

**SPALDING COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS**

MINUTES of REGULAR MEETING

May 14, 2026

Approved 6-11-26

APPROVED BY DIRECTORS

Kathy Claytor _____
Ellen Stallings _____
Jerald Oliver _____
Scott Hagen _____

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

2. <u>ROLL CALL</u>	<u>Present</u>	<u>Not Present</u>
Kathy Claytor	<u> x </u>	
Ellen Stallings	<u> x </u>	
Jerald Oliver	<u> x </u>	
Scott Hagen	<u> </u>	<u> x </u>

3. PLEDGE OF ALLEGIANCE

Chairwoman Claytor led the Pledge of Allegiance

4. APPROVAL OF THE AGENDA

Motion: To approve the agenda for May 14, 2026 changing item #16 from action to discussion.

First: Director Oliver

Second: Director Stallings

Roll Call: Ayes – Kathy Claytor, Ellen Stallings, Jerald Oliver

Absent: Scott Hagen

Board Discussion: None

Public Comment: None

5. APPROVAL OF MINUTES

Motion: To approve the minutes for April 9, 2026.

First: Director Stallings

Second: Chairwoman Claytor

Roll Call: Ayes – Kathy Claytor, Ellen Stallings, Jerald Oliver

Absent: Scott Hagen

GM Garcia asked members of the audience use the microphone when making a public comment so members on Zoom would be able to hear.

Board Discussion: None

Public Comment: None

6. GENERAL MANAGERS REPORT

GM Garcia reported a busy month of activity, including outreach and coordination with Lassen County staff. Discussions have been positive, with county personnel expressing willingness to assist the district in identifying missing records, improving communication, and addressing outstanding operational issues.

- **Standing Committees** The standing Sewer Committee, Recreation Committee, and Budget Committee meetings continue to be held monthly. Community members are encouraged to participate and contribute expertise and ideas.
- **Fiscal Audits** Garcia continues to meet weekly with the bookkeeper to address accounting and audit issues. It was reported that moving forward with Larry Bain (the last auditor) is no longer an option, as he is not accepting new clients. Staff will obtain three bids in accordance with District policy for audit services. The Board was advised that the audit bid process may be challenging due to the complexity of the district's financial situation. Garcia also reported that Lassen County has indicated that a forensic audit is not required for the district to return to county treasury management. The option remains available for future Board consideration.
- **Policies, Resolutions, and Ordinances** Garcia noted that District policies, resolutions, ordinances, and code provisions often overlap and may contain inconsistencies. A recent issue arose because a resolution containing necessary information was overlooked. Garcia anticipates future revisions and updates to better tailor District policies to the needs of the community.
- **Board Leadership Effective Date** Garcia announced that the Board's election of Kathy Claytor as Chair and Ellen Stallings as Vice Chair for the board cannot be applied retroactively to the beginning of the year. The effective date of those positions is March 12th, the date of the Board vote.
- **OES Grant Update** Garcia reported continued coordination with OES staff, including obtaining quotes for workstation equipment, firewall upgrades, network switches, and wireless devices. All anticipated expenses fall within the approved grant budget. A four-hour compliance review meeting was conducted with OES representatives. Garcia is working to obtain additional comparable bids and anticipates calling a special meeting to approve purchases before current pricing expires.
- **Neighborhood Watch Meeting** Lassen County Board Supervisor, District 1, Mike Scanlan announced that he, Sheriff McGarva, and potentially

representatives from Code Enforcement and Public Works will attend the Neighborhood Watch meeting on May 21 at 2:00 p.m. The meeting will provide an opportunity for residents to discuss concerns and hear from county officials regarding community issues and recreation opportunities.

Board Discussion: Director Stallings asked about OES reimbursement funds for equipment already purchased. Garcia explained that required authorization documents had recently been completed and reimbursement processing can now proceed.

Public Comment: None

7. SEWER REPORT – Brad Mallory

Brad Mallory, Sewer Technician, reported continued progress on the Sewer System Management Plan (SSMP), including development of an asset inventory and creation of a SCADA operating procedure manual. Mallory continues researching repairs to the check valve vault and coordinating with qualified contractors. During inspections, it was discovered that distribution box lids are not adequately anchored and will require corrective action.

