SPALDING COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS
MINUTES of REGULAR MEETING
August 13, 2026
Approved 9-10-26

APPROVED BY DIRECTORS

Kathy Claytor	________________________
Ellen Stallings	________________________
Jerald Oliver	________________________
Scott Hagen	________________________
Kathie Muse	________________________

1. CALL TO ORDER by Kathy Claytor at 1:00 pm
2. ROLL CALL

	Present	Not Present
Kathy Claytor	x	
Ellen Stallings		x
Jerald Oliver	x	
Scott Hagen	x	
Kathie Muse	x	

3. PLEDGE OF ALLEGIANCE

   Chairwoman Claytor led the Pledge of Allegiance
4. PUBLIC COMMENT

   Supervisor Mike Scalan reported on the work being done on A1.
5. AGENDA APPROVAL

   Motion: To approve the agenda for August 13, 2026.

   First: Director Oliver
   Second: Director Hagen
   Roll Call: Ayes – Kathy Claytor, Jerald Oliver, Scott Hagen, Kathie Muse
   Absent – Ellen Stallings

   GM Garcia summarized key points of two emails he received regarding the agenda.

   Board Discussion: None

   Public Comment: None
6. APPROVAL OF MINUTES

   Motion: To table the approval of minutes for the July board meetings.

   First: Chairwoman Claytor
   Second: Director Oliver

Roll Call: Ayes – Kathy Claytor, Jerald Oliver, Scott Hagen, Kathie Muse
Absent – Ellen Stallings

This item was tabled until Garcia can look further into the email complaints.

Board Discussion: None

Public Comment: None

7. GENERAL MANAGER REPORT

GM Garcia reported on:

- **OES Grant**: The district has received new equipment and laptops are being installed. The reimbursement process is getting dialed in. The deadline for reimbursement of grant funds has been extended to August 2027.
- **Bond Payment**: Garcia is working with bookkeeping and US Bank to streamline the payment process. Payments are due to the treasury on January 15th and July 15th. US Bank is still cleaning up issues on their end of their process. The district will continue to track prepayments (people who pay off their bond early) so money is disbursed into the right accounts.
- **Bond Renew/Replace Account**: The district has used this account twice. Once on the pond liner repair and then again on the electrical issue at Lift Station 3. Once the paperwork is completed the money shows up in the district's account within days. Currently there is approximately $100,000 in the account.
- **Bookkeeping**: The district accounts have been cleaned, and Garcia is moving forward getting bids for an audit. The scope of the audit will include fiscal years 23-24, 24-25, and 25-26. Garcia will continue to work with the bookkeeper to adjust books to reflect what is actual once the audit is done and firm numbers are established.
- **Quarterly Invoices**: The staff continue to work on invoices to reflect past due amounts. The information printed on invoices is limited to what QuickBooks allows. Staff are working individually with residents that have past due accounts with success. Wildan is also following up on past due bond accounts.
- **November Election**: Only two people signed up to replace the 4 seats on the ballot. Garcia reported that the board will still have a quorum of 3 but encouraged others to step forward to fill the 2 remaining vacancies.

Board Discussion: None

Public Comment: None

8. SEWER REPORT

GM Garcia reported for Sewer Technician Brad Mallory.

- There is still an intermittent issue with Lift Station 3's transfer switch. The problem has been diagnosed and a work around is happening until a permanent solution can be explored. This is not an emergency situation.
- Mallory put together a daily check sheet for the lift stations, ponds, and generators and worked with Kathy Stone and Dave Hernandez, sewer mentors, to ensure the district is compliant in these areas.
- Mallory also completed the SSMP and submitted it to Lahontan. This document will help maintain the sewer system.
- Testing for certification has been completed and submitted to Sacramento State.

Board Discussion: The board was pleased with the work done on the SSMP. There was discussion resolving the issue on Lift Station 3.

Public Comments: None

9. FIRE REPORT

Volunteer Fire Chief, Frank Muse reported that the department was dispatch 12 times before it was put on restricted duty at the July 26th board meeting. The fire department is on fire watch around communities because of the high winds. Muse reminded people to be careful when doing yard work.

Board Discussion: None

Public Comment: None

10. BOARD REPORTS

Kathy Claytor - None

Ellen Stallings - None

Jerald Oliver reported on the Green Waste program and Bingo. Proceeds from Bingo has raised enough to pay for the yearly marina lease. The board thanked the community for their support.

