

**SPALDING COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS
REGULAR MEETING
February 12, 2026
Minutes - DRAFT**

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>	Present	Not Present
Kathy Claytor	<u> x </u>	
Ellen Stallings	<u> x </u>	
Jerald Oliver	<u> x </u>	
Scott Hagen	<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 February 12, 2026.

First: Director Stallings

Second: Chairwoman Claytor

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

Board Discussion: None

Public Comment: None

5. PUBLIC COMMENT

None

6. APPROVAL OF MINUTES

Motion: To approve the minutes for January 8, 2026 and January 16, 2026.

First: Chairwoman Claytor

Second: Director Oliver

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

Board Discussion: None

Public Comment: None

7. GENERAL MANAGER REPORT

Ken Ward, Interim General Manager, explained his report is for informational purposes outlining numerous public records requests, complaints, and agency reviews the district has dealt with, including filings with the Fair Political Practices Commission, OSHA, and the Civil Rights Department—none of which resulted in major enforcement actions. OSHA did issue citations, which have since been corrected. The district has faced significant legal expenses—over \$100,000 in two years—due to lawsuits, complaints, and required attorney involvement for CPRA requests and Brown Act cure-and-correct demands. Ward suggested it may be more cost-effective for the district’s attorney to routinely review and respond to such matters to avoid future legal action. No board action is being taken at this time, but the issue may return to the agenda if needed.

Board Discussion:

K. Claytor explained the district owes \$125,000 of which \$50,000 has been paid back in the last 10 months with \$75,000 still owed.

Public Comment:

C. DeLeon asked why the district is not using county council which is free to special districts.

K. Muse spoke on the division in the community and asked if complainants approached the district first before requesting information. The \$100,000 plus could have been used to fix issues in the district. Muse felt this must stop.

8. OFFICE REPORT

Administrative Assistant **Mike Garcia** reported on a busy first 30 days in the role, thanking Stacy and Brad, also new, for getting up to speed quickly. Garcia also thanked Kelly, Ken, Frank, and the board for their support during this time. A major focus has been preserving and advancing the OES grant, with Sheryl Alvernaz stepping in to keep it on track and ensure funding remained available. Garcia thanked her for her help. There are two buckets of money in the grant, most of which is allocated already for several projects (Projects A-E). Garcia is working with VC3 liaison Amber to make sure the district’s needs are met, focusing on bringing improved compliance, reduced vulnerability, simplifying system management, and lower long-term IT maintenance costs. A formal proposal will be brought to the board for approval. Garcia is also coordinating with Nikki at the state to maintain compliance and has submitted the required progress report.

Board Discussion:

Director Oliver asked about the Frontier bill. Garcia reviewed Frontier services, eliminated unused DSL and static IP addresses (not used for SCADA), renegotiated service lines, and reduced costs by approximately \$500 per month, with potential for further savings.

Director Stallings asked about the reimbursement for invoices previously submitted for the grant. Garcia reported that the reimbursements are still pending.

Public Comment: None

9. SEWER REPORT

Sewer Technician **Brad Mallory** reported that in January, operations focused on transitioning responsibilities, maintaining daily reporting, and monitoring system flows, with weekly maintenance completed as scheduled. Required regulatory reports (Q4 GeoTracker, 2025 Annual, and 2025 Volumetric) were successfully submitted, and a Sewer Emergency Response Plan (SERP) is being developed with agency outreach underway. A fuel leak at Station 2 was identified and repaired in-house, saving approximately \$1,200. The district submitted a corrective action plan to address prior notice violations and received positive feedback, while also reviewing and updating the SSMP to ensure compliance and preparedness.

Board Discussion:

Chairwoman Claytor reported that additionally, steps are being taken to support Mallory's operator certification, including exploring proposals for qualified supervision, with cost comparisons and potential bidding to ensure fiscal responsibility.

M. Garcia reported the district is moving forward with enrolling Mallory in the required coursework to begin working toward his Grade One water certification, which requires approximately 1,960 hours. A call was held with Kathy Stone, a Grade Five operator with 36 years of experience from Chico, who is preparing a proposal to mentor Mallory one to two days per week and conduct regular check-ins to certify his hours. If all of Mallory's work hours can count toward certification, not just those when he works directly alongside her this would significantly reduce the overall timeline. **K. Ward** reported that there were several other contacts he may be able to get bids from. The bids will be brought before the board. **Director Oliver** asked about the cost. Garcia estimated Kathy Stone's costs at about approximately \$150 per hour, with travel expenses potentially waved, though additional quotes will be sought to ensure competitive pricing. **Director Hagen** asked if it needed to go out to bid. Garcia thought it would need to because it is an ongoing expense that will

likely exceed \$2,500. A bid process would benefit the district by emphasizing that experience and qualifications will be important factors alongside cost.

Public Comment: None

10. FIRE REPORT

Frank Muse, Fire Chief reported the following calls: 1 medical; 2 traffic (canceled); 1 fire (canceled). Osprey hotel fire clean-up is moving forward. The owner is waiting for final release from the county. At this time, Muse was not sure if the foundation was able to stay. Insurance Service Office (ISO) inspection went well. provides rating for our fire insurance. There are things the district could do to improve our ratings in the future. Occupational Safety and Health Administration (OSHA) citations have be corrected.