- **Wastewater Sampling**

One quarterly wastewater sample exceeded the laboratory hold time requirement and could not be processed. All other samples were successfully completed. Regulatory staff indicated that the resulting violation would be minor and acknowledged that such issues occasionally occur despite proper sampling procedures. To reduce future risk, staff will begin collecting samples earlier in the quarter to allow sufficient time for retesting if necessary.

- **Operator Certification**

Mallory & Garcia are enrolled in Grade 1 wastewater operator certification training. Mallory will coordinate a facility visit with Dave Hernandez after required coursework is completed. Routine maintenance activities included flow monitoring, lift station inspections, SCADA monitoring, and operational inspections. No spills, overflows, or reportable incidents occurred during the month.

- **Pond Liner Repairs**

Garcia reported that contractors are scheduled to begin pond liner repairs on May 19th. During a recent inspection, six additional tears were identified and marked for evaluation. The contractor will prioritize the most critical repairs, particularly those below freeboard level, and provide recommendations regarding long-term liner repair needs.

Board Discussion: There was discussion on the scope of work for the pond liner repair.

Public Comment: A resident reported concerns regarding a depression near Lift Station 4, with standing moisture in the area, and recent positive coliform/E. coli testing in a private well. The resident indicated that if follow-up testing confirms contamination, results will be reported to the California Water

Board. Garcia acknowledged the concern and indicated they would review the situation.

8. FIRE REPORT – Frank Muse

The Fire Department responded to three medical calls, one traffic collision, and no fire incidents. Chief Muse reported that fire extinguishers had recently been serviced. Alpine Fire has expressed willingness to conduct a community fire extinguisher inspection event, potentially during June or July, at a cost of approximately \$26 per extinguisher. Residents were reminded that burn permits are required and can be obtained through Cal Fire. Permit holders are encouraged to save or print permit documentation. Muse clarified that department policy requires a minimum of two volunteers before responding to incidents. As a volunteer organization, the department responds whenever staffing allows.

Board Discussion: There was discussion on what the volunteer fire department's responsibility is before CalFire gets there. Muse reported they are responsible for first aid and comfort only. The Fire Department has a Facebook page that is located at Eagle Lake Volunteer Fire Department where the mission statement and other information for the community is posted.

Public Comment: None

9. RECREATION REPORT – Kathy Claytor

The Recreation Committee reported that restroom facilities have been cleaned, supplied, and prepared for reopening. Parking fee envelopes will be installed by the following week. A volunteer cleanup day is scheduled for May 18th at 9:00 a.m. Volunteers are requested to assist with parking lot cleanup. Local church volunteers will provide coffee and cookies for participants. Opening Day activities on May 23rd will include Bingo Night, Pancake Breakfast, Legion Dinner. The committee encouraged additional volunteer participation.

Board Discussion: None

Public Comment: None

10. BOARD REPORTS

Kathy Claytor – No report

Ellen Stallings reported on the first Budget Committee meeting held May 5th.

Current committee members include Ellen Stallings, Sherre Garcia, and Scott Hagen. Discussion focused on obtaining financial information necessary for budget development and recruiting additional committee participants.

Jerald Oliver reported that additional volunteers are needed for the Sewer Committee.

Garcia noted that committee meeting schedules may be adjusted to avoid conflicts with quilting group activities.

Scott Hagen – not present

Board Discussion: None

Public Comment: None

OLD BUSINESS

11. WATER TENDER 1232 REPAIR – Frank Muse

Volunteer Fire Chief Frank Muse reported the district's water tender has been returned to service following repairs. Total repair costs were approximately \$12,852. Muse continues discussions with Kenworth regarding potential reimbursement assistance.

Board Discussion: There was discussion on how expensive fire apparatus is to work on.