Scott Hagen - None

Kathie Muse - None

OLD BUSINESS

11. BOARD POLICY 3105 BUDGET PREPARATION (Second Reading)

Motion: To waive the reading of Board Policy 3105 Budget Preparation

First:	Chairwoman Claytor
Second:	Director Oliver
Roll Call:	Ayes – Kathy Claytor, Jerald Oliver, Scott Hagen, Kathie Muse
	Absent – Ellen Stallings

Motion: To adopt Board Policy 3105 Budget Preparation

First:	Chairwoman Claytor
Second:	Director Hagen

Roll Call: Ayes – Kathy Claytor, Jerald Oliver, Scott Hagen, Kathie Muse
Absent – Ellen Stallings

Board Policy 3105 Budget Preparation has been updated to align with State requirements and deadlines.

Board Discussion: None

Public Comment: None

12. SPALDING CSD 26-27 BUDGET UPDATE

Motion: To adopt Spalding CSD 26-27 Budget

First: Director Oliver
Second: Chairwoman Claytor
Roll Call: Ayes – Kathy Claytor, Jerald Oliver, Scott Hagen, Kathie Muse
Absent – Ellen Stallings

GM Garcia explained that the budget was published in accordance with California Government Code requirement that the budget be published at least two weeks prior to the date of adoption. Garcia also explained that the budget is a living document and can be adjusted as more information becomes available.

Board Discussion: The board discussed adjusted timelines.

Public Comment: None

13. BOARD POLCIY 2067 GRIEVANCE (SECOND READING)

Motion: To waive the reading of Board Policy 2067 Grievance

First: Chairwoman Claytor
Second: Director Hagen
Roll Call: Ayes – Kathy Claytor, Jerald Oliver, Scott Hagen, Kathie Muse
Absent – Ellen Stallings

Motion: To adopt Board Policy 2067 Grievance

First: Chairwoman Claytor
Second: Director Hagen
Roll Call: Ayes – Kathy Claytor, Jerald Oliver, Scott Hagen, Kathie Muse
Absent – Ellen Stallings

GM Garcia reported that this policy is necessary to maintain compliance with Cal OES Grant requirements.

Board Discussion: None

Public Comment: None

14. BOARD POLICY 2800 EQUAL OPPORTURNITY (SECOND READING)

Motion: To waive the reading of Board Policy 2800 Equal Opportunity

First: Director Oliver
Second: Director Hagen

Roll Call: Ayes – Kathy Claytor, Jerald Oliver, Scott Hagen, Kathie Muse
Absent – Ellen Stallings

Motion: To adopt Board Policy 2800 Equal Opportunity

First: Director Oliver
Second: Chairwoman Claytor
Roll Call: Ayes – Kathy Claytor, Jerald Oliver, Scott Hagen, Kathie Muse
Absent – Ellen Stallings

GM Garcia reported that this policy is necessary to maintain compliance with Cal OES Grant requirements.

Board Discussion: None

Public Comment: None

15. <u>BOARD POLICY 2805 AFFIRMATIVE ACTION (SECOND READING)</u>

Motion: To waive the reading of Board Policy 2805 Affirmative Action

First: Director Oliver
Second: Director Muse
Roll Call: Ayes – Kathy Claytor, Jerald Oliver, Scott Hagen, Kathie Muse
Absent – Ellen Stallings

Motion: To adopt Board Policy 2805 Nondiscrimination

First: Director Hagen
Second: Director Oliver
Roll Call: Ayes – Kathy Claytor, Jerald Oliver, Scott Hagen, Kathie Muse
Absent – Ellen Stallings

GM Garcia reported that this policy is necessary to maintain compliance with Cal OES Grant requirements.

Board Discussion: None

Public Comment: None

16. <u>BOARD POLICY 2806 LIMITED ENGLISH PROFICIENCY (LEP) (SECOND READING)</u>

Motion: To waive the reading of Board Policy 2806 Limited English Proficiency (LEP)

First: Chairwoman Claytor
Second: Director Oliver
Roll Call: Ayes – Kathy Claytor, Ellen Stallings, Jerald Oliver, Scott Hagen, Kathie Muse

GM Garcia reported that this policy is necessary to maintain compliance with Cal OES Grant requirements.

Board Discussion: None

Public Comment: None

17. EMPLOYMENT APPLICATION TEMPLATE

Motion: To waive the reading of Employment Application Template

First: Chairwoman Claytor

Second: Director Oliver

Roll Call: Ayes – Kathy Claytor, Jerald Oliver, Scott Hagen, Kathie Muse
Absent - Ellen Stallings

Motion: To adopt the Employment Application Template

First: Chairwoman Claytor

Second: Director Hagen

Roll Call: Ayes – Kathy Claytor, Jerald Oliver, Scott Hagen, Kathie Muse
Absent - Ellen Stallings

GM Garcia reported that this Employment Application template is necessary to maintain compliance with Cal OES Grant requirements.

