rate Review Report

Dear Ms. Cox:

Pursuant to the Agreement for Solid Waste Handling and Recycling Services, Burrtec respectfully requests a 2018 rate adjustment and submits the following rate review information.

This year's rate adjustment is comprised of the following factors:

- A trash collection service adjustment based on the average 2017 Consumer Price Index at 2.79%.
- No disposal cost adjustment as charged by San Bernardino County.
- A residential recycling service cost factor based on 2017 recyclable commodity values and material processing costs of \$0.89 per month.

Enclosed please find the detailed rate review work sheets.

Thank you for the consideration.

Sincerely,

Richard Niño
Vice President



Helendale Community Services District

Date: June 21, 2018
TO: Board of Directors
FROM: Kimberly Cox, General Manager
SUBJECT: Agenda item #6
Discussion and Possible Action Regarding Adoption of Resolution 2018-01: A Resolution of the Board of Directors of the Helendale Community Services District Transferring an Asset and Associated Liability from the Parks Department to the Wastewater and Establishing a Pay-Back Agreement

STAFF RECOMMENDATION:

Staff seeks input from the Board regarding the proposed resolution, property transfer and pay-back agreement.

STAFF REPORT:

As directed at the meeting on June 7, the Park and Rec Committee reviewed the proposed resolution at their meeting held 6/12/2018. The Park and Rec Committee would like the following items to be considered by the full board:

- Repayment term of twenty years.

- First repayment will be Fiscal Year 20/21 (July 1, 2020-June 30, 2021).

- This matter is revisited each year during the budget discussion.

BACKGROUND:

This matter was previously discussed in January and June of this year. If the Board feels it needs more time to evaluate the information presented or would like to see alternative scenarios this discussion can be put on a future agenda.

The purpose of this agenda item is to address the need to transfer certain property to the Wastewater Department and to memorialize a repayment plan for funds borrowed from Wastewater over time to cover budget shortfalls in the Park budget.

In the past two years Wastewater Staff has been working with the Regional Water Quality Control Board on a revision to the Wastewater permit which was approved in April of this year. This revision includes expansion of the irrigation area to the park and will encompass up to 35 acres. This area, once under irrigation with secondary water, will have to be segregated from general

public access due to health and safety concerns. The Parks Department, upon Board approval will transfer this acreage and loan burden to the Wastewater Division.

As directed during the discussion in January of this year, Staff received a Broker's Opinion of Value for the property under consideration. The majority of the transfer is frontage property along Helendale Road which is typically valued at a higher property value than non-frontage property. The Broker placed a value of \$9,995 per acre for 30.87 acres on frontage property and \$4,600 for the balance of 4.13 interior acres that are unimproved non-frontage property. Staff incorporated these value conclusions in developing the transfer consideration.

Since this area has never been developed for park use Staff recommends that the Board transfer this property from the point of purchase in August 2008 which would include all principle and interest payments to Wastewater. The 35-acres is valued at \$326,154 according to the Broker's Opinion of Value in 2008 dollars. Prior principle and interest payments on the 35 acres total \$227,842 which will be deducted from the estimated balance owed from Parks to Wastewater of \$1,069,848 leaving an estimated repayment balance due of \$842,007 with interest. These numbers are estimated and cannot be confirmed until year-end adjustments are completed. The remaining term of the loan which was refinance in 2014 is fifteen-year and concludes in December 2028. The loan balance on the 35 acres of \$214,740 will be transferred to Wastewater as a liability.

Cash Reserve as of 6/30/17	\$(1,160,944)
YTD Net change in cash as of 4/30/2018	\$167,261
May - June 2018 Net Surplus	\$8,301
Debt Service in June 2018	\$(42,944)
Capital Project in May & June 2018	\$(41,522)
Broker's estimated value of WWTP Expanded Irrigation Site	\$227,842
Cash Reserve as of 6/30/18	\$(842,007)

Staff recommends:

- (1) That the loan balance for the 35 acres be transferred to Wastewater and;
- (2) That \$227,842 be deducted from the outstanding debt owed by the Parks Department which would leave an estimated balance of \$842,007 to be repaid over a 20-year period as outlined in the attached amortization schedule.

If additional revenue becomes available more could be paid towards the outstanding balance. This would require an annual payment of \$42,100.35 for the next twenty years

FISCAL IMPACT:

As outlined in the staff report.



