

SPALDING COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS



MEETING AGENDA May 10, 2024 3:00 PM

MEMBERS OF THE BOARD
TED THOMAS, BOARD CHAIR
ED LAWSON, BOARD VICE CHAIR
LARRY DOSS, DIRECTOR
BARBARA WILLARD, DIRECTOR
FRANK MUSE, DIRECTOR

MEETING LOCATION
EAGLE LAKE COMMUNITY CENTER
502-907 MAHOGANY WAY, SUSANVILLE, CA 96130
530-825-3258

NOTE: CONFERENCE LINE FOR REMOTE ATTENDANCE: 617-829-6724

WELCOME TO THE SCSD BOARD MEETING

1. CALL TO ORDER

2. ROLL CALL

___ Ted Thomas

___ Larry Doss

___ Ed Lawson

___ Barbara Willard

___ Frank Muse

3. PLEDGE OF ALLEGIANCE

4. APPROVAL OF THE AGENDA

5. PUBLIC COMMENT - Members of the public may provide public comment on any item on the Board's agenda, or on any item that is within the subject matter jurisdiction of this Board. Public comments are limited to five (5) minutes (unless the Chairman of the Board specifies a different period of time). Comments by members of the public on an item that appears on the agenda will only be allowed during consideration of the item by the Board. If you wish to speak on a matter that does not appear on the agenda, you may do so during the Public Comment period. Except as otherwise provided by law, no action or discussion shall be taken/conducted on any item not appearing on the agenda. Public comments must be addressed to the board as a whole through the President.

6. PRESENTATIONS

Resolutions of Commendation.

7. CURE AND CORRECT

After receiving a request from concerned citizens regarding a possible procedural error at the March 15, 2024 regular meeting, it is recommended the Board re-vote Ordinance #10 and vote to ratify the March 15, 2024 meeting.

8. APPROVAL OF MINUTES

a. Submitted for approval are the minutes from March 15, 2024 Board of Directors Meeting.

b. Submitted for approval are the minutes from April 19, 2024 Board of Directors Meeting.

9. FIRE CHIEF REPORT TO BOARD

Chief Spediacci's report to the Board of Fire Dept. activities.

10. GENERAL MANAGERS REPORT TO THE BOARD

- a. Sewer Report for April 2024 Departmental activities.
- b. Recreation Report for April 2024 activities, and review of the "Poker Run" Special Event.
- c. Financial Report for April, 2024.
- d. Staff report Administrative Assistant Position Created.
- e. Staff report to request policy change on billing cycles for sewer fees.

11. BOARD MEMBER REPORTS / BOARD MEMBER COMMENT

- a. Director Willard update report to Board on General Manager Recruitment Committee.
- b. Director Muse report to update facility security "re-key" project.
- c. Vice-Chair Lawson report for Greenwaste Event and a proposed action to adopt new Launching Fee Rates at the Marina.
- d. Chairman Thomas update report for Strategic Planning Committee.

12. NEW BUSINESS

- a. Staff report Zoom meeting account for the District.
- b. Staff Report "On Call Short List" for District's Wastewater Operations Emergencies.
- c. Staff Report recommending Board action to direct Interim General Manager to compose a letter to Lassen County regarding proposed Spalding Marina regulation changes.
- d. Set date for Special Meeting . (Education series, Brown Act, Code of Civility)

13. CONTINUING BUSINESS

- a. Meeting with County Officials regarding returning the District Treasury to Lassen County.
- b. RFQ's for local attorneys firms. (Development in progress).
- c. RFQ's for local CPA firms (Development in progress)
- d. Staff Report; Presentation to the Board and Public on the Management Report and Cover Letter dated February 12, 2024, for the Audit for the fiscal year ending June 30, 2023.

14. ADJOURN

The Next Regular Board Meeting will be on June 14, 2024

All documents available for public review are on file at the District's office located at
502- 907 Mahogany Way, Susanville, CA 96130

Any person with a disability who requires accommodations in order to participate in this meeting or for package materials in an alternative format should telephone the District at 530-825-3258, at least 48 hours prior to the meeting in order to make a request for a disability-related modification or accommodation. All accommodation requests will be handled swiftly and resolving all doubts in favor of access. Copies of records provided to Board Members which relate to any agenda item to be discussed in open session may be obtained online at Spaldingcsd.org or from the District Office at 502- 907 Mahogany Way, Susanville, CA 96130.

APPROVAL OF MINUTES

SPALDING COMMUNITY SERVICES DISTRICT

BOARD OF DIRECTORS

REGULAR MEETING

MARCH 15, 2024

APPROVED BY DIRECTORS:

1. MEETING CALLED TO ORDER: Chairman Thomas called the meeting to order at 3:02 p.m.

<u>ROLL CALL:</u>	<u>PRESENT</u>	<u>ABSENT</u>
Ted Thomas	<u> x </u>	<u> </u>
Ed Lawson	<u> x </u>	<u> </u>
Larry Doss	<u> x </u>	<u> </u>
Vacant	<u> </u>	<u> </u>
Vacant	<u> </u>	<u> </u>

3. PLEDGE OF ALLEGIANCE:
The Pledge of Allegiance, led by Chairman Thomas was spoken.

4. APPROVAL OF THE AGENDA:
Motion: Approve the Regular Meeting Agenda.
First: Director Doss made the motion.
Second: Director Lawson seconded the motion.
Roll Call: Larry Doss, Ed Lawson, Ted Thomas – motion carried.

