SPALDING COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS
MINUTES of SPECIAL MEETING
In place of the regular July meeting
July 9, 2026
DRAFT

APPROVED BY DIRECTORS

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

1. CALL TO ORDER by Kathy Claytor at 1:05 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. OATH OF OFFICE
   Chairwoman Claytor administered the Oath of Office to new Board member Kathie Muse and welcomed her to the board. Muse was appointed to the vacant board seat by the county.
5. PUBLIC COMMENT
   There was no public comment.
6. APPROVAL OF THE AGENDA
   Motion: To approve the agenda for July 9, 2026.
   First: Director Stallings
   Second: Director Oliver
   Roll Call: Ayes – Kathy Claytor, Ellen Stallings, Jerald Oliver, Scott Hagen, Kathie Muse

Due to a technical issue the regular board meeting scheduled for today had to be canceled and rescheduled as a special meeting to meet Brown Act posting requirements at a later time.

Board Discussion: There was board discussion about the new posting and the cancelation of the original regular meeting.

Public Comment: None

7. APPROVAL OF MINUTES

Motion: To approve the minutes for regular meeting June 11, 2026.

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

Board Discussion: None

Public Comment: None

8. GENERAL MANAGER REPORT

GM Garcia reported that:

- The **holiday weekend events** were highly successful with no fire response calls needed. There was a strong turnout for Bingo. 59 people showed up generating $179 for the recreation district. The district worked with the County Sheriff to provide a supervised alternative for kids while parents participated in the Bingo events. The kids played games outside under a canopy and won items like toys and kites. Public feedback was positive. The board publicly thanked John & Linda Hembree for their continued efforts raising funds for the recreation district.
- **Budget preparation** experienced a slight delay due to the need to publish the meeting date at least two weeks before the vote to adopt the budget. Because the required publication timing was missed, the budget was not voted on at this meeting. Garcia presented two options: 1) push the vote to the regular meeting in August, or 2) hold a special meeting, with proper notice in local papers two weeks prior to the meeting.
- **OES grant compliance & policy updates** are included for a first reading on this agenda. These updated policies are needed for reimbursement and compliance with the OES grant. Adoption will occur at the regular meeting in August.
- **Billing cleanup and late fee** notifications are moving forward. Staff noted increased payments from residents who were previously unaware of past due balances due to how statements were labeled. Staff continue working to incorporate past due amounts correctly into updated billing. If past due accounts are settled in a timely manner, the district will consider waiving late fees since many people may not have realized they were late. A board-approved policy regarding late fees going forward

needs to be implemented. The board thanked Kelly and Stacy for their work and community members who paid promptly.

- **Sewer System Planning** – Garcia & Mallory are working with Kathy Stone and Dave Hernandez, sewer mentors, to bring a vector truck to the district to perform pipe cleaning, vault cleaning, and camera inspection starting with the four lift stations. Garcia has requested bids to be presented at a future meeting.
- **OES Grant Accounting Updates** - A corrective action plan is needed to better organize monitoring of grant funds spent, reimbursement amounts, assets acquired and asset lifespan. OES grant funds will be separated from district finances. The proposed structure includes one master OES grant category with sub-accounts for five projects to track each project and ensure reimbursements match what was designated. The intent is to develop a reusable grant process template for future grants allowing transparency.

  Board Discussion: The board discussed the process for the installation of the new computers, which should be about 6 weeks. They also raised questions about US Bank and ongoing check approval issues. There isn't a work-around at this time but Garcia will continue to monitor the issue.

  Public Comment: None

9. <u>SEWER REPORT</u>

   Sewer Technician, Brad Mallory reported good progress on operational and maintenance projects.

- Actions taken:
  - After repairing pond two, pond three was shut down and pond two returned to operation;
  - Vegetation removal was done at the ponds;
- Planned / ongoing work:
  - Considering 10,000-gallon tank/bolt work to remove debris in the 10,000-gallon area and restore full volume and pump effectiveness
  - Contacted RCAC about a low/no-cost camera inspection; awaiting response.
- Safety upgrades:
  - New signage for each lift station
  - Acquired "confined space" items for check valve bolts
  - "Do not tamper" notices (noted as federal offense language) for multiple units
- Lift Station 3:
  - Positive update—after Nova Electric work (breaker replacement/reset) was completed, the lift station is running properly.
- Tractor:

- Bids are being requested to repair the tractor (not replace), using prior vendor info as a reference.

GM Garcia added that the Notices of Violations from February and November of last year have been addressed. Garcia and Mallory are working with the sewer mentors to prioritize work to be done. Kathy Stone reportedly coordinated with Mike Reese and Trevor Miller from Lahontan, who were happy with her assistance.