RESOLUTION NO. 2018-01

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE HELENDALE COMMUNITY SERVICES DISTRICT ESTABLISHING THE REPAYMENT OF INTERFUND LOAN FROM THE WASTEWATER FUND TO THE PARK FUND AND EXCHANGE OF CERTAIN REAL PROPERTY FROM PARK TO WASTEWATER

WHEREAS, the Helendale Community Services District assumed responsibility for water, sewer and park services in December 2006, with funds from San Bernardino County Special Districts distributed between the Water and Sewer Funds; and

WHEREAS, the Park Fund purchased building assets and improved the Helendale Community Park infrastructure in excess of its operating revenue available; and

WHEREAS, the only source of funds available in the short term was to borrow from the Wastewater Fund Reserve to fund improvements as described; and

WHEREAS, the Fiscal Year 2017 annual audit provided by Fedak & Brown, CPA's, stated the amount owed by the Park Fund to the Wastewater Fund as \$1,160,944; and

WHEREAS, a payback method is required to establish the means and timeframe to repay the Wastewater Fund; and

WHEREAS, the Wastewater operation is in need of 35 acres currently owned by the Parks Department that will be transferred to Wastewater for use as additional secondary irrigation area as required by the Lahontan Regional Water Quality Control Board;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Helendale Community Services District desires to establish the following repayment schedule for the Park Fund:

- A. The value of the property to be transferred from Park to Wastewater is detailed in the Brokers Opinion of Value attached hereto as Attachment A.
- B. The amount of principle and interest payments previously made by Parks to be now attributed to Wastewater as an offset against funds borrowed are outlined in Attachment B.
- C. The Park Fund shall repay the Sewer Fund a sum of \$93,737.72 per fiscal year until the interfund loan balance of \$842,007 is repaid as outlined in Attachment C.
- D. Any additional operating fund borrowing during any subsequent fiscal year will require adoption of a new resolution acknowledging the outstanding balance and the repayment terms.

- E. Each budget will include a line item repayment to Wastewater in accordance with the repayment plan outlined in Attachment C.
- F. During any fiscal year, the Board of Directors can adjust the annual repayment amount if extraordinary revenue or expenses exist.
- G. Adoption of this Resolution rescinds Resolution 2012-15.

APPROVED AND ADOPTED this 21th day of June, 2018.

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

By: _____
Ron Clark, President

Attest: _____
Sandy Haas, Secretary

Land Pro Associates Inc
a real estate company

May 29, 2018

Mrs. Kimberly Cox
General Manager
Helendale CSD
26540 Vista Road
P.O. Box 359
Helendale, CA 92342
KCox@helendalecsd.org

Re: Broker Opinion of Value – APN: 0466-181-25 & 0466-181-26 / 74.78 Acres

Dear Mrs. Cox,

Thank you for the opportunity to work with the Helendale Community Services District (CSD) on the evaluation of 74.78 acres of property along Helendale Road, in the Town of Helendale, California. As discussed we have prepared this Broker Opinion of Value for the subject property for the purpose of providing the CSD with an initial opinion of value for the purpose of transferring +/-35 acres of excess land to the WWTP Operation, as the park only requires the balance of the land. Below is a summary table:

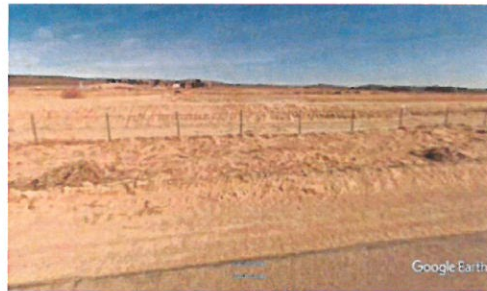
Property & Valuation Summary		
Assessor Parcel Numbers	0466-181-25	37.39 acres
	0466-181-26	37.39 acres
<u>Total Acres</u>	<u>74.78 acres</u>	
• Future Commercial Acreage	30.87 acres	
• Interior Acreage	4.13 acres	
• Balance of Acreage	39.78 acres	
<u>Valuation:</u>	<u>\$USD</u>	<u>\$K/ACRE</u>
Future Commercial Acreage	\$307,156.50	\$ 9,950
Balance of Property 43.91 ac.	\$201,986.00	\$ 4,600
TOTAL VALUE:	\$509,142.50	

Location

The subject property is located just north of the community of Helendale in the County of San Bernardino, State of California. The paved roads of Helendale Road (contiguous east) and Wild Road (contiguous north) provide visibility and access to the subject property. The subject property has approximately 0.50 mile of frontage along Helendale Road.



Frontage along Helendale Road and Wild Road



As the present value of the subject property is being valued during the presently announced Real Estate Market Recession and Financial Market Meltdown, values based upon comparable sales are challenging to substantiate. From agricultural zoned land commercial and or residential zoned land, offers submitted within the High Desert market of the Victor Valley (including Hesperia, Adelanto, Victorville, Apple Valley, Oro Grande, Helendale and Barstow) are being withdrawn until the US Economy begins to stabilize.

Of the total acreage of the subject site, there is inherent value in having property with direct frontage along the area's arterial road Helendale Road. This Brokers Opinion of Value accounted for a 30.87 acre portion of the total acreage that could potentially become future commercial use.

