

# SPALDING COMMUNITY SERVICES DISTRICT

## BOARD OF DIRECTORS

### MEETING AGENDA

September 15, 2023

3:00 PM

**MEMBERS OF THE BOARD**  
MIKE ARNOLD, BOARD CHAIR  
LARRY DOSS, BOARD VICE CHAIR  
RANDY AUBREY, DIRECTOR  
ED LAWSON, DIRECTOR  
TED THOMAS, DIRECTOR



#### MEETING LOCATION

EAGLE LAKE COMMUNITY CENTER

502-907 MAHOGANY WAY, SUSANVILLE, CA 96130

530-825-3258

## WELCOME TO THE SCSD BOARD MEETING - PLEASE SIGN IN

Welcome to the SCSD Board Meeting! 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 grants a longer 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.

### 1. CALL TO ORDER

### 2. ROLL CALL

\_\_\_ Mike Arnold

\_\_\_ Randy Aubrey

\_\_\_ Larry Doss

\_\_\_ Ed Lawson

\_\_\_ Ted Thomas

### 3. APPROVAL OF THE AGENDA

### 4. APPROVAL OF MINUTES

A. Submitted for approval are the minutes from August 15, 2022 Board of Directors Meeting.

### 5. FIRE CHIEF REPORT TO BOARD

There were 4 calls in August, and 9 hours of Firefighter training.

### 6. GENERAL MANAGER REPORT TO BOARD

No Report (No financials from Lassen County since end of June, 2023)

### 7. SEWER REPORT

See Attached Report

### 8. BOARD MEMBER REPORTS / BOARD MEMBER COMMENTS

### 9. NEW BUSINESS

A. Results of written protest tally from Proposition 218 per the Public Hearing earlier today.

B. Ordinance 8 - Ordinance Pertaining To The District's Annual Sewer Fees, Revising Ordinance #4, Article 5.05.030.

C. Resolution 2023-10: Resolution Of The Board Of Directors Of The Spalding Community Services District Establishing Rates For Sewer Service Fees.

10. CONTINUING BUSINESS  
No Continuing Business

11. ADJOURN

NEXT REGULAR MEETING IS SCHEDULED FOR OCTOBER 20, 2023 AT 3:00 PM

# APPROVAL OF MINUTES

SPALDING COMMUNITY SERVICES DISTRICT  
REGULAR BOARD MEETING  
August 18, 2023

APPROVED BY DIRECTORS:

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1. MEETING CALLED TO ORDER: Mike Arnold called the meeting to order at 3:00 pm

<u>2. Roll Call</u>	<u>Present</u>	<u>Not Present</u>
Mike Arnold	<u>  X  </u>	<u>      </u>
Randy Aubrey	<u>  X  </u>	<u>      </u>
Larry Doss	<u>  X  </u>	<u>      </u>
Ed Lawson	<u>  X  </u>	<u>      </u>
Ted Thomas	<u>  X  </u>	<u>      </u>

3. PLEDGE OF ALLEGIANCE  
The Pledge of Allegiance was spoken.

4. PUBLIC COMMENT

A. Mick Hill commented that our sewer system was a good one but felt like the board has no direction on how to maintain the maintenance and upkeep on the system. Mick also commented on the fact that it's the homeowner's responsibility to take care of their own septic system.

B. Jason Stokes talked about how crucial it is that we have the proper maintenance and upkeep of the sewer system. Jason also talked about the process of replacing non-working pumps, and that it's easier to maintain a system than to replace a system.

5. APPROVAL OF THE AGENDA

Motion: Approve the Agenda  
First: Ted Thomas moved to approve the agenda  
Second: Mike Arnold second  
Roll Call: Yes: Mike Arnold, Ted Thomas, Larry Doss, Randy Aubrey, Ed Lawson

6. APPROVAL OF MINUTES

Motion: Approve the minutes from May 19, 2023 Board of Directors meeting.  
First: Mike Arnold moved to approve the minutes  
Second: Randy Aubrey second  
Roll Call: Yes: Mike Arnold, Larry Doss, Ted Thomas  
Absent: Ted Thomas, Randy Aubrey

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Motion: Approve the minutes from June 16, 2023 Board of Directors meeting.  
First: Mike Arnold moved to approve the minutes as amended (numbers not in sequence)  
Second: Randy Aubrey second  
Roll Call: Yes: Mike Arnold, Ted Thomas, Larry Doss, Randy Aubrey, Ted Thomas

