

**SPALDING COMMUNITY SERVICES DISTRICT  
BOARD OF DIRECTORS  
REGULAR MEETING  
March 17, 2025  
Minutes - DRAFT**

APPROVED BY DIRECTORS

Kathy Claytor \_\_\_\_\_  
Ellen Stallings \_\_\_\_\_  
Jerald Oliver \_\_\_\_\_  
Glyne Johnson \_\_\_\_\_  
Larry Doss \_\_\_\_\_

1. CALL TO ORDER by Kathy Claytor at 4:00 pm

2. <u>ROLL CALL</u>	<u>Present</u>	<u>Not Present</u>
Kathy Claytor	<u>  x  </u>	
Larry Doss	<u>  x  </u>	
Ellen Stallings	<u>  x  </u>	
Glyne Johnson	<u>  x  </u>	
Jerald Oliver		<u>  x  </u>

3. PLEDGE OF ALLEGIANCE

Recital of the pledge of Allegiance, led by Chairwoman Claytor was spoken

4. APPROVAL OF THE AGENDA

**Motion: To approve the agenda for the March 17, 2025 meeting.**

First: Director Doss

Second: Director Stallings

Roll Call: Ayes – Kathy Claytor, Ellen Stallings, Larry Doss

Abstained – Glyne Johnson

Absent – Jerald Oliver

*Public Comment:* T. LaBue spoke on breaking ADA compliance. Passed information to the Board on compliance issues with the online agenda. Chairwoman Claytor thought the issue had been resolved per the attorney. T. LaBue said it had not. Chairwoman Claytor said they would look into it further.

*Board Comment:* None

5. PUBLIC COMMENT

**W. Wright** spoke on the negativity of the last meeting and social media posts. She stood in support of the Fire Chief Muse. She shared the support the fire chief plus others in the community gave her after she lost her husband. She thanked the Board, the General Manager, the Fire Chief and Neighborhood watch.

**Anonymous Member** spoke on the negativity seen on social media. Thanked the Board, General Manager, and Fire Chief Muse for their work.

**E. Lawson** thanked the Board and offered his help.

**D. James** spoke on the need to support the Board.

**T. LaBue** asked if General Manager, Vince Rogers had been bonded. Chairwoman Claytor reported that per the attorney he did not need to be.

**K. Graton** spoke in support of GM Rogers, the office staff and the Board.

**Anonymous Member spoke** on ignoring the negative community members.

6. CLOSED SESSION – was cancelled

1. Public Employee Performance Evaluation (Government code 54957)

7. CONSENT AGENDA

**7.1 Minutes**

7.1.i Minutes – Regular Meeting of January 10, 2025

**Motion: To approve the minutes for the regular meeting on January 10, 2025.**

First: Director Doss

Second: Director Stallings

Roll Call: Ayes – Kathy Claytor, Ellen Stallings, Larry Doss, Glyne Johnson

Absent – Jerald Oliver

*Public Comment:* C. Alvernaz asked about a non-interest carrying card attached to the sewer fund. GM Rogers explained it is a line of credit through the bank used for emergency purposes. The card expenses are paid from the sewer fund.

*Board Comment:* None

7.1.ii Minutes – Regular Meeting of February 13, 2025

**Motion: To table the February 13, 2025 minutes for review and clarification.**

First: Chairwoman Claytor

Second: Director Doss  
Roll Call: Ayes – Kathy Claytor, Ellen Stallings, Larry Doss, Glyne  
Johnson  
Absent – Jerald Oliver

*Public Comment:* C. Alvernaz spoke on the Municipal Service Review (MSR) and the discrepancy reported at the meeting. Alvernaz also reported that two members on the ZOOM call were muted and not able to participate.

*Board Comment:* Director Johnson spoke regarding the ZOOM meeting on February 13, 2025 as he was one of the participants not able to participate. He felt targeted, neglected and silenced. Johnson felt the minutes need to be reviewed and revised to accurately reflect his vote. He also suggested that AB648 Rule and Regulations for ZOOM meetings be reviewed.

*Public Comment:* K. Graton reported that the district does not have to offer ZOOM meetings and does not have to have a web site.

**T. LaBue was told after the meeting that Director Johnson was not able to vote via ZOOM. Chairwoman Claytor was given a copy of the Fair Political Practices Commission (FPPC) in February.** LaBue suggested that the minutes be revised to reflect GM Rogers did receive a copy of the FPPC.

GM Rogers commented on the February 13, 2025, meeting. He had requested the meeting be cancelled due to the weather, but the Board wanted to move forward. He spoke about the difficulties of offering ZOOM meetings and will look into ways we can offer ZOOM with fewer technical difficulties. Rogers apologized to Director Johnson for the lack of communication on his part. Rogers suggested that comments from ZOOM participants could be submitted prior to the meeting.

*Public Comment:* R. Spediacci commented on the unreliability of technological equipment which is common in all industries.