Board Discussion: None

Public Comment: None

10. FIRE REPORT

Volunteer Fire Chief, Frank Muse reported that 228 people attended the pancake breakfast for a new record. Tables were set up in both the meeting room and dining hall garage. The department responded to one fire call and a smoke check incident involving approximately 20 burn piles. Muse reminded the public that burning season is over. They also responded to seven medical calls. The hydrant at the sewer ponds is fixed and fully operational. The department is considering installing a sump pump.

Board Discussion: The board asked for an update on the cost of repairing the water tender. Muse reported that the department was billed $2,800

Public Comments: None

11. BOARD REPORTS

Kathy Claytor - None

Ellen Stallings - None

Jerald Oliver reported on the location of the new mailboxes. The transition from the community center to the new mailboxes is expected in about 1-2 weeks. The board clarified that the district has no jurisdiction over this move. Any questions should be directed to USPS.

Scott Hagen - None

Kathie Muse - None

12. BOARD POLICY 3105 BUDGET PREPARATION (Second Reading)

Motion: To table adoption of Board Policy 3105 Budget Preparation

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

Garcia recommended tabling this item because adoption of Board Policies need to be voted on at a regular meeting of the board.

Board Discussion: None

Public Comment: None

13. SPALDING CSD 26-27 BUDGET UPDATE

Motion: To table the adoption of Spalding CSD 26-27 Budget

First: Unknown

Second: Unknown

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

Due to lack of proper posting of a meeting date for adoption, Garcia recommended tabling this item.

Board Discussion: The board would like to see it done sooner than later and agreed to a special meeting.

Public Comment: None

NEW BUSINESS

14. SPARE PUMP

Motion: To table this item until three bids are obtained and more information is gathered

First: Director Oliver

Second: Chairwoman Claytor

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

Garcia explained that a spare pump was recommended by the sewer mentors as a backup plan in the event one goes down. Garcia recommended moving forward with purchasing a replacement pump not to exceed the amount on the current bid.

Board Discussion: The board discussed the fact that this was not an emergency situation and would like to see three bids before moving forward.

Public Comment: A member of the community asked if all three pumps have ever failed at the same time. Garcia reported that to his knowledge this has never happened.

15. EMAIL MIGRATION QUOTE VC3

Motion: To move forward with migrating the district's email system to a .gov domain

First: Chairwoman Claytor

Second: Director Muse

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

Garcia reported that migrating to a .gov domain would enhance cyber security, strengthen public trust, improve identity verification, and support the district's ongoing cybersecurity initiatives under the Cal OES grant.

Board Discussion: There was discussion about locking in domain names so no one else can use them. Garcia will check with VC3 to see if this can be done.

Public Comment: None

16. <u>BOARD POLICY 2067 GRIEVANCE (FIRST READING)</u>

Motion: To waive the reading of Board Policy 2067 Grievance

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

Garcia explained this policy is being updated with upgraded verbiage and more specific descriptive language to meet the requirements of the OES grant.

Board Discussion: None
Public Comment: None

17. <u>BOARD POLICY 2800 EQUAL OPPORTUNITY (FIRST READING)</u>

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

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

Garcia explained this policy is being updated with upgraded verbiage and more specific descriptive language to meet the requirements of the OES grant.

Board Discussion: None
Public Comment: None

18. <u>BOARD POLICY 2805 AFFIRMATIVE ACTION (FIRST READING)</u>

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

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

Garcia explained this policy is dated and being renamed from Affirmative Action to Non-discrimination.

Board Discussion: None
Public Comment: None

19. <u>BOARD POLICY 2806 LIMITED ENGLISH PROFICIENCY (LEP) (FIRST READING)</u>

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

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

This policy currently does not exist and is required by the OES grant requirements. The district will make every reasonable effort to provide information to people when English is not their primary language.

Board discussion: None

Public comment: None

20. <u>EMPLOYMENT APPLICATION TEMPLATE (FIRST READING)</u>

Motion: To waive the reading of Employment Application Template

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

Garcia explained that the template is essentially everything that is in the current application just more robust to meet OES compliant requirements.

Board discussion: None

Public comment: None

<u>CLOSED SESSION</u>

21. <u>CONFERENCE WITH LEGAL COUNSEL</u>

Anticipated Litigation Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Section 54956.9; one potential case

Board discussion: None

Public comment: None

<u>OPEN SESSION</u>

Chairwoman Claytor reconvened the regular meeting and stated there was no reportable action taken during closed session.

25. <u>ADJOURNMENT</u>

Motion: To adjourn the meeting at 2:17 p.m.

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