Motion: Approve the minutes from July 31, 2023 Special Board of Directors meeting.  
First: Randy Aubrey moved to approve the minutes as amended (the disparity between the given comparison list was added and the date of a rate increase, which was stated as being retroactive, was removed).  
Second: Ted Thomas second  
Roll Call: Yes: Mike Arnold, Ted Thomas, Larry Doss, Randy Aubrey, Ted

7. FIRE CHIEF REPORT TO BOARD

Cliff addressed the community about trimming back limbs and branches that overhang into the road – which makes them impassable for the fire trucks. There was also some discussion on painting and /or putting decals on the new water tender, appreciation for the Neighborhood Watch property signs, and training for fire fighters during weekly meetings includes various medical assisting techniques, hose extraction, and practicing with various tools. Cliff responded to a question regarding putting in a water tank (or tanks) in the community.

8. GENERAL MANAGER REPORT TO BOARD

Marley answered questions regarding the financial budget numbers, and why the District's numbers are different from Lassen County's.

9. SEWER DEPARTMENT REPORT

Mike Arnold asked about which stations were being worked on (Pumps 1 & 2 were being worked on, not 2 & 4). There was further discussion on the sewer system pertaining to how the system actually works, current issues being worked on, and current working conditions.

David Handy provided some background on working and non-working pumps. David has been working with SUSP Engineering and the California Water Association. Mike Arnold has read the reports.

10. BOARD MEMBER REPORTS / BOARD MEMBER COMMENTS

Director Larry Doss requested discussion regarding:

- A. Budget And Hours For Employees; Board chair reminded the Board that the salary and scheduled hours were strictly up to the General Manager.
- B. When Does The County Give Us Control Of Banking And Purchasing; Marly explained that the District plans on taking control of bookkeeping and accounting back October 2023.
- C. Discuss Replacing Legal Counsel With Local Legal Counsel: Mike mentioned that the current Legal Counsel was hired a number of years ago, and was less expensive than local Counsel. There was some further discussion.
- D. Meeting Schedule (Should Have Two Meetings Monthly); Randy Aubrey wanted to wait until after Prop 218 was over before making the decision to have two meetings a

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month. A couple of Directors were not supportive of two meetings a month. Ed felt that there was too much time between meetings.

- E. Does The Board Get To Approve Bills: Marly explained that the Board does actually approve the bills by reviewing the Financial Reports provided each month. Items being purchased are listed in the Appropriation Report.

Ed Lawson brought Lassen County's current landscaping and planting guides – which provided suggestions for fire-safe plants. He also had green waste bags available for people and noted that the next Greenwaste at the dump was scheduled for September 8/9.

Larry Doss inquired about getting Solar Reports. Sharon provided some background and will do more research on the matter.

11. CONTINUING BUSINESS

There was no continuing business

12. NEW BUSINESS

A. Public Hearing for 2023-2024 District Budget

1. Mike Arnold opened the public hearing at 3:43 pm

Mike asked for any written correspondence. There was one letter from Tammy LoBue questioning the closed session. Mike responded that there is no closed session – she must have misunderstood. Mike stated that we were following the public hearing process as provided by our legal counsel. There was no further written correspondence.

2. Dan James questioned why there was a discrepancy between O/M fee collected and the total number of customers. There was some discussion regarding late and outstanding Sewer payments and the ability of the District to collect those outstanding bills.

3. There were some further questions regarding the line item of “Special District Benefits”. It was explained that these were payroll benefits provided by the District.

4. There was some discussion regarding getting employees certified for Sewer Operations.

5. Further discussions questioned the solar appropriation, trust accounts, and the difficulty of getting any data from Lassen County, and why specific line items were so over budget (e.g., Communications, Professional & Specialized Services).

6. Close Public Hearing – the public hearing was closed at 5:10 pm

B. Resolution 2023-12 A Resolution of the Board Of Directors Of The Spalding Community Services District Adopting The 2023-2024 Fiscal Year Budget.

There was some discussion among the Board Directors regarding the Recreation Department and funding the marina. Ed brought up a problem at the Stones marina, and he did not want to see that happen at Spalding. Kari Graton mentioned developing a committee to assist with the Recreation Department and Marina.

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Motion: Motion to approve Resolution 2023-12 - A Resolution of the Board Of Directors Of The Spalding Community Services District Adopting The 2023-2024 Fiscal Year Budget.