Public Comment: None

11. BOARD REPORTS

Chairwoman Claytor reported she supplied Kathy Muse with the last 24 months of attorney's bills which were previously discussed.

Director Stallings reintroduced the Strategic Plan to the community with a 45-day period for public review and a 30-day period for public comment beginning today. The district will implement the plan after that time. Stallings pointed out important aspects of the plan and asked the community to review it and give feedback. She also mentioned the Board vacancy that is now in Lassen County's Clerk Recorder office. If anyone is interested, they need to contact the county.

Director Oliver reported on the updated audio video system and thanked Kris Long for his time and money and Rick Anderson for the camera. The only cost was for hardware around \$1,000. Chairwoman Claytor and Director Oliver thanked everyone for volunteering and helping make it possible.

Director Hagen reported on the California Special District Association. They supply training for board members, staff and anyone interested. There are live trainings as well as webinars. Need sign on for CSD to participate.

12. FINANCIAL PROCEDURES UPDATE

M. Garcia is looking at the restructuring of the district's bank account structure to improve financial clarity, including the potential creation of a dedicated repair and replacement reserve account separate from the existing bond-related reserve, which will expire at the end of the bond cycle. The goal is to better plan for long-term infrastructure needs and ensure funds are available for future capital expenses. Garcia has begun consulting with other small districts and contacted Joanne Crouch at US Bank for guidance, with plans to present a more concrete proposal at a later meeting. He asked the item to be tabled until more information is available.

Board Discussion:

Chairwoman Claytor asked if the repair and replace account would be in addition to the repair/replace account that we have with the actual bond. According to Garcia this would be in addition to that account. The repair/replace account with the bond is a reserve account for **Willdan**. This account ends with the bond cycle. The additional repair/replace account would allow for future repairs.

Motion: To table this item for further discussion.

First: Director Stallings

Second: Director Hagen

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

13. YouTube CHANNEL FOR BOARD MEETINGS AND COMMUNITY INFORMATION

M. Garcia would like the board to consider launching a free YouTube channel for Spalding CSD to record and share board meetings and community-related content to enhance transparency and engagement. Security and account access controls were raised as possible concerns.

Motion: To approve moving forward with setting up a YouTube Channel providing security measures for it.

First: Chairwoman Claytor

Second: Director Stallings

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

Public Comment: A community member questioned how secure the site would be. Another Community member asked if there was any recourse the district has against the people costing the district the attorney expenses. Chairwoman Claytor said there was not.

14. BCM CONTRACTS

K. Ward reported on the proposed contract to replace check valves in all lift stations and address the pond liner project. He expressed concern that the current proposal from BCM may not represent the best possible pricing and recommended pursuing a more competitive bid process. Ward stated that he contacted Todd Carroll from BCM to explain that the Board would like to reopen the bid process to seek additional proposals. Carroll indicated he understood and had no objection. It was noted that the most urgent issue at this time is the pond liner station. Ward shared that Garcia has spoken with Michael Reese from Lahontan, who agreed that separating the most critical components of the project may be a more effective approach rather than completing the entire scope at once.

Board Discussion: **Chairwoman Claytor** clarified that there will be a 30-day time frame to get other bids. **Director Hagen** asked if the district had posted for other bids before. Ward reported that although the project was previously posted for bids, only two

responses were received, and one declined to submit a proposal. It was discussed that a more proactive approach—directly contacting engineering firms in Chico and Redding using a list of qualified engineers—may result in more competitive bids. Ward noted that one firm contacted was unaware that the bid opportunity had been posted and he recommended tabling the current BCM contract for approximately 30 days to allow time to solicit additional bids. Garcia suggested forming an Ad Hoc committee to evaluate the sewer system’s needs and provide recommendations. The committee would include individuals with hands-on experience with the system, including local professionals and the new sewer technician, Mallory. The goal would be to bring knowledgeable stakeholders together to assess needs, identify solutions, and help ensure the best outcome and pricing for the district. At least one board member would participate. Director Hagen expressed interest in serving.

Motion: Motion to explore creating an Ad Hoc committee for prioritizing sewer projects.

First: Director Oliver

Second: Director Hagen

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

Motion: To table BCM Contract.

First: Chairwoman Claytor

Second: Director Oliver

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

Public Comment: None

15. ADA COMPLIANCE UPDATE

An ADA complaint was previously filed by **Glyne Johnson**. Although we did not initially receive a copy of the findings (as they were directed to him), we have since contacted the county and obtained the official ADA requirements. Required updates include installing eight tire/wheel stops (approximately \$300 total), extending parking striping to ensure adequate clearance (about 7 feet from the building and 18 feet to the road), confirming county setback requirements from the road centerline, potentially adding signage, and addressing minor curb height difference with up to three additional ramps. Striping work requires temperatures above 50°F, to allow proper paint curing. All improvements are expected to cost under \$2,500 so the district can proceed immediately.

Board Discussion: None

- *Public Comment:* **K. Muse** asked if additional ramps are required. Ward replied, while not all may be strictly required, adding them would improve accessibility, especially from overflow parking areas. Providing the additional ramps is not costly and it’s kind of a practical and moral obligation, in addition to addressing potential legal compliance.

16. ADJOIURNMENT

The meeting was adjourned at 1:54 p.m.

Motion: To adjourn the meeting

First: Director Hagen

Second: Director Oliver

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

Next meeting: March 12, 2026, at 1:00 p.m.