5. PUBLIC COMMENT:
Shirley Spediacci - Spoke to the needs for the community and the district, and spoke to the disarray in the Office.

Mick Hill – Complimented the efforts of the Board and shared his experience in another community.

6. APPOINTMENT OF NEW BOARD MEMBERS (2):
A. The Board reviewed applications for vacant Board seats.
Three applicants, Barbara Willard, Frank Muse and Brian Kahn shared their experiences and potential attributes for community service.

Public Comment: Dan James spoke to the needs for the community, the commitment required to serve the community, and the importance of education and transparency.

Chris Gallagher, District 1 County Supervisor, shared additional experience of Barbara Willard with LAFCO.

B. Motion: Chairman Thomas made a motion to appoint Barbara Willard.

First: Ted Thomas

Second: Ed Lawson

Roll Call: Ed Lawson – Aye. Ted Thomas – Aye. Larry Doss- Nay.

Barbara Willard was appointed to a vacant director position.

Motion: Chairman Thomas made a motion to appoint Frank Muse.

First: Ted Thomas

Second: Larry Doss

Roll Call: Ted Thomas – Aye. Larry Doss – Aye. Ed Lawson – Aye.

Frank Muse appointed to the remaining vacant director position.

C. Chairman Thomas gave the Oath of Office to Barbara Willard and Frank Muse. Both newly appointed directors were asked to join the Board at the dais.

7. CLOSED SESSION:

The Board adjourned the Regular Meeting to Closed Session to discuss consideration of Interim General Manager and exited the chambers.

Report Out at 4:16p.m. – Attorney announced no reportable action.

Board resumed the Regular meeting.

8. NEGOTIATION OF TERMS AND APPROVAL OF INTERIM GENERAL MANAGER CONTRACT

The Board requested the applicant, Kari Graton, share her experience.

Ms. Graton related some of her 31 years of experience in County government and reiterated the contract to be for a Voluntary Interim General Manager.

Board Discussion: Director Doss expressed concerns over the District's current attorney fees and potential conflict of Ms. Graton's travel plans. Barbara Willard reviewed the proposed contract, requesting typographical corrections and minor additions to the contract.

Motion: To authorize the contract as amended and authorize the Chairman and applicant to execute the contract with Kari Graton.

First: Frank Muse

Second: Barbara Willard

Roll Call: Ed Lawson – Aye, Ted Thomas – Aye, Larry Doss - , Frank Muse – Aye and Barbara Willard – Aye.

Manager Graton summarized her plans and objectives for the District moving forward including Strategic Planning and the adherence to the Four Pillars of Good Governance.

9. APPROVAL OF THE MINUTES

The Board and Interim General Manager discussed necessary corrections to both the Feb. 16, 2024 and Feb. 28, 2024 minutes.

Motion: A motion was made for minutes to be returned to staff for correction and brought back at the next Regular Meeting.

First: Barbara Willard
Second: Frank Muse
Roll Call: Frank Muse – Aye, Barbara Willard – Aye, Larry Doss – Aye, Ed Lawson – Aye and Ted Thomas – Aye.

Motion carried.

10. FIRE CHIEF REPORT TO THE BOARD

Chief Spediacci reviewed reported call outs to the Board and reviewed proposals for replacement of the failed Fire House heater.

Motion was made to accept and approve \$5945.75 to replace the heater to All Seasons Heating and Air Conditioning by Director Lawson and seconded by Director Doss. Voice Vote: All Ayes.

Additionally, the Chief provided information to the community regarding the donation of a hospital bed, the continuation of the tree trimming project and donations received from the Departments Spaghetti Dinner of \$941.00. Director Muse also reported collecting donations of \$312.00 at the event to benefit a child's trip to Washington DC.

11. GENERAL MANAGER REPORT

Manager Graton discussed the need for "user friendly" financial reports and the need to defer the discussion to the next meeting. She also discussed the need for a District Treasurer and mandatory quarterly Treasurer reports. The Board indicated they would like to bring back the monthly review of the bills to approve.

12. SEWER REPORT

Board reviewed the report as submitted in the packet. There was a discussion regarding batteries.

13. BOARD MEMBER REPORTS AND COMMENTS

- A. Director Lawson voiced concerns about the District facilities and program security. Additional discussion regarding the Marina area and preparations for the fishing season, necessary repairs, safety issues and potential impacts to the Recreation budget.
- B. Director Doss reiterated his concerns that the attorney fees have consumed about 20 % of the district budget and the need to review the current contract with attorney's. Manager Graton discussed a better process to review and seek out necessary services.

14. NEW BUSINESS

Board discussed the need to ratify the actions taken at the Jan. 19, 2024 Regular meeting.

Motion: A motion was made by Chairman Thomas to ratify all of the actions taken at the Jan. 19, 2024 Regular Meeting.

First: Ted Thomas

Second: Ed Lawson

Roll Call: Ted Thomas – Aye, Ed Lawson – Aye, and Larry Doss – Aye.

Motion carried. (Vote by Board members present at that meeting only.)

15. CONTINUING BUSINESS

- A. Second reading of ORDINANCE #9: An Ordinance Amending Ordinance #4, Article 2.012.12 Meetings Time and Place. Board discussion.

Motion: A motion made by Director Doss to Approve the Ordinance and Waive the second reading.

First: Larry Doss

Second: Frank Muse

Roll Call: Barbara Willard – Aye, Ed Lawson – Aye, Ted Thomas – Aye, Larry Doss – Aye and Frank Muse – Aye. Motion carried.

