



Heather Glen Community Services District

Regular Quarterly Board Meeting Minutes

Date: September 25, 2025

Time: 4:00 PM

Location: Applegate Civic Center, 18014 Applegate Road, Applegate, CA 95703

I. CALL TO ORDER

The regular meeting of the Board of Directors of the Heather Glen Community Services District (HGCSD) was called to order at **4:03 PM** by Board President Charles Williams. The meeting was held at the Applegate Civic Center. A **quorum was present** at the time of call to order.

Board Members Present at Call to Order:

- Charles Williams (President)
- Cheryl Madden (Treasurer)
- Stephen Adams

Board Members Absent at Call to Order:

- Marc Krupin (Vice President)
- Gary Bundesen

Also Present:

- Rachel Rose (General Manager & Board Secretary)
- Chris Locken (Bookkeeper)
- Four (4) members of the public

The **Pledge of Allegiance** was recited.

II. ATTENDANCE UPDATES

- **4:10 PM** – Marc Krupin (Vice President) arrived during the *Payables* section of the Quarterly Financial Report.
- **4:30 PM** – Gary Bundesen arrived during the *Sewer Budget* portion of the Finance Committee Report.
- **5:15 PM** – Marc Krupin departed the meeting. A quorum remained present.

III. APPROVAL OF MINUTES

Heather Glen Community Services District
PO Box 715
Applegate, CA 95703

Email: HeatherGlenCSD@gmail.com
Phone: (530) 492-0577
Website: <https://hgcsd.net/>

Motion: To approve the meeting minutes from **June 26, 2025**.

Motion by: Stephen Adams

Seconded by: Cheryl Madden

Votes in Favor: 3

Votes Against: 0

MOTION PASSED

IV. OLD BUSINESS

A. Quarterly Financial Report – Chris Locken

1. Profit & Loss Report (Jan–Sept 2025)

a) Net profit: **\$43,425**

2. Bank Balances (as of Sept 25th)

a) CBC Checking: **\$26,009**

b) CBC MMA: **\$181,580**

c) BMO accounts are closed; final funds to be transferred to CBC.

3. A/R Summary & Invoicing Updates

a) Historical accounting issues still being resolved; current invoicing is caught up.

b) Invoicing process improved to under 10 days from meter reading to billing.

c) Two meters remain difficult to read due to depth in meter boxes.

B. Payables – Rachel Rose

1. Issues raised about **49er Water Services** invoicing practices; potential for invoice consolidation and bulk chlorine purchase to reduce cost.

2. **Bookkeeping and GM hours** higher than projected but expected to decrease post-project completion.

3. **PG&E** lighting usage/costs being evaluated; possible use of smart bulbs or timers.

4. **Scott General Construction (SGC)** contract needs renewal.

5. **Norris Electric:** Williams will follow up on transformer failure charges.

6. **Hydros** (PCWA water study): ~\$6,800 pending reimbursement; 2–3 week processing time.

C. Budget Status – Cheryl Madden

1. 2025/2026 budget to be posted on hgcsd.net with Minutes.

2. Budget submission to the county is due in 4 days.

3. Revenue (from customer fees): **\$268,733**

4. Expenditures: **\$238,835**

5. Contingency Reserve: **~\$13,000**

6. Finance Committee will meet with Rick Wood (CSDA) for guidance on long-term financial strategy

Motion: To approve the **CY 2025 / 2026 Budget**.

Motion by: Marc Krupin

Seconded by: Stephen Adams

Votes in Favor: 4

Votes Against: 0

MOTION PASSED

V. FINANCE COMMITTEE REPORT – Cheryl Madden

A. YTD Budget Summary (as of Sept 2025)

Budget Category	Income *	Expenses *	Remaining Balance *	Notes
Property Asset Mgmt	~\$4,600	~\$300	~\$4,400	Funded by cell tower leases
Road	~\$8,000	~\$5,000	~\$3,000	Will stabilize with full year of data
Sewer	~\$12,500	~\$16,300	~ - \$3,800	Deficit due to railroad lease misallocation (to be corrected)
Operations	~\$27,400	~\$26,700	~\$640	Funded by admin/operations fees
Water	~\$90,000	~\$55,000	~\$34,900	Funded by water fees

**Approximate figures. Refer to posted budget sheets on hgcsd.net with Minutes for full line-item breakdown.*

- **Committee chairs are responsible for staying within the allocated budgets.**
- Budgets will improve in accuracy with more data over time.