K. Graton received a bid on setting up the district with a ZOOM system for \$2,500 but the person never showed. A complex system can cost upward of \$20,000. Graton asked the Board to consider if the district really needs it.

## **7.2 Financials**

### 7.2.i Budget Review 2024-2025

The financials presented are an effort to provide a general sense of where the district is financially, but work is ongoing to improve the accounting systems for the district. GM Rogers presented the operating and overhead budget review from July – December 2024.

**Revenues:**

FIRE: Money has not been spent out of fire budget because there has been operating under an interim Fire Chief. The fire department has brought in revenues from donations and a state grant of \$14,000.00.

RECREATION: Currently the recreation department is collecting few revenues. The hope is that will change if boats can launch from there. Some revenues have come in from bingo but not enough to cover operating costs.

SEWER: Sewer budget is looking good. More than 50% of annual fees have been collected. The district received a request for a permit to connect to the sewer.

GM Rogers presented a spreadsheet. The red highlights indicates line items below expected revenue; the green highlights are above expected revenue; and the yellow are items that need to be monitored. Rogers pointed out: 1) the abnormal line item for fraud claims: most of these claims have been returned to the district by the bank but there is still investigating to be done for the fire department; 2) seasonality of recreation revenue: these usually will not cover the cost of the land lease payment of \$1,500 and there was no parking fee revenue or special event revenue during this period; and 3) sewer revenue has become the activity center for the district. Bills unrelated to the sewer are being paid from here as it is the only substantial revenue stream coming into the district currently. Rogers would like to start the discussion with the Board on how to better manage this fund. It was estimated that \$302,400 would be collected from sewer fees. \$172,439.57 has been collected as of December 31, 2024. Rogers continues to work with the bookkeeper to update the financial accounting system and is working on getting current assessment roles from the county to align with district records so the district has current information on new owners. Rogers reported that the district did not earn as much interest as he expected. Continuing work needs to be done to get the district into a healthier financial place.

**Expenses:**

FIRE: Fire Chief Muse reported that food expenses for the fire department exceeded the budget but donations more than covered the cost. The cost included three pancake breakfasts and the 4th of July Tri-tip dinner. GM

Rogers reported that he has stopped billing the fire department for part of his salary. Rogers is working with Muse to recover about \$1,000 worth of wire fraud funds for the fire department and that a system is now in place to prevent it from happening again to the district.

RECREATION: The cost of winterizing the facilities was paid out of the sewer fund. GM Rogers is looking to use solar generated credits to reimburse the sewer fund.

SEWER: The sewer fund is not operating under best practices. Bills other than sewer are being paid from here. Some lab supplies were purchased for water quality monitoring. Director Johnson wanted to know what type of solution was purchased. GM Rogers is trying to stay ahead of environmental compliance issues but upgraded equipment will be needed. Currently, the district is following practices done in the past.

GM Rogers spoke on the need to better divide office expenses between funds to reflect what is actually happening. Rogers is using the State Controllers guide to do this. The district has overspent for years on consultant services. The Board needs to determine what type of services should be done by an outside agency and what services could be kept in-house. Consultant fees include the bookkeeper, CPA, and lawyers. Rogers also feels that utilities are another area where expenses should be shared between departments and is working on a system to track these costs. Rogers concluded that district wide-the expenses are below budget. More work needs to be done to ensure bills are being paid out of the right fund. Attorney bills need to come down. He would like to form a committee to help with these issues.

*Public comment* – T. Driggs wanted to know how much of the consultant costs were lawyer fees. GM Rogers did not know but shared we are currently paying the lawyers \$5,000 per month for back fees. The district is not always able to make the payments so Rogers would like to revisit the payment plan with the lawyers. T. Driggs felt that the district could not afford this, and the money could be better used to pay other bills. Rogers continues to work on this.

C. Alvernaz inquired as to how far back the wire fraud went and has the issue been resolved. GM Rogers reported he only went back in financials to July and is still working on resolving the issue but thinks most of the money lost has been reimbursed by the bank. C. Alvernaz also asked about the stipends for the fire department. GM Rogers and K. Graton reported that the budget line for stipends for the fire department was set up in the budget by prior board member, Darren Read.

All fire department personnel declined to take the stipend and are working voluntarily.

K. Graton shared information about the budget the district inherited from the last administration. The district had approximately \$80,000 in unpaid bills. It was unclear as to where all the money was, which made it difficult to set up a current budget. Mid-year adjustments were made as more information was discovered. Graton also gave the Board information on the average salaries of personnel in similar positions of General Manager and Certified Wastewater Operator. The district pays far below these averages. It was suggested that the Board investigate creating a general fund with a new general tax which would need to be voted on by the community through a consolidated election. Graton realized it would be difficult to pass but it would help make the district financially solvent. A forensic audit would be helpful to see where the past money went and allow the current Board and administration to move forward without making the same mistakes.