- B. Second reading of ORDINACNE # 10: An Ordinance Amending Ordinance #4 Article 4.01.050 Parking and Article 4.01.080 No Camping.

Board discussion from Director Willard regarding Parking, concerns for limitations on length of vehicles, concerns regarding Ca. Vehicle Code conflicts and issuance of permits. Director Willard requested a correction to the typographical error of the word "expressive" to change to be "excessive," and voiced additional concerns regarding noise, security and trash.

Will Turner expressed concerns about the Ordinance.

Motion: A motion to approve the amended Amendment to Ordinance #10 and waive the second reading was made by Director Muse.

First: Frank Muse

Second: Ed Lawson

Roll Call: Ted Thomas – Aye, Barbara Willard – Nay, Larry Doss – Aye, Frank Muse – Aye, and Ed Lawson – Aye.

Motion carried with a 4-1 vote.

- C. The Board and the General Manager discussed development of committees for the search for a permanent General Manager with Director Willard and Director Muse agreeing to participate in an Ad Hoc Recruitment Committee.

Board and General Manager discussed a Special Meeting for April 1, 2024 at 1:00p.m. for a Strategic Planning Workshop. The public is welcome and encouraged to attend. Applications for participation in an Ad Hoc committee to be available at the workshop and on the website.

16. ADJOURN

Motion: Motion to adjourn.

First: Frank Muse

Second: Barbara Willard

Roll Call: Ted Thomas- Aye, Ed Lawson – Aye, Larry Doss-Aye, Frank Muse-Aye and Barbara Willard – Aye.

Meeting adjourned.

SPALDING COMMUNITY SERVICES DISTRICT

BOARD OF DIRECTORS

REGULAR MEETING

APRIL 19, 2024

APPROVED BY DIRECTORS:

1. MEETING CALLED TO ORDER: Chairman Thomas called the meeting to order at 3:00 p.m.

2. <u>ROLL CALL:</u>	<u>PRESENT</u>	<u>ABSENT</u>
Ted Thomas	<u> x </u>	<u> </u>
Ed Lawson	<u> x </u>	<u> </u>
Larry Doss	<u> x </u>	<u> </u>
Barbara Willard	<u> x </u>	<u> </u>
Frank Muse	<u> x </u>	<u> </u>

3. PLEDGE OF ALLEGIANCE:

The Pledge of Allegiance, led by Chairman Thomas was spoken.

4. APPROVAL OF THE AGENDA:

Motion: Approve the Regular Meeting Agenda as amended to include Barbara Willard's name.

First: Director Willard.

Second: Director Lawson.

Roll Call: Ayes -Ted Thomas, Larry Doss, Ed Lawson, Ted Thomas, Barbara Willard and Frank Muse.

Motion carried.

5. PUBLIC COMMENT:

Sheriff McGarva introduced himself and provided a brief outline of his plans for the community including potential staffing for North County area.

Dan James commended efforts by volunteers to clean the marina area.

6. APPROVAL OF THE MINUTES

a. Submitted for approval were the minutes from the February 16, 2024 Board Meeting.

Motion: Approve the minutes from February 16, 2024 Board Meeting

First: Larry Doss

Second: Ed Lawson

Roll Call: Larry Doss – Aye, Ed Lawson – Aye and Ted Thomas – Aye.

Motion carried.

- b. Submitted for approval were the minutes from the February 28, 2024 Special Board Meeting.
 Motion: Approve the minutes from February 28, 2024 Special Board Meeting.
 First: Ted Thomas
 Second: Ed Lawson
 Roll Call: Larry Doss – Aye, Ed Lawson – Aye and Ted Thomas – Aye.
 Motion carried.
- c. Submitted for approval were the minutes from March 28, 2024 Special Board Meeting.
 Motion: Approve the minutes from March 28, 2024 Special Board Meeting.
 First: Larry Doss
 Second: Barbara Willard
 Roll Call: Larry Doss – Aye, Barbara Willard – Aye, Frank Muse – Aye, Ed Lawson – Aye and Ted Thomas – Aye.
 Motion carried.
- d. Submitted for approval were the minutes from April 1, 2024 Special Board Meeting.
 Motion: Approve the minutes from April 1, 2024 Special Board Meeting.
 First: Frank Muse
 Second: Larry Doss
 Roll Call: Larry Doss – Aye, Frank Muse – Aye, Barbara Willard – Aye, Larry Doss – Aye and Ted Thomas – Aye.
 Motion carried.

7. EDUCATIONAL PRESENTATION

Manager Graton thanked all the volunteers who have been assisting the District and introduced two educational videos - Districts Make the Difference: Special Districts 101 and Ca. Special Districts Association: Orientation for New Board Members; Applying Public Service Ethics.

8. FIRE CHIEF REPORT TO THE BOARD

The Chief reviewed the calls for the month. CPR classes have been conducted. The chief anticipates receiving awards from Lassen Fire Safe in the amount of \$2,000.00 and from Firewise in the amount of \$500.00. Cal Fire will be in the area the weekend of May 3rd.