First: Mike Arnold moved approve Resolution 2023-12

Second: Ted Thomas second

Roll Call: Yes: Mike Arnold, Randy Aubrey, Ted Thomas

No: Larry Doss, Ed Lawson

13. ADJOURN

Motion: Motion to adjourn

First: Mike Arnold moved to adjourn

Second: Randy Aubrey second

Roll Call: Yes: Mike Arnold, Randy Aubrey, Larry Doss, Ed Lawson, Ted Thomas

The meeting was adjourned at 5:30 pm.

# SEWER REPORT





*Sewer- Recreation & Fire Protection*

## Spalding Community Services District

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

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### SEWER - MAINTENANCE

David Handy

11 September 2023

SCSD – H2O PRO on 23 August replaced 3 Pumps at Pump Station #2. Date for work on Pump Station #1 to be determined – waiting on an ordered part. In the process of developing a plan that would be an easier and more efficient way to clean the screens on the individual pumps.

The 2<sup>nd</sup> Quarterly Report was accepted.

On Sycamore Way, I reset the EDU casing and covered it with red rock/dirt. Soon, will have rock/gravel delivered to prevent the EDU casing from washing away again.

Finished cleaning and tidying up all Lift Stations (Removing unused equipment, zip tying wires, putting power backup on a stand).

Continually removing weeds and brush from the Ponds.

On 24 August, we had our conference call to discuss our needs assessment with Dan Lafontaine/Nicole Cook (SUSP ENG) and Mike Busse (CRWA). It was decided that it would be best to move forward with a capital improvement plan as funds became available. Also discussed was the rate study/increase, retainer for an engineer, training, and certification for the sewer operator, to include having a certified operator assist as needed.

On 29 August, I had a conference call with LAFCO about our Sewer system and what my job entailed. I provided copies of the 2021/2022 Annual Reports and Technical Specifications of our Sewer system.

SCADA continues to be down. Aqua Sierra sent us a proposal to fix it but has yet to send an itemized breakdown of the total cost. We are scheduling a conference call with Mike Busse to discuss Western States proposed solution and any potential additions or revisions necessary to fine-tune our SCADA system.

# NEW BUSINESS

SPALDING COMMUNITY SERVICES DISTRICT

**ORDINANCE #8**

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**AN ORDINANCE PERTAINING TO THE DISTRICT'S ANNUAL SEWER FEES, REVISING ORDINANCE #4, ARTICLE 5.05.030.**

WHEREAS, Article XIID, Section 6 of the California Constitution requires that revenues derived from the sewer fee shall not exceed the funds required to provide the costs of the District's sewer system operations, maintenance, and capital facilities; and

WHEREAS, the District must generate revenues in an amount sufficient to cover the District's ongoing costs of the District's sewer system operations, maintenance, and capital facilities; and

WHEREAS, the District's current ordinance limits the sewer operation and maintenance fees to an annual increase not to exceed 7% in any fiscal year, a limitation not set forth in Article XIID, Section 6 of the California Constitution.

**The Board of Directors of the Spalding Community Services District ordains, as follows:**

Ordinance Section One:

Ordinance #4 - Article 5.05.030 – ANNUAL SEWER FEES is amended and restated as follows:

**5.05.030 ANNUAL SEWER FEES**

All improved real property shall be required to be connected to the District's Sewer System on or before January 1, 2009. As of January 1, 2009, all improved properties will be deemed to be connected for the purpose of levying an annual sewer use fee with respect to such properties to pay for their actual use or the immediate availability of such use to such properties. Any parcel with an existing sewer connection permit shall be deemed connected. Effective January 1, 2009, the owners of all connected real property shall pay to the District for the use or immediate availability for use to such of the Sewer System an annual sewer user fee in the amount as described in the District Fee Resolution, as attached hereto and incorporated herein by this reference. Any change in the amount of the sewer user fees shall be made by District Fee Resolution. Sewer use fees shall be billed and paid as follows:

a. The sewer user fees shall be billed quarterly in advance. The installments shall be due and payable thirty days after billing and shall become delinquent on the thirty-first day.

