
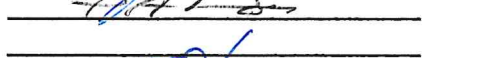



**SPALDING COMMUNITY SERVICES DISTRICT
SPECIAL BOARD MEETING
AUGUST 27, 2021**

DRAFT

APPROVED BY DIRECTORS:







Board of Directors
Mike Arnold
Ted Thomas
Larry Doss
Ed Lawson
Darren Read

MEETING PLACE: EAGLE LAKE COMMUNITY CENTER, SPALDING

BOARD MEMBERS/STAFF PRESENT: TED THOMAS, VICE-CHAIRPERSON, LARRY DOSS, ED LAWSON **ABSENT MIKE ARNOLD, DARREN READ**

MEETING CALLED TO ORDER BY TED THOMAS AT 3:00PM.

1. Call to Order

2. Roll Call

Present: Ted Thomas, Larry Doss and Ed Lawson

Pledge of Allegiance

3. Approval of Agenda

Motion-Ed Lawson, Second Larry Doss

Ed Lawson: The Notice of Public Hearing has been appropriately advertised in two different newspapers. But due to a clerical error the words "Public Hearing " need to be added to this Agenda posted on location and on our Web Site.

Vote: Unanimous-Aye

4. Public Comments

Ted Thomas: Read letter provided by Dan James

5. Board Member Reports/Board Member Comments

Ted Thomas: After Speaking with Chris Gallagher He agreed even with the clerical error, we can hold the First Public Hearing today for the 2021/2022 Financial Budget for SpaldingCSD.

Vote: Unanimous-Aye

6. New Business

None

7. Continuing Business

A: PUBLIC HEARING:

**Discuss and approve Resolution 2021-08 to adopt Fiscal Year
2021/2022 Final Budget for Spalding Community Services District**

HEARING OPEN: 3:17pm.

Motion: Ted Thomas, Second: Ed Lawson

Ted Thomas: The Second Public Hearing will be advertised appropriately posted in two news papers and is scheduled for September 17, 2021 at 3:00pm.

During the Second Public Hearing Discussion and explanation will be provided for District fee changes and line item changes originally discussed at the Budget Workshop in writing.

Vote: Unanimous-Aye

CLOSE PUBLIC HEARING: 3:28pm

8. Adjourn

Motion-Larry Doss, Second Ed Lawson, Unanimous Vote: Aye

**NEXT REGULAR MEETING AND PUBLIC HEARING IS SCHEDULED FOR September 17th
2021 at 3:00pm.**

Minutes prepared by Virginia Bruce

Please have this letter read aloud at the next board meeting concerning the budget for 21-22 FY

During the July 2021 budget work shop for the SCSD 21/22 fiscal budget Mike Arnold (board chairman), stated he and the board are considering terminating the districts agreement with the Lassen Counties Auditor and Treasurers offices, using a private financial institution like U.S. Bank for the districts financial business for a fee. I oppose this action for the following reasons.

The County may not have direct over-sight. It never the less acts as a watch dog in protecting the people of Spalding public funds as to district or board errors. The County also allows for the public to access district financial records under the Freedom of Information Act (which a private bank would not}.

Mr. Arnold and the board have appeared to of been negligent in the financial affairs and hiring practices of the General Managers position. The failure to comply with the California Code of regulations 61000 et Seg, chapter 2 Sec 61111 through 61119. In funding the Recreation Dept for years from the Sewer System for thousands of dollars without any pay back. And as discussed and stated by Mr. Arnold and effort for a 218 vote to increase the yearly Sewer O and M fees by 20 plus percent to make up short falls.

Apparently, an additional failure by the board to comply with the California Gov.Code. Operating the districts financial affairs in the RED with a negative balance of approximately \$80,000 dollars for 15 months. Writing non-sufficient funds checks during that time. Is this sound decision making or correct training and procedures for staff?

Resolution 2020-3 is again very possibly a cover up action for failing to comply with California financial Codes. Showing poor decision making by the board and terrible leadership for the staff.

I do not believe the board has earned the Confidence or Credibility for the residents of Spalding to agree with any action making district financing less transparent and less obtainable to the public. The County involvement is a protection for Spalding residents.

The removal of approving and discussing district bills and the lack of informative and appropriate staff reports on district monthly activities fails in transparency.

The district belongs to ALL property owners of Spalding. Legal transparency of district business should be a board priority and always insured by board action.

Thank you

Dan James

8/25/2021