



Heather Glen Community Services District

Special Board Meeting Minutes

Date: November 6, 2025

Time: 4:00 PM

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

1. CALL TO ORDER

The Special Meeting of the Board of Directors of the Heather Glen Community Services District (HGCS D) was called to order at **4:00 PM** by Board President Charles Williams. **A quorum was present.**

Board Members Present

- Charles Williams, President
- Marc Krupin, Vice President
- Cheryl Madden, Treasurer
- Stephen Adams, Director
- Gary Bundesen, Director

Board Members Absent

- None

Also Present

- Rachel Rose, General Manager & Board Secretary
- Chris Locken, Bookkeeper
- Twelve (12) members of the public

The Pledge of Allegiance was recited.

2. APPROVAL OF MINUTES

Motion: Approve the meeting minutes from September 25, 2025.

Motion by: Stephen Adams

Seconded by: Gary Bundesen

Vote: 5–0, motion passed.

Heather Glen Community Services District

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3. NEW BUSINESS

A. CC&Rs Review and Discussion – Presented by Charles Williams

The Board discussed the planned legal review of the District's CC&Rs. The attorney will review and update the documents as needed, followed by County approval and a community vote.

Key Points:

- The District must maintain legally valid CC&Rs due to the 55+ community designation.
- The attorney determined that the decades-old CC&Rs contain outdated or unenforceable language.
- The Board previously approved a \$2,000 budget for legal review; work is billed at \$350/hour with \$500 spent to date.
- Updates are limited to language modernization, legal compliance, and *previous amendments to the CC&Rs from Resolution 2020.*
- A request was made to include a summary of changes when the updated CC&Rs are issued to residents.

Public Comment:

- Concern that CC&Rs “are on the deed” and rarely reviewed; questions about legality.
- Requests for cost clarification.
- Request to include an explanation of what is being changed and why.

B. Sierra Mountain Internet (SMI) Partnership Plan Proposal – Presented by Marc Krupin

Vice President Krupin presented an update on the Sierra Mountain Internet (SMI) fiber-optic project. SMI has paused construction due to trenching complications encountered during installation. Because SMI is already beyond the timeline outlined in the original agreement, this pause provides the District with an opportunity to revisit and renegotiate the agreement to better serve the District's interests and potentially help move the project forward.

Key Points:

- SMI's project to bring fiber service to all homes in Heather Glen Estates is currently paused due to trenching complications.
- The delay gives the District an opportunity to revise or renegotiate its prior agreement with SMI, which is already past its original timeline.
- A new partnership structure *in the form of a Public-Private Partnership (P3)* - could allow the District to ensure clearer terms, stronger protections, and improved project oversight.
- The District would own the conduit and fiber infrastructure under the proposed model.
- Estimated trenching issue: ~\$7,000 to resolve.
- Estimated total District investment: \$24,000–\$30,000, using reserve funds designated for infrastructure improvements.

- District infrastructure (water treatment plant, security cameras, emergency phone) could benefit from fiber connectivity.
- Proposal for an incentive to increase sign-ups (e.g., reducing residents' initial \$250 cost by \$150).
- Discussion regarding early-phase cost structure: ~\$950 initially per customer, later reverting to standard pricing.

Clarifications:

- Earlier confusion regarding "70% commitment" resulted from interpreting survey returns rather than actual sign-ups.
- Current estimated commitment: 55% (44 of 80 households).
- SMI has indicated the project will continue even without full participation.
- Concerns were expressed about SMI's project management and prior missed timelines.
- Questions were raised about soliciting competitive bids; discussion noted that SMI is one of the only providers supporting rural fiber expansion.
- AT&T confirmed it would not be providing fiber service to this area.
- Questions were raised about potential Government Code §1090 conflict-of-interest issues, including the need for legal review before any agreement is executed.
- Any revised agreement would be reviewed by legal counsel to ensure compliance and protect the District.

Public Comment Included:

- Questions regarding total cost and long-term commitments.

Motion:

Vice President Krupin moved to support the SMI project in a three-phase structure and authorize up to \$30,000 in District investment, contingent on review of a revised agreement by legal counsel.

Second: Cheryl Madden

Vote:

- Yes: Charles Williams, Marc Krupin, Cheryl Madden
- No: Gary Bundesen, Stephen Adams

Motion passed 3–2.

Additional note: A show of hands from the public indicated 10 of 15 attendees would support the project.

C. Policy Amendments – Presented by Cheryl Madden

1. Collections Policy & Payment Plan Agreement

The Board reviewed the proposed amendments to the Collections Policy and Payment Plan Agreement.

Public Comment:

- Concern that invoices do not show past-due amounts.
- A Board Treasurer clarified that the District issues statements only when accounts are past due; regular invoices do not include arrears.

Motion: Approve the amended Collections Policy and Payment Plan Agreement.

Motion by: Marc Krupin

Seconded by: Stephen Adams

Vote: 5–0, motion passed.

The amended policy will be posted on the District website and is available upon request.

2. Finance Management Policy: Infrastructure Expenditures

The Board discussed updates to the Finance Management Policy regarding the use of reserve funds for infrastructure expenditures, following guidance from CSDA confirming that reserve funds may be used for such purposes. No formal policy amendment or language was presented at this meeting.

Motion: Approve updates to the Finance Management Policy, with the understanding that final language will be drafted and incorporated into the policy.

Motion by: Cheryl Madden

Seconded by: Stephen Adams

Vote: 5–0, motion passed.

The finalized policy updates will be drafted, posted on the District website, and made available upon request.

5. ADJOURNMENT

Motion: To adjourn the meeting.

Motion by: Stephen Adams

Seconded by: Marc Krupin

Vote: 5–0, motion passed.

The meeting adjourned at **5:18 PM**.

Next Regular Meeting

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

**Amendments made by board 12-06-25.*

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