Board Discussion: None

Public Comment: None

18. GENERAL MANAGER BONDING VS CRIME INSURANCE UPDATE

GM Garcia has received confirmation from the District's Insurance carrier that the existing crime coverage in the district's policy meets and exceeds the protection that would be provided by a standalone bond policy, negating the need to obtain a separate bond for the general manager.

Board discussion: None

Public comment: None

NEW BUSINESS

19. SPALDING VOLUNTEER FIRE RESTRICTED DUTY STATUS

Motion: To reinstate the volunteer fire department's duty status.

First: Director Hagen

Second: Chairwoman Claytor

Roll Call: Ayes – Kathy Claytor, Jerald Oliver, Scott Hagen, Kathie Muse
Absent - Ellen Stallings

Volunteer, Fire Chief Frank Muse updated the board on two citations the fire department received during the course of inspection resulting in a temporary restriction of duties. Both citations were based on training and training records. Muse has a plan for correction and emphasized that volunteers will not work beyond the scope of their training. Muse is also working with several agencies to reduce the fines incurred and/or to use these fines to purchase training materials.

Board discussion: The board discussed creating a matrix that would outline what volunteers have been trained in and develop a list of possible people qualified to do training.

Public comment: None

20. TRACTOR REPAIR

Motion: To move forward with the Golden Diesel bid of $4,150 plus fuel charge to repair the tractor

First: Director Oliver
Second: Director Muse
Roll Call: Ayes – Kathy Claytor, Jerald Oliver, Scott Hagen, Kathie Muse
Absent – Ellen Stallings

The tractor supports winter plowing, vegetation clearing around the ponds, and general use for the sewer department and district operations. It was recommended that the repair occur before winter arrives.

Board discussion: The board discussed the bids and agreed to go with the lowest.

Public comment: None

21. FUTURE OF SEWER, RECREATION AND BUDGET COMMITTEE MEETINGS

Motion: To shut down the Budget Committee and keep the others as needed

First: Director Oliver
Second: Director Hagen
Roll Call: Ayes – Kathy Claytor, Jerald Oliver, Scott Hagen, Kathie Muse
Absent – Ellen Stallings

GM Garcia recommended eliminating the Budget Committee meeting and replacing it with a Standing Financial Committee meeting as outlined in the District's Strategic Plan. See item 23 below.

Board discussion: The board discussed the need for these ongoing committees because of the lack of participation. Director Hagen questioned how information regarding the sewer would get out to the public.

Public comment: It was suggested that the Recreation Committee continue as needed because more events are happening in the district.

22. CREATE A STANDING FINANCIAL COMMITTEE

Motion: To create a Standing Financial Committee

First: Director Oliver
Second: Director Hagen
Roll Call: Ayes – Kathy Claytor, Jerald Oliver, Scott Hagen, Kathie Muse
Absent – Ellen Stallings

Motion: To vote Kathie Muse to serve on the Standing Financial Committee

First: Director Oliver

Second: Chairwoman Claytor

Roll Call: Ayes – Kathy Claytor, Jerald Oliver, Scott Hagen, Kathie Muse
Absent – Ellen Stallings

Motion: To vote Ellen Stallings to serve on the Standing Financial Committee (with her approval)

First: Chairwoman Claytor

Second: Director Hagen

Roll Call: Ayes – Kathy Claytor, Jerald Oliver, Scott Hagen, Kathie Muse
Absent – Ellen Stallings

A Standing Financial Committee will review District finances, ensure the district remains on track with the budget, assist with the annual budgeting process, and report on the district's ongoing financial status to the public. Two board members are required to lead the committee and must be voted in at a regular meeting.

Board discussion: None

Public comment: None

23. SSMP DISCUSSION FOR ADOPTION

Staff are presenting the SSMP plan here for a 30-day review before adoption due to the length and complexity of the document. The plan has been presented to Lahontan Regional Water Board and the district's mentors with positive. The plan covers previous violations and will be a useful guide to sewer system maintenance. This is a living document and will be updated as needed.

Board discussion: The board thanked Mallory for his excellent work.

Public comment: None

24. GENERAL MANAGER UPDATE

GM Garcia announced his resignation as he will not be relocating to the Spalding area. Garcia requested the board begin the search for a new General Manager. His goal is to make a smooth transition. He will continue as GM through the October board meeting with the possibility of a temporary remote-work arrangement to serve as a short-term bridge until a general manager is on board.

Board discussion: There was discussion on the future of the district and possibly looking to the county to take the district over.

Public comment: None

25. ADJOURNMENT

Motion: To adjourn the meeting at 2:20 p.m.

First: Director Muse

Second: Director Hagen

Roll Call: Ayes – Kathy Claytor, Jerald Oliver, Scott Hagen, Kathie Muse

Absent – Ellen Stallings