9. GENERAL MANAGER REPORT

- a. Manager Graton reviewed the Sewer Report, upcoming activities including flushing of lines, repair of a pump, Safety training and upcoming visit from the Water Board.
 Director Doss inquired about a vacuum lock on part of the sewer line.
- b. Manager Graton provided an update on the status of the Recreation department including the finances and an upcoming event permit.
 Director Willard questioned potential costs associated with the event.
Public Comment: Sheryl Alvernaz inquired about the routes for the event.
- c. Manager Graton shared the current account balances. Suggested the Board consider talks with Lassen County and Supervisor Gallagher regarding restoring the District's Treasury to the County Auditor. Discussion by Board regarding those talks and actions necessary to move forward including audits. The Board directed staff to prepare Requests for Qualifications (RFQ) and Requests for Proposals (RFP) for forensic audit services.
Public Comment: Ken Rowe expressed concerns about previous signors on accounts. Bryan Geist provided information about another potential means of contacting bank associates on Linked In.

Motion: A motion was made directing staff to contact Lassen County and proceed with discussions regarding restoring the District's Treasury to the County Auditor.

First: Frank Muse

Second: Ed Lawson

Roll Call: Larry Doss – Aye, Barbara Willard – Aye, Frank Muse – Aye, Ed Lawson – Aye and Ted Thomas – Aye.

Motion carried.

- d. Manager Graton made a request for the Board to approve a month to month bookkeeping contract with Grace Dougan Consulting and explained the need for this service.

The Board discussed the various functions to be worked on and the need for transparency in all decisions regarding the finances.

Public Comment: Sheryl Alvernaz spoke to the CPA contract and the need to recognize the urgency of our current financial situation.

Motion: A motion to approve the month to month contract with Grace Dougan Consulting and proceed with Requests For Qualification (RFQ) and Requests For Proposal (RFP) processes to establish a bookkeeper for the District.

First: Ted Thomas

Second: Frank Muse

Roll Call: Frank Muse – Aye, Ted Thomas – Aye, Ed Lawson – Aye, Barbara Willard – Aye and Larry Doss – Aye.

Motion carried.

10. BOARD MEMBER REPORTS AND COMMENTS

- a. Director Muse reviewed the quote from Alpine Lock & Key (a licensed and bonded company). Reviewed information from other area locksmiths. The Board discussed security concerns. Manager Graton recommends proceeding with replacement of locks and keys as funding becomes available.

Public Comment: Sheryl Alvernaz commented on previous locksmith bill. Bryon Gist questioned security on future keys, the need for sign out sheet for all keys. Dan James inquired about charges and the potential need to present to the District Attorney. Cliff Spediacci inquired about keys for fire.

Motion: A motion to approve the keying of the buildings with Alpine Lock & Key as funds become available and the Board is to be apprised of the status.

First: Ted Thomas

Second: Barbara Willard

Roll Call: Ed Lawson – Aye, Frank Muse – Aye, Ted Thomas – Aye, Barbara Willard – Aye and Larry Doss – Aye.

Motion carried.

- b. Director Willard provided a status report on the Ad Hoc committee's work in the search for a General Manager. The committee has worked on a notice with the qualifications, places to post recruitment, job requirements and development of a score sheet for applicants.

Sheriff McGarva reiterated his offices' availability to assist the District.

INTERMISSION

11. NEW BUSINESS

- a. The Financial Audit prepared by Larry Bain was presented to the Board for review. The Board

discussed various aspects of the audit, the need for further explanation by Larry Bain, a potential special meeting for further review. The Board directed staff to contact Larry Bain, CPA and Stradling attorneys.

- b. The contract with the District counsel Stradling Yocca, Carlson & Rauth LLP was presented to the Board for review. The Board discussed the current fees being charged, the current outstanding invoices, the work being performed in pursuit of delinquent accounts and the next steps, ie: search for alternative counsel.

Public Comment: Dan James commented on the search for another counsel and payment of current invoices. Brian Kahn commented on the foreclosure process.

The Board directed staff to return in 6 months for another review and evaluation of District needs in Counsel.

- c. Manager Graton reviewed the status of bills paid and to be paid as presented to the Board. The Board discussed the bills and concerns about available funding.

Public Comment: Kristine Read and Dan James regarding their concerns about the financials.

The Board directed staff to ascertain what other legal avenue the District might have to accommodate the delinquency notices other than through the attorneys.

The Board further discussed the need to prioritize some of the bills for payment now and those for payment at a later date.

Motion: A motion was made to approve the Fire Department bills as presented over \$2,500.00.

First: Frank Muse

Second: Larry Doss

Roll Call: Ed Lawson – Aye, Frank Muse – Aye, Ted Thomas – Aye, Barbara Willard – Aye and Larry Doss – Aye.

Motion carried.

Motion: A motion was made to approve the Sewer Department bills as presented over \$2,500.00 excepting the Stradling invoices.

First: Larry Doss

Second: Frank Muse

Roll Call: Ed Lawson – Aye, Frank Muse – Aye, Ted Thomas – Aye, Barbara Willard – Aye and Larry Doss – Aye.

Motion carried.

The Board discussed the bills previously paid, questioned comments on summary regarding bills that need to be reviewed. Manager Graton explained invoices for technical services and change in provider. Director Willard inquired about the status of the budget. Further discussion regarding the need for grants to aid the District in moving forward with the needed repairs of the sewer system.

Public Comment: Sheryl Alvernaz commented on the dues and subscriptions.

- d. Manager Graton introduced a Code of Civility and Rosenberg's Rule to the Board for consideration, with approval and adoption at the next meeting.

12. CONTINUING BUSINESS

- a. Manager Graton presented a report on the Strategic Planning to date. Phase I, the development of Values, Vision of the Future and Mission Statements is complete. This is the foundation to guide the Board and District staff to set and complete goals. Phase II, is the setting of realistic goals and plans. Director Willard suggested that future planning include the recent SSMP report.