SPALDING COMMUNITY SERVICES DISTRICT

**ORDINANCE #8**

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- b. Sewer user fees billing periods shall begin on the first day of each quarter (on July 1 , October 1, January1, and April 1 of each year). Quarterly billing periods shall begin on the first quarter following the issuance of a completed hookup to the Sewer System.
- c. All sewer user fees shall be billed to and be the responsibility of the real property owner, whether or not the owner is also the occupant. For the purpose of this Ordinance, lot or parcel ownership shall be established as of the last day of the month preceding the billing period and shall be based upon the latest available records of the Lassen County Assessor's Office. It shall be the responsibility of any person or entity purchasing real property that is connected to the sewer system to notify the District of the change in ownership in order for the District to be able to bill the proper party. If the new property owner's failure to provide the proper ownership information results in the District's sending the sewer bill to the wrong person and results in the failure to timely make payment, the new property owner shall be responsible for any late payment charges.
- d. Any amount paid in excess of the quarterly charge shall be credited against the charge for the succeeding billing period or refunded, at the discretion of the District, during the current year.
- e. The District shall adjust billings for fees for any calendar quarter in a proportionate manner to reflect the change in the classification of the use of any real property occurring during that quarter. Any property owner may file an application requesting as adjustment of billing, stating the grounds for such adjustment. Any such request for an adjustment shall reviewed in accordance with Ordinance Section 5.015 regarding Appeals.
- f. Sewer Operation/Maintenance fees may be increased annually to cover increases in the costs for operation and maintenance by an amount that shall not exceed the funds required for the operation and maintenance of the Sewer System in any fiscal year. Increases shall be approved by the Board of Directors and adopted by District Fee Resolution. Any increases in fees shall comply with the provisions of Section 6 of Article XIID of the California Constitution.

Any fees charged by the District prior to January 1, 2009 and which remain unpaid shall remain in full force and effect.

Ordinance Section Two:

This ordinance shall take effect thirty (30) days after its passage. Before the expiration of fifteen (15) days after passage of this ordinance, it shall be published once online at the District's public website with the names of the members of the Board of Directors voting for and against.

SPALDING COMMUNITY SERVICES DISTRICT

**ORDINANCE #8**

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**PASSED, APPROVED, and ADOPTED** this \_\_\_\_ day of \_\_\_\_\_, 2023, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

APPROVED:

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Secretary of the Board

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Mike Arnold  
Chairman of the Board

**RESOLUTION NO. 2023-010**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE SPALDING COMMUNITY SERVICES DISTRICT ESTABLISHING RATES FOR SEWER SERVICE FEES**

**WHEREAS**, the Board of Directors of the Spalding Community Services District (the "District") previously adopted Ordinance No. 4 which established and imposed fees for sewer services ("Sewer Fees") at the rates set forth therein; and

**WHEREAS**, the District determined to undertake a rate study to analyze the revenue requirements and the rate structure that should be adopted to proportionately allocate the costs of providing water service to its water customers; and

**WHEREAS**, the rate study determined that the existing water system revenues are and will be insufficient to cover: (i) current and projected increases in the operations and maintenance costs of the District's Sewer System (the "System"); and (ii) the capital infrastructure improvements needed to repair, replace, and update the District's aging Sewer System, and

**WHEREAS**, the District must generate revenues in an amount sufficient to cover the District's ongoing costs of the System's operations, maintenance, and capital facilities; and

**WHEREAS**, the rate study determined that increases to the schedule of rates for the Sewer Fees are necessary for a five-year period to generate revenues sufficient to cover the District's ongoing costs of the System's operations, maintenance, and capital facilities; and

**WHEREAS**, the schedule of rates for the Sewer Fees is attached hereto as Exhibit A, and by this reference incorporated herein; and

**WHEREAS**, California Constitution article XIII D, section 6 ("Article XIII D") requires that prior to imposing any increase to the Service Fees, the District shall provide written notice (the "Notice") by mail of the proposed increases to the rates for the Service Fees to the record owner of each parcel upon which the rate increases to the Service Fees are proposed for imposition and any tenant directly liable for payment of such Service Fees, the amount of the rates for the Service Fees proposed to be imposed on each parcel, the basis upon which the rates for the Service Fees were calculated, the reason for the rate increases to the Service Fees, and the date time and location of a public hearing (the "Hearing") on the proposed rate increases to the Service Fees; and

**WHEREAS**, pursuant to Article XIII D such Notice is required to be provided to the affected property owners and any tenant directly liable for the payment of the

Service Fees not less than forty-five days prior to the Hearing on the proposed rates; and

**WHEREAS**, the District did provide such Notice to the affected property owners and tenants of the proposed rate increases to the Service Fees in compliance with Article XIII D; and

**WHEREAS**, the Hearing was held on September 15, 2023; and

**WHEREAS**, at the Hearing, the Board of Directors of the District heard and considered all oral testimony, written materials, and written protests concerning the establishment and imposition of the proposed rate increases to the Sewer Fees, and at the close of the Hearing the District did not receive written protests against the establishment and imposition of the proposed rate increases to the Sewer Fees from a majority of the affected property owners and tenants directly liable for the payment of the Service Fees; and