Public Comment: None

NEW BUSINESS

12. CAMERA/SECURITY AT THE MARINA – Mike Garcia

GM Garcia reported that the marina restroom facilities have been unwinterized, cleaned, and are scheduled to be opened to the public the following Wednesday. The Recreation Committee recommended exploring the installation of a security camera system at the marina restroom facility to help deter vandalism and misuse. Several options were discussed, including:

- Solar-powered trail/hunter cameras with SD card storage and motion activation.
- Wi-Fi-connected cameras utilizing the District's Starlink service.
- Potential wireless bridge technology to connect the marina to the existing District network.
- Future expansion of camera coverage to lift stations and wastewater ponds for operational monitoring.

Board discussion: Board members expressed support for a cost-effective solution, noting that a solar-powered camera with local storage may be sufficient for current needs. Garcia will continue researching available technologies and costs before bringing a recommendation back to the Board.

Public Comment: A community member has used Hunter cameras with success. Garcia asked for information on make and model.

13. BOARD POLICY FOR BUDGET

GM Garcia reviewed the district's current budget policy and noted that portions of the policy do not align with California's statutory budget requirements or the district's meeting schedule.

Key points discussed included:

- The annual budget is being developed with assistance from the Budget Committee.
- A proposed budget is expected to be presented at the June 11th Board meeting.
- State law requires adoption of a preliminary budget by July 1 and a final budget by September 1.
- The district's regular meeting schedule may require a special meeting to ensure compliance with state deadlines.
- The current Board policy should be revised to better align with state requirements and District procedures.

Motion: To table consideration of policy revisions until updated language can be prepared.

First: Director Oliver

Second: Chairwoman Claytor

Roll Call: Ayes – Kathy Claytor, Ellen Stallings, Jerald Oliver

Absent: Scott Hagen

Board Discussion: Board members expressed support for revising the policy.

Public Comment: None

14. PROCESS FOR DELINQUENT FEES – Kathy Claytor

Motion: To approve enforcing Board Policy 3120 Late Customer Payments – Shut-offs.

First: Director Stallings

Second: Chairwoman Claytor

Roll Call: Ayes – Kathy Claytor, Ellen Stallings, Jerald Oliver

Absent: Scott Hagen

Chairwoman Claytor reported significant concerns regarding unpaid sewer service accounts and recommended enforcement of existing District policies beginning July 1, 2026. GM Garcia reviewed the District's collection procedures, including:

- Accounts become delinquent after the applicable due date and grace period.
- A 10% late fee is assessed pursuant to Ordinance No. 8.
- Additional monthly penalties of 0.5% accrue on outstanding balances.
- Accounts more than two billing cycles delinquent may receive a 30-day notice of service shutoff.
- Service shutoff and reconnection fees are \$150 each.
- Payment plans may be arranged under existing hardship provisions, generally requiring balances to be brought current within 12 months.

- Delinquent balances may be secured through property liens in accordance with applicable law.

Board Discussion: Board members discussed the importance of enforcing payment requirements while maintaining options for hardship assistance. Additional discussion included the potential impacts of liens, tax-default processes, and health and safety considerations associated with service disconnections. Board members expressed support for implementing the existing policy.

Public Comment: A community member requested information regarding the total amount of delinquent accounts. Staff indicated that the current total was not available at that time but would get the information to the individual.

15. BOARD RESOLUTION FOR LOANING FIRE EQUIPMENT – Frank Muse

Motion: To approve Resolution 2026-2 FEPP CEAA CalFire authorizing voluntary Fire chief Mus to act on behalf of the district.

First: Chairwoman Claytor

Second: Director Stallings

Roll Call: Ayes – Kathy Claytor, Ellen Stallings, Jerald Oliver

Absent: Scott Hagen

Volunteer Fire Chief Frank Muse presented a resolution regarding the district's existing equipment rental agreement with Cal OES/Cal Fire. Historically, the district has maintained an agreement allowing equipment to be made available if needed, and similar agreements have been approved in prior years. Due to updated administrative requirements, Cal OES/Cal Fire now requires a board resolution authorizing designated representatives to act on behalf of the district. The resolution would authorize either the Fire Chief or General Manager to communicate and negotiate with Cal OES/Cal Fire regarding potential equipment rentals. Muse clarified that the resolution does not authorize any actual rental agreements or equipment transactions. Any rental arrangement, including pricing and terms, would still require separate Board approval.