Motion: A motion to approve Phase I of the Community Based Strategic Planning.

First: Barbara Willard
Second: Ted Thomas
Roll Call: Ed Lawson – Aye, Frank Muse – Aye, Ted Thomas – Aye, Barbara Willard
– Aye and Larry Doss – Aye.

Motion Carried.

Chairman Thomas stated his desire to chair the Ad Hoc Committee for Strategic Planning. Frank Muse stated his willingness to participate as well. Applications from the community include Dan James, Diane James and Ellen Stallings. Manager Graton also committed to guiding the process.

- b. Resolution 2024-003 was presented to the Board for approval setting the date, time and place of the Regular Meeting of the Spalding Community Services District. The Board discussed changing the date to the second Friday instead of the third Friday as a way to accommodate the approval of bills, a recent Cure & Correct item and the need to announce this change to the community.

Motion: A motion to approve Resolution 2024-003 setting the Regular meetings to the second Friday of the month at 3:00 p.m. in the Community Center.

First: Frank Muse
Second: Larry Doss
Roll Call: Ed Lawson – Aye, Frank Muse – Aye, Ted Thomas – Aye, Barbara Willard
– Aye and Larry Doss – Aye.

Motion Carried.

13. ADJOURN

Motion: Motion to adjourn to the next Regular Meeting on May 10, 2024 at 3:00 p.m.
First: Frank Muse
Second: Ted Thomas
Roll Call: Ed Lawson – Aye, Frank Muse – Aye, Ted Thomas – Aye, Barbara Willard – Aye and
Larry Doss-Aye.

Motion carried.

Meeting adjourned.

SEWER REPORT

To: SCADBOD

From: Kari Graton, Interim General Manager

Date: May 10, 2024

Subject: Monthly Wastewater Report and Quarterly updates

Background

Beginning this month, the quarterly reports generated by the Districts Operations Technician to comply with the Regional Water Quality Control Boards (RWQCB) regulations and licensing which allow us to operate our sewer system will be presented to this Board and the public. This will contribute to both the Board's and the public's understanding of the required operations our technician performs, both in the field and in the office, in his efforts to comply with State regulations. It will also notify the Board of the increasing need to find and allocate funding resources in order to perform major and minor maintenance projects, and to develop a Capital Projects Improvement Program, and Capital Reserve Fund in order to accomplish these required tasks. On May 14, 2024, RWQCB is sending a representative to perform a walk through inspection of our facilities. Findings by the RWQCB will be presented to your Board at the next regular meeting, Of special concern in this report are the following items:

1. The Laboratory SCSD contracts with has been sharing it's sample courier with us and other customers to reduce costs for all concerns. However, this "sharing" and scheduling has created a situation that can make sample analysis late for quarterly reports. This is a situation that will eventually become unacceptable to RWQCB, and will require some investigation and remediation through the GM's office.
2. It should be noted that at certain times of the year, well #3 is dry and cannot be sampled. It appears that soil based infiltrates have reduced the depth of the well by several feet from its original depth. This could result in a requirement from RWQCB that we remedy the situation in order to provide more accurate sampling data from that area of the underlying aquifer intended to demonstrate the integrity of the pond liners.
3. We continue to operate pump station #1 with an above ground emergency bypass. The District needs to conduct inspections of pump stations #1 and #4 as soon as funds can become available in order explore engineering options for permanent repairs and to facilitate acquiring appropriate funding. This may include using

remaining Capital Projects funds if any exist, once we regain access to bank records. If no Capital funds are available there, or in Capital Reserves, then our options would be limited to O&M funds, which are already stretched thin. Applying for available grants, or looking to low interest loans to accomplish these repairs would be our remaining options. Continuing to operate the system with jury rigged pumping facilities could lead to mandatory work plans initiated by RWQCB, notices of violation, fines and the possibility of a cease and desist order.

Financial Impacts

To be determined. Unknown amounts of considerable financial impacts to the CSD could be required.

Results

The Board of Directors and the general population of the community is better informed of the operating conditions of the wastewater system they own and pay for by posting quarterly and annual reports for their considerations.

Recommendation

N/A at this time.

RECREATION REPORT

To: SCSDBOD

From: Kari Graton, Interim General Manager

Date: May 10, 2024

Subject: Recreation Department Monthly Report

Background

Staff is happy to finally be able to report that the Recreation Departments checking account is up and running. This is important, because it allows the District to accumulate and appropriately deposit funds received through the endeavors of the communities efforts and events. As well, it allows District staff to pay bills such as our State lease for our marina facilities without misappropriating from sewer funds, as had been the past practice.

This Month's special event, the "Poker Run" involved utilizing the marina parking facility for the first time, under the authority of a special event permit. The staff report only includes issues which occurred under the District's domain and not in accordance with the permit as issued by the District.

1. Parking for campers and vehicles within the parking area of the marina were not in accordance with the event coordinators plans, developed approved by the applicant and the District. They did not allow the defined clear pathway's for emergency vehicle access if it were needed. Also, parked vehicles block the avenues of clear traffic circulation as approved by the General Manager and as presented in the overhead plan by the event coordinator.
2. At times, specifically Saturday afternoon and evening, event participants vehicles were observed traveling outside of the defined public travel ways as approved by the District. Specifically, Mahogany Way, which was not designated as an approved route for the event.
3. Vehicles were observed using the marina boat launch ramp as an OHV wash station.
4. Several open fires were observed as warming fires, not as tailgate BBQ activities.
5. Many instances of "speeding vehicles" were reported or observed on regular residential streets, however, most of our sightings of such instances appeared to be local residents.