**WHEREAS**, the Board of Directors of the District now desires to establish and impose the proposed rate increases to the Sewer Fees as set forth in Exhibit A hereto; and

**WHEREAS**, the Board of Directors hereby finds and determines that (i) the revenues derived from the Sewer Fees will not exceed the funds required to provide the sewer services and shall be used exclusively for the System; (ii) the amount of the Sewer Fees will not exceed the proportional cost of the service attributable to each parcel upon which they are imposed; and (iii) the Sewer Fees will not be imposed on a parcel unless the sewer services are actually used by, or immediately available to, the owner of the parcel; and

**WHEREAS**, the District has determined that this Resolution is exempt from CEQA review under Public Resources Code section 21080(b)(8) and State CEQA Guidelines section 15273 because the Service Fees are necessary and reasonable to fund the administration, operation, maintenance, and improvements of the System and will not result in the expansion of the System; and

**WHEREAS**, this Resolution shall supersede all other previous resolutions and ordinances that may conflict with, or be contrary to, this Resolution respecting the rates for Sewer Fees described more particularly herein; and

**WHEREAS**, this Resolution shall adopt the Sewer Fees described more particularly herein as they were presented to the public in the Notice.

**NOW THEREFORE, BE IT RESOLVED**, by the Board of Directors of the Spalding Community Services District as follows:

1. The Board of Directors of the District finds and determines that the foregoing Recitals are true and correct and incorporates the Recitals herein.

2. The Board of Directors hereby establishes and imposes the Sewer Fees set forth in Exhibit A, effective on the dates, at the rates, and in the amounts set forth therein.

3. As the decision making body for the District, the Board of Directors has reviewed and considered the information contained in the Preliminary Exemption Assessment and administrative record. The Board of Directors finds that the Preliminary Exemption Assessment contains a complete and accurate reporting of the environmental impacts associated with the adoption of this Resolution and reflects the independent judgment of the Board of Directors.

4. The Board of Directors hereby finds that the administration, operation, maintenance, and improvements of the System, which are to be funded by the Sewer Fees, are necessary to maintain service within the District's existing service area. The Board of Directors further finds that the administration, operation, maintenance, and improvements of the System, to be funded by the Sewer Fees set forth herein, will not expand the System. The Board of Directors further finds that such Sewer Fees are necessary and reasonable to fund the administration, operation, maintenance, and improvements of the System. Based on these findings, the Board of Directors hereby determines that this Resolution is exempt from the requirements of CEQA pursuant to California Public Resources Code section 21080(b)(8) and State CEQA Guidelines section 15273(a).

5. The documents and materials that constitute the record of proceedings on which these findings have been based are located at Spalding Community Service District, 502-907 Mahogany Way, Spalding, CA 96130. The custodian for these records is the Secretary of the Board of Directors of the District.

6. The Board of Directors hereby authorizes and directs the District General Manager to implement and take all actions necessary to effectuate the rates for the Service Fees set forth herein and to file a Notice of Exemption with the County Clerk for the County of Lassen within five (5) working days of the date of the adoption of this Resolution.

7. If any section, subsection, subdivision, sentence, clause, or phrase in this Resolution or any part thereof is for any reason held to be unconstitutional or invalid, ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Resolution or any part thereof. The Board of Directors hereby declares that it would have adopted each section irrespective of the fact that any one or more subsections, subdivisions, sentences, clauses, or phrases be declared unconstitutional, invalid, or ineffective.

8. This Resolution shall become effective November 1, 2023 upon its adoption.



**PASSED, APPROVED AND ADOPTED** this 15<sup>th</sup> day of September, 2023 by the following vote:

AYES:

NOES:

ABSTAIN:

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Mike Arnold, Chairman of the Board  
Board of Directors  
Spalding Community Services District

Attest:

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Secretary of the Board of Directors,  
Spalding Community Services District

# EXHIBIT A

## SEWER SERVICE FEES MONTHLY RATES FOR SEWER SERVICE FEES

Charge based on Customer Classification	Effective 11/01/2023	Effective 07/01/2024	Effective 07/01/2025	Effective 07/01/2026	Effective 07/01/2027
<b>Base Charge</b>					
Residential	\$36.00	\$42.00	Up to 4% increase	Up to 4% increase	Up to 4% increase
Commercial	\$36.00	\$42.00	Up to 4% increase	Up to 4% increase	Up to 4% increase