Board Discussion: Board members discussed whether the agreement pertained to renting equipment to or from Cal OES/Cal Fire. Muse clarified that the resolution primarily authorizes discussions regarding equipment rentals from Cal OES/Cal Fire, although historically the district has more commonly rented equipment to them. Board members indicated they had no concerns with the resolution, noting it is essentially the same agreement previously approved, with the addition of the required resolution.

Public Comment: None

16. BEGIN PROCESS FOR SEWER SERVICE RATE INCREASE – Mike Garcia

Motion: To table item #16 for future consideration.

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

GM Garcia explained that any future sewer rate increases must comply with Proposition 218 requirements and be supported by a rate study demonstrating that rates do not exceed the cost of providing service. A 2023 rate study and Resolution 2023-09 previously established a five-year rate plan allowing annual increases of up to 4%, based on the Cost of Living Index, through fiscal years 2027–2028. Based on the California Consumer Price Index, Garcia calculated a proposed increase of **2.514%**, resulting in an increase of approximately **\$3.23 per quarter** (about **\$1.08 per month**). Garcia stated that the increase had already been authorized under the prior resolution but recommended bringing the matter back to the Board for review and transparency due to changes in Board membership and district leadership. Garcia recommended delaying action until supporting documentation could be made available to the public.

Board Discussion: Discussion included:

- Whether the increase should be based solely on CPI or also consider actual district expenses.
- Current financial challenges, including deferred sewer maintenance, staffing and training costs, and the need for reserve and replacement funding.
- Ongoing efforts to reconcile district finances, review county-held funds, and establish written financial procedures.
- Development of a Sewer System Management Plan (SSMP) with assistance from certified wastewater professionals.

Public Comment: Public comments focused on:

- Clarification of the rate increase language in the resolution.
- Consideration of district expenses when evaluating rate increases.
- Availability of financial statements and written accounting procedures.
- Development of written sewer maintenance schedules and operational policies.

17. NEW TIME & DAY FOR SEWER COMMITTEE MEETING – Mike Garcia

Motion: To establish the first Tuesday of the month at 2:00 pm for the standing sewer committee meeting.

First: Director Stallings
Second: Director Oliver
Roll Call: Ayes – Kathy Claytor, Ellen Stallings, Jerald Oliver

Absent - Scott Hagen

GM Garcia explained that he was unaware that the long-time quilting club use of the Community center on Tuesday from 9:00 am – 2:00 pm. Garcia recommended leaving the meetings on the first Tuesday of the month so any action items from the meeting could be placed on the agenda for the regular meeting the following week.

Board Discussion: To accommodate the quilting group while maintaining committee meetings prior to Board meetings, the Board discussed moving committee meetings one hour later but leaving them on the first Tuesday of the month.

Public Comment: None

18. NEW TIME & DAY FOR RECREATION COMMITTEE MEETING – Mike Garcia

Motion: To establish the first Tuesday of the month at 3:00 pm for the standing Recreation committee meeting.

First: Director Oliver

Second: Chairwoman Claytor

Roll Call: Ayes – Kathy Claytor, Ellen Stallings, Jerald Oliver

Absent - Scott Hagen

Board Discussion: None

Public Comment: None

19. NEW TIME & DAY FOR BUDGET COMMITTEE MEETING – Mike Garcia

Motion: To establish the first Tuesday of the month at 4:00 pm for the standing budget committee meeting.

First: Director Oliver

Second: Director Stallings

Roll Call: Ayes – Kathy Claytor, Ellen Stallings, Jerald Oliver

Absent - Scott Hagen

Board Discussion: None

Public Comment: None

20. VOTE TO ACCEPT KEN WARD RESIGNATION EFFECTIVE 3/12/26 – Mike Garcia

Motion: To accept Ken Ward's resignation effective 3-12-26.

First: Director Oliver

Second: Chairwoman Claytor

Roll Call: Ayes – Kathy Claytor, Ellen Stallings, Jerald Oliver

Absent - Scott Hagen

21. ADJOURNMENT

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

First: Director Oliver

Second: Director Stallings

Roll Call: Ayes – Kathy Claytor, Ellen Stallings, Jerald Oliver

Absent - Scott Hagen