On a good note, most of these incidents, once reported, were handled expediently by the event coordinator and his staff to a positive outcome and a curtailment of the unauthorized activities. Adjustments of permit requirements and operational functions could remediate

these concerns in future events moving forward. Before the “bad weather” hit Saturday, the event participants were seemingly better behaved. Weather could have been a factor, in that off roading outside the District boundaries was much more difficult once the rain and snow commenced.

Other Findings

During our initial inspection, to determine areas of concerns for the event, it quickly became evident there were several areas of concern for District’s liability in respect to physical injuries within the Parking Facility.

1. The District and at least two (2) private individuals have docks stored on District property that present liability as an attractive nuisance. The docks need to be safely isolated from public access to limit this liability to an acceptable risk level. The docks need to be moved out of the parking area altogether, and secured by fencing. Holding future events is not recommended without taking action to reduce this risk by either:
 - a. Liquidating and removing the docks, or
 - b. Relocating and securing them behind acceptable safety fencing.
2. The District needs to revisit it’s Ordinance regarding dock storage and develop appropriate “user fee’s” for private dock storage on the Districts Property. Providing a safe storage area will have inherent charges to then District not appropriate without attached user fees.
3. There are two (2) areas of broken pavement and one (1) area of broken sidewalk that need repair if District wishes to approve future events at the marina.

Financial Impacts

To be reported at next month’s meeting once an accurate accounting can be made, but it is safe to say the District will receive significant funding for the Recreation Department through user fees for parked vehicles. As well, some contributions to the Fire Department are expected, but yet to be determined.

Results

The Community enjoyed a three day event which brought hundreds of participants, visitors and their revenues into Spalding.

Recommendation

Direct staff to prepare and present a follow up report with recommendations for firmer permitting controls and restrictions that would allow future events of this nature to be better monitored, controlled and managed with reduced potential negative impacts to the serenity of the communities residents.

FINANCIAL REPORT

To: SCADBOD

From: Kari Graton, Interim General Manager

Date: May 10, 2024

Subject: Monthly Financial Report

Background

Presented are the monthly financial reports. We have finally made some headway with USBank by gaining access to the following :

Sewer Checking; balance as of May 4, 2024 : **\$34,588.82**

Fire Checking; balance as of May 4, 2024: **\$121,645.01**

Recreation Checking; balance as of May 4, 2024: **\$56.21** (Does not include amount held in sewer and does not include Poker Run proceeds yet to be deposited).

Staff continues to work on gaining access for our recently contracted Bookkeeping Service to view all other aspects of the District's funds so that we can reconstruct our accounts and enable our ability to develop a budget. It is a legal requirement to have your Board adopt a budget, which is very challenging without knowledge of or access to amounts currently deposited with USBank. Staff has designated this as priority one, but progress remains slow, raising several questions. This situation exemplifies the need to obtain a forensic audit, regardless of the expense, in order for the community to move forward in a positive manner. Presented are a record of checking account transactions.

As well, in accordance with the approval of the Board at last month's meeting, staff is asking for approval of a \$10,000 payment to Stradling Attorney's towards the hefty billings previously presented. With the continuance of accounts receivable we have available funding to begin to pay down that bill for previously performed work. Since taking office, Stradling informs us that our current billing by current management staff since March 15 to date for professional attorney opinions and attorney work has been reduced to about \$545 for that period. Although this is good news, the District should realize that managing the District in accordance with codes and statutes does require legal counsel to be consulted from time to time. Management staff is reaching a point though, once the banking situation is resolved, to be able to research options to the Districts current practice of having our attorney's be the principal party responsible to fulfill our obligation in responding to

delinquent sewer assessments connected to the Bond. Reducing attorney activity in this area would save The District thousands in annual attorney fees.

A credit card with USBank has been issued to the GM, in accordance with the Districts Credit Card Policy. The policy in place restricts the use of the credit card to the GM only. Management agrees with this policy, which should provide us with the necessary access to online purchasing required to obtain many services and goods only available over the internet. If followed, the policy is consistent with the Boards requirement to contain purchasing under the authority of the General Manager, with amounts over \$2500 only by approval of the Board.

Results

Gaining access to all of our financial resources will make it possible for the District staff to properly operate and prepare the required annual budget, which will then become the top priority of administrative staff.

Recommendation

Staff will continue to work to present the Board with RFQ's for possible CPA's capable of filling the Districts needs and capable of performing a forensic audit as soon as possible. Recommend the Board approve payments of over \$2500 as presented.

Previous Day Account Summary

SPALDING COMMUNITY SERVICES DISTRICT

SinglePoint

Reported Activity as of 05/03/2024

Printed on 05/04/2024 at 3:10 PM PDT

Account Name/ Account Number	Bank Name	CCY	Ledger Balance	Collected Balance	Opening Available Balance
SPALDING COMMUNITY SERVICES DISTRICT 7056	US Bank California	USD	\$34,588.82	\$34,588.82	\$34,588.82
SPALDING COMMUNITY SERVICES DISTRICT 1538	US Bank California	USD	\$121,845.01	\$121,845.01	\$121,845.01

SEWER

FIRE

\$56.21 REC *

* Rec - does not include amount held in Sewer.