Comparable Sales

Brokers were able to identify one comparable sale in the immediate area:

APN: 0466-081-24

4.34 acres of Land

Transaction Closed on 7/3/08

Total Purchase Price: \$13,400

Price Per Acre: \$3,087

Value Summary and Conclusion

After researching the market, the value given on a price per acre allows for the CSD to provide a longer than usual escrow period should a prospective buyer approach with interest in acquiring the site. In time, when the real estate market recovers, values will begin to increase and establish a Fair Market Value based upon zoning and desirability for development. For now, the value herein is adequate given the proximity to Silver Lakes and with frontage and visibility along Helendale Road.

Land Pro Associates Inc is a well-recognized and respected brokerage and advisory firm with years of experience working in the Helendale market. Specializing in the sale of land and lots to builders, developers and investors.

I look forward to discussing this report in more depth. Please feel free to contact me with any questions or comments.

Best Regards,

Dennis M. Bradley
Founder and President
Land Pro Associates Inc.
[760-780-2200](tel:760-780-2200)

Park Property Valuation

	Total	
Appraised Value	\$2,300,000	
Total Acres	74.78	
Broker's opinion of value for 30.87 acres of road frontage @ \$9,950/ac	\$ 307,156.50	
Broker's opinion of value for 4.13 acres of interior acreage @ \$4,600/ac	\$ 18,998.00	
Total value of land to transfer as of 2008		\$ 326,154.50
Annual Interest Payment per year on 35 acres	\$ 116,428.37	
Annual Principle Payment per year on 35 acres	\$ 111,413.33	
Total amount paid from 2008-2018 to be transferred to WWTP		\$ 227,841.70
Total cost of land transfer to WWTP		\$ 326,154.50

Attachment C

Years 20
 Payments Per Year 1
 Amount \$842,007

Payment Number	Payment	Principal	Balance	
1	\$42,100.35	\$42,100.35	\$799,906.65	FY20
2	\$42,100.35	\$42,100.35	\$757,806.30	FY21
3	\$42,100.35	\$42,100.35	\$715,705.95	FY22
4	\$42,100.35	\$42,100.35	\$673,605.60	FY23
5	\$42,100.35	\$42,100.35	\$631,505.25	FY24
6	\$42,100.35	\$42,100.35	\$589,404.90	FY25
7	\$42,100.35	\$42,100.35	\$547,304.55	FY26
8	\$42,100.35	\$42,100.35	\$505,204.20	FY27
9	\$42,100.35	\$42,100.35	\$463,103.85	FY28
10	\$42,100.35	\$42,100.35	\$421,003.50	FY29
11	\$42,100.35	\$42,100.35	\$378,903.15	FY30
12	\$42,100.35	\$42,100.35	\$336,802.80	FY31
13	\$42,100.35	\$42,100.35	\$294,702.45	FY32
14	\$42,100.35	\$42,100.35	\$252,602.10	FY33
15	\$42,100.35	\$42,100.35	\$210,501.75	FY34
16	\$42,100.35	\$42,100.35	\$168,401.40	FY35
17	\$42,100.35	\$42,100.35	\$126,301.05	FY36
18	\$42,100.35	\$42,100.35	\$84,200.70	FY37
19	\$42,100.35	\$42,100.35	\$42,100.35	FY38
20	\$42,100.35	\$42,100.35	\$0.00	FY39



Helendale Community Services District

Date: June 21, 2018
TO: Board of Directors
FROM: Kimberly Cox, General Manager
SUBJECT: Agenda item #7
Discussion and Possible Action Regarding Purchase of a Sensus Radio Tower for AMI Meters

STAFF RECOMMENDATION:

Staff requests direction on purchasing the AMI collector tower at a cost of \$35,000.

STAFF REPORT:

On April 20, 2018, Staff provided an extensive presentation regarding the need for a meter rotation program and the two year's of evaluation that had gone into the project to that point. Direction was given to proceed with Sensus as the AMI meter provider and to seek grant funds to help offset the costs. The District has been successful in obtaining \$100,000 in grant funding. Of that amount \$75,000 was awarded by the Bureau of Reclamation Smart Meter Program and \$25,000 has been awarded by the Mojave Water Agency. Staff has recently applied for the second round of Bureau grant match funding of \$300,000 and has yet to hear if we received an award. We also recently applied for an MWA Strategic Partners grant and were notified that we will received \$5,000 in FY2019 towards the meter program.

Staff is requesting consideration from the Board for the purchase of the collector tower that will receive the data transmitted every six minutes from the smart meters. This is a project on the capital improvement plan slated for completed in FY 2019. Due to the recent additional revenue of \$298,000 received for the lease of water rights Staff would like to proceed with this acquisition under the FY 18 budget.

The presentation last April estimated that the cost of installation of the entire AMI meter system of \$404,240 not including grant contributions. Once fully implemented, it is estimated that this system will reduce annual staffing costs of \$17,000 and the savings to customers due to early leak detection of approximately \$39,000. With the AMI system a notification will be received when there is constant water use over a 24-hour period which is a strong indication of a leak.

The tower is a Sensus product that can only be purchased from Aqua Metrics, the local authorized dealer for Sensus.

FISCAL IMPACT: \$35,000.00