B. Raw Water Rate Adjustment

1. Current charge (\$3) is not covering cost; PCWA increasing rate by 7% in Jan 2026.
2. Recommended increase: **\$3 → \$7/month**
3. No formal rate study or county approval needed.

Motion: To increase the raw water charge to **\$7/month** with an annual review each January.

Motion by: Marc Krupin

Seconded by: Stephen Adams

Votes in Favor: 5

Votes Against: 0

MOTION PASSED

C. **5-Year Audit Status** – Chris Locken

1. Audit is still in progress, moving through reporting tiers.5-Year Audit Status – Chris Locken
 - a) Audit is still in progress, moving through reporting tiers.

VI. **CC&Rs & BYLAWS**

Motion: To remove CC&Rs topic from the agenda until legal counsel provides input.

Motion by: Charles Williams

Seconded by: Stephen Adams and Gary Bundesen

Votes in Favor: 5

Votes Against: 0

MOTION PASSED

VII. **NEW BUSINESS**

A. **General Manager Summary** – Rachel Rose

1. CSDA GM Leadership Summit: key takeaways presented.
2. Recommendations include AI policy, IT upgrades, .gov domain transition, and legal compliance reviews.

B. **Artificial Intelligence (AI) Policy** – Rachel Rose

Motion: To adopt the posted AI Policy draft.

Motion by: Stephen Adams

Seconded by: Gary Bundesen

Votes in Favor: 5

Votes Against: 0

MOTION PASSED

C. **Transition to .gov Domain** – Rachel Rose

1. Recommended by CSDA; required for many agencies by 2029.
2. Will align with website refresh and improve email authenticity.
3. No additional cost for domain; requires setup support and internal updates.

Motion: To proceed with .gov domain migration.

Motion by: Stephen Adams

Seconded by: Marc Krupin

Votes in Favor: 5

Votes Against: 0

MOTION PASSED

D. Honorarium Proposal – Rick Wood (CSDA) – Cheryl Madden

1. Proposal to offer \$200 honorarium for consulting services, with future consideration for increases.

Motion: To approve \$200 honorarium.

Motion by: Stephen Adams

Seconded by: Gary Bundesen

Votes in Favor: 5

Votes Against: 0

MOTION PASSED

VIII. COMMITTEE REPORTS

A. Roads / General Maintenance – Gary Bundesen

1. **Green Waste Service & Resident Responsibilities** notice to be sent out to customers.
2. **District Landscaping Contract:** Gardens by Miguel – \$900/month.

Motion: To approve contract with Gardens by Miguel.

Motion by: Gary Bundesen

Seconded by: Stephen Adams

Votes in Favor: 5

Votes Against: 0

MOTION PASSED

B. Water / Sewer – Marc Krupin

1. **ADT Security System** increase from \$60 to \$120/month noted.

Motion: To table security system replacement for special meeting.

Motion by: Marc Krupin

Seconded by: Stephen Adams

Votes in Favor: 5

Votes Against: 0

MOTION PASSED

2. **Dunvegan Pumps & standardization moratorium** discussion tabled.

Motion by: Charles Williams

Seconded by: Gary Bundesen

Votes in Favor: 5

Votes Against: 0

MOTION PASSED

- C. **District Assets & Fire Protection** – Cheryl Madden
 - 1. Burn/clear plan for fall; waiting on property sale.
 - 2. Resident chipper resource may be available.
- D. **Utilities** – Steve Adams
 - 1. **Hotchkiss Towers lease negotiation** in progress.
 - 2. **Fiber Optic Infrastructure:**
 - a) SMI completed Phase 1 (main backhaul) on 08/27/2025.
 - b) AT&T delayed final trenching; scheduled to resume Oct 1.

IX. ADJOURNMENT

Motion: To adjourn the meeting was made by Steve Adams and seconded by Gary Bundesen.

Votes in favor: 4

Votes against: 0

MOTION PASSED

The meeting was adjourned at **5:38 PM**.

The next Regular Meeting of the HGCS D Board will be held on Thursday, December 4, 2025, at 4:00 PM at the Applegate Civic Center, 18014 Applegate Road, Applegate, CA 95703.