* REC - event not yet deposited.

CURRENT PAYABLES

As of 05/03/2024

NAME	DUE DATE	AMOUNT	DATE PAID	CHECK #	MEMO
Forest Office	05/30/24	71.74	05/06/24	337	Copy charges
Everbank	04/26/24	182.38	05/06/24	338	
Frontier	05/20/24	839.12	05/06/24	347	
Lassen MUD	05/14/24	920.35	05/06/24	339	
Sierra Broadcasting	05/15/24	250.00	05/06/24	340	Advert GM
Streamline	05/31/24	84.00	05/06/24	341	Web
U S Bank	05/06/24	1103.03	05/06/24	342	Closing Balance
Verizon	05/11/24	504.05	05/06/24	343&344	Pump stations, Cell service
Diane Graton	05/06/24	70.83	05/06/24	345	Office Supplies
Diane Graton	05/06/24	157.22	05/06/24	346	Batteries Pump stations
QB - Payroll	05/06/24	598.00	05/06/24	Online	Payroll
		4780.72			
REC- St Lands	04/01/24	671.00	05/06/24	101	Lease

ADMINISTRATIVE ASSISTANT

To: SCADBOD

From: Kari Graton, Interim General Manager

Date: May 10, 2024

Subject: Administrative Assistant Position Created

Background

As your Board is aware, staffing is currently at an all time low level which is inappropriate to maintain an acceptable level of service to District residents and property owners.

A reasonable period of time has passed since my appointment to office which has allowed me to acquire a better assessment for staffing needs to best serve the community and operate our facilities within our budget.

Also, your Board has enjoyed a "Salary Holiday" over the past few months for two (2) positions, which has allowed the District to recover somewhat from the "financial basement" back to the "first floor" so to speak.

With the inevitability fast approaching that I will be leaving and gone for the months of June, July, August and part of September, it is my assessment that the District will be better served hiring an Administrative Assistant to replace the old position of "Office Manager".

This staffing position will require a more qualified person that will be able to perform many of the basic functions of the General Manager during my absence. The Administrative Assistant will remain under the general supervision of the General Manager, remotely, even when the General Manager is away.

As well, when the General Manager is replaced permanently, or after my return to the District in September, the Administrative Assistant will better serve the District because of his or her abilities to assist in operations as well as in administrative office capacities.

Financial Impacts

An Administrative Assistant position will be a \$25/hour position which will be required to work up to 40 hrs/week depending on the District needs and available budget.

Recommendation

N/A Because the position falls under the authority of the General Managers responsibility to staff the District properly, and is within the District's budget, no action is required by the Board.

Results

Replacing the previous position of Office Manager with a qualified Administrative Assistant will result in a better served community.

SEWER FEE BILLING CYCLE

To: SCSDBOD

From: Kari Graton, Interim General Manager

Date: May 10, 2024

Subject: Annual vs. quarterly billing cycle.

Background

The District has a long standing history of requiring sewer O&M fees to be collected quarterly, the cycle being January , April, July, and October. At one time users enjoyed a discounted rate by paying annually. Over a year ago, the District Board voted to stop this practice. Since that time, your Board brought before the public a rate increase, which passed the prop 218 process, and the new rates were instituted into effect in January 2024. At that time, and currently, many sewer users continued to elect to pay annually. There exists at this time no uniform policy of the District to allow payments annually, or to require payments to be made quarterly. This situation has created confusion about amounts due, when they're due, and what the rate should be. Some residents have paid annual bills as late as December 2023, which were calculated by then staff at lower rates than became effective in January 2024. Since the annual bill was fairly presented and fairly received, legal counsel believes a valid argument exists that a contract has been executed to the rate payer. This situation is detrimental for the district for two reasons:

1. It utilizes an inordinate amount of staff time attempting to provide explanations of additional fees beyond what was already paid on an annual bill in regard to rate increases required by the prop 218 vote.
2. It will continue to cause future confusion regarding how much actually is due on billing invoices and why the rates are different for certain months.

Because payments made annually are "off cycle" from the required fee increases, additional staff time is required to properly calculate off cycle annual payments. Because of the inordinate number of inquiries, requiring even more staff time to attempt to make a clear and understood explanations to rightfully confused customers, the business/client relationship is at risk of deterioration. In an effort to avoid that deterioration, Counsel advises the best mitigation to be acceptance the annual payment as received, without demanding the additional rates that have fallen off cycle.

Financial Impact

Although losses of the rate increases under these scenarios are minor, they are losses nonetheless. The District is not in a position to fail to capture all fees due in order to maintain the District's facilities as needed.

Recommendation

In order to stop such losses from continuing to occur, it is recommended that your Board direct staff to draft a Resolution to establish a policy that the billing cycles for sewer fees be set as follows:

1. Quarterly billings be due and payable on the first day of the following months;
 - a. January, April, July and October.
2. Annual payments are due and payable only on the first day of the month of July.

Results

Staff believes this better policy on billing cycles will streamline the billing process, make rate increases easier to understand for the user group and contribute to a better governed community.

ZOOM MEETING ACCOUNT

To: SCSDBOD

From: Kari Graton, Interim General Manager

Date: May 10, 2024

Subject: Zoom Meeting Account

Background

To better serve your Board, and our communities ability to attend SCSD meetings remotely, I have acquired a Zoom Meeting Account. It will take an initial startup and training period for staff to be able to begin utilizing the media, but we anticipate being fully functional by, or before the next regular meeting of the Board.

Financial Impacts

The monthly charge for the professional meeting account, including telephone service, is under \$23/month.

Recommendation

N/A

Results

Acquisition and implementation of a more modern remote media will provide for a better governed community.

ON CALL SHORT LIST

To: SCADBOD

From: Kari Graton, Interim General Manager

Date: May 10, 2024

Subject: Emergency Services Contractor List

Background

A few weeks ago, during routine operations, our Operations Technician was called to a location to find damage to our sewer system apparently caused by a resident building a fence.

It has become necessary to repair the damage to alleviate the eventuality of sewer system dysfunction downgradient of the damaged line. To accommodate this repair, I cut a purchase order to JD LeRoy (attached) to make the repair for an amount not to exceed \$2400.

Due to this occurrence, it became apparent to me that the District currently has no services contracts with providers for emergency repair services, more commonly referred to in Agency jargon as “a short list”.

Financial Impacts

Because the District does not own the equipment or retain certified employees trained in making such repairs in house, it is essential for staff to develop such a list to provide emergency repairs on short notice, as needed. Making repairs in a timely manner will save the District from paying potential fines in the case of an overtopping spill that cannot be addressed before it becomes a major event.

Recommendation

Direct staff to assemble a suitable list of service providers and quotations for hourly service and equipment rates as needed to serve the Districts needs, and bring it back to the Board annually for approval.

Results

Developing a redundant list of emergency repair service providers will best serve the District to mitigate the effects of sewer system breakdowns.

LASSEN COUNTY BOARD OF SUPERVISORS

To: SCADBOD

From: Kari Graton, Interim General Manager

Date: May 10, 2024

Subject: County Planning Commission Regulation Changes

Background

On April 29th, 2024, the Lassen County Planning Commission sent a notice to the District and other Agencies soliciting consideration in their proposal to make changes to County Ordinances regulating activities at the Spalding Recreation Area. It appears many of the changes may prohibit the District from allowing Special Events at the marina under its own new Ordinance #10. Also, your Board may want to question why the County would want to attempt to regulate District approved activities on lands that you lease from the State of California, which are within the Districts Boundary's.

Financial Impacts

Unknown, but potential regulations intended to quell the District's ability to conduct revenue generating events could end the District's ability to pay the annual lease fee to the State. Such a scenario would collapse the Recreation Departments ability or reason to exist if lake levels continue to fall. Because the County has scheduled this public hearing on May 14, 2024, it has created a direct conflict with a previously scheduled RWQCB inspection of the Districts sewer system which requires the General Managers attendance.

Recommendation

Because of the GM's inability to attend the meeting, it is recommended you approve the General Manager to compose a letter to send to the proper County authorities describing the Districts concerns of having the County unreasonably control activities within the boundaries of the District, and illuminate to authorities your Boards resistance to suggested changes that would negate your recent Ordinance Amendment allowing reasonable expansion of recreational activities on lands you lease from the State.

Results

Unknown, but failure to respond to the County's solicitation could result in the loss of the District's ability to use the marina parking lot for special events as intended by your Board.



Sewer- Recreation & Fire Protection

Spalding Community Services District

502-907 Mahogany Way Susanville, CA 96130 • (530) 825-3258

To: Lassen County Board of Supervisors

From: Kari Graton, Interim General Manager, Spalding Community Services District

Date: May 6, 2024

Subject: Solicitation of Agency comments regarding activities at the Spalding Marina Parking Area.

As your Board is aware, due to the long term effects of California's drought, and the continuing receding level of Eagle Lake, the Spalding Community Services District (SCSD) has encountered severe hardship in maintaining its recreational facilities leased from the State Lands Commission. Use fee revenues normally generated through boat launching activities at the marina have come to a virtual standstill over the last 10 years.

In an attempt to mitigate this hardship, and generate revenue to pay our annual lease fees to the State Lands Commission, SCSD recently amended its Ordinance #10 to enable overnight camping under certain circumstances, and allow for Special Events to be held in the parking lot area of the boat launch ramp parking lot. The property is owned by the State, and leased by SCSD. The District notified the State of its intent to change Ordinance #10 in an effort to utilize the area once again in a way that promotes area recreation during periods when boat launching is impossible and unsafe. The State approved. As well, the Ordinance outlines as a core principle, that when boat launching is safe and possible, special events will only be permitted in a manner that does not interfere with potential launching and boating activities.

The District would like to bring to your attention its resistance to the County Planning Departments suggestions or attempt to override SCSD's authority to manage and regulate reasonable recreational activities within the District's boundary. Special Districts are created to better manage certain activities the County cannot, or will not provide, at a more local and appropriate level. SCSD takes exception to the recommended amendments to Title 13; Chapter 13 § 13.10.020 Regulations cited in the Lassen County report dated May 5, 2024. Specifically, §13.10.020 (c), (d) and (e), which would be in conflict with Spalding's newly adopted Ordinance #10 and usurp SCSD's authority in regulating its own recreation area.

Previously, recent efforts by your Board were unanimous in accommodating changes to enable SCSD to re-create its recreation activity potentials with consideration to the extremely restrictive conditions making boating access at the marina unattractive to lake user groups. The suggested amendments to the above regulations would be in direct conflict with your Board's previous actions. The Spalding Community Services District strongly urges your Board to reject the amendments as proposed, specifically, §13.10.020 (c), (d) and (e).

Kari Graton

Interim General Manager