C. Alvernaz is trying to help the new Board understand the laws.

*Board Comment* - Director Johnson asked how sewer funds were used in the past.

K. Graton explained that they were used for bills other than sewer. GM Rogers noted that there have not been budget hearings or reviews for the last 3-4 years. He is still working to clean up the books to better make future projections.

GM Rogers asked for a five-minute recess.

Chairwoman Claytor called the meeting back to order.

#### 7.2.ii Accounts Payable Review

GM Rogers explained the considerable backlog of accounts payable. The last administration did not have a system in place before they moved the treasury out of the County so many bills were left unpaid. Currently the district is focused on paying bills to keep the district running. Outstanding bills are being paid as money is available. Rogers is working with the bookkeeper to set up good practices for paying bills and reestablish a cycle for banking practices. These systems will need to be in place for the district to consider moving the treasury back to the county.

#### Approval of Active Purchase Orders

- A. Purchase Order 2025-03-13-02-001 Grace Dougan Consulting for \$12,831.25

**Motion: To approve the purchase order for the bookkeeper but amend the invoice to correct the two typos.**

First: Director Johnson  
Second: Director Stallings  
Roll Call: Ayes – Kathy Claytor, Ellen Stallings, Larry Doss, Glyne Johnson  
Absent – Jerald Oliver

*Board comment* – Director Johnson pointed out 2 typos on the spreadsheet but thanked GM Rogers for doing a good job.

GM Rogers is working with the bookkeeper to make sure the customer list is current, and the district is collecting all the revenues it is entitled to. They are looking into past due accounts. Rogers feels that upfront costs for the bookkeeper will smooth out once a regular cycle has been adopted. There is some flexibility with the bookkeeper contract but not for a CPA which is required by law.

B. Purchase Order 2025-03-13-02-003 Stradling Law for \$2,565.00

**Motion: To approve the purchase order for the lawyers**

First: Director Stallings  
Second: Director Johnson  
Roll Call: Ayes – Kathy Claytor, Ellen Stallings, Larry Doss, Glyne Johnson  
Absent – Jerald Oliver

GM Rogers suggested paying the lawyer bill.

C. Purchase Order 2025-03-13-01-001 LN Curtis for \$14,683.38

**Motion: To approve the purchase order for the fire department**

First: Chairwoman Claytor  
Second: Director Doss  
Roll Call: Ayes – Kathy Claytor, Ellen Stallings, Larry Doss  
Abstained - Glyne Johnson  
Absent – Jerald Oliver

Fire Chief Muse received bids for the equipment.

D. Purchase Order 2025-03-13-02-002 Willdan Financial Services for \$11,300

**Motion: To approve the purchase order for Willdan Financial Services**

First: Director Johnson

Second: Director Doss  
Roll Call: Ayes – Kathy Claytor, Ellen Stallings, Larry Doss, Glyne  
Johnson  
Absent – Jerald Oliver

The bond payment to Willdan Financial Services is overdue. There was discussion on delinquents, absentee owners and foreclosure procedures. In the past the County would help with foreclosures but now it has fallen to the district staff. Some of the past due bills are paid when property changes hands. Keeping a current database of property owners will facilitate this effort. This issue has a direct bearing on the district's financial solvency. GM Rogers will supply any request for information. The bill for \$11,300 is only for administrative costs. Rogers will find out where the district is in the 30–40-year cycle of the bond.

*Board Comment* – Director Johnson has received a list of delinquent properties. Currently there are about 97. The district currently is only paying penalties on the bond. Johnson offered to look up information for property owners from the list he received.

*Public Comment* – D. James reported that any correspondence received by a board member should go to all board members and the GM. Members of the public can contact Willdan Financial Services directly to get information. The contact information is on the district website.

## **8. FIRE CHIEF REPORT**

Fire Chief Frank Muse report no fire or vehicle collisions calls. There were 4 medical aid calls. Grasshopper station will be open by the end of March depending on the weather. Eagle station at the south end of the lake will open at the beginning of May. Chief Muse encouraged everyone to get a free on-line burn permit from Cal Fire and not burn on windy days even if it is a permissible burn day. Chief Muse spoke with the game warden who told him there are possibly 5 mountain lions in the subdivision. Be aware. There was a search and rescue call for a 94-year-old man who went off the road. Chief Muse reminded people to be aware of road conditions this time of year. He also announced the Annual Spaghetti Dinner to be held on March 20, 2025, at 5:00 pm at the Community Center and invited everyone to attend.

*Board Comment* – Director Johnson asked for a copy of Chief Muse's driver's license, credentials and schooling since he was not present at the meeting when Chief Muse was appointed. Chief Muse reported the information was in his personnel file and wanted to

know why Director Johnson wanted it. There was a discussion on Chief Muse's qualifications.

*Public Comment* – D. James felt Director Johnson should not be able to receive a copy but could review the documents in Chief Muse's file at the district.

## 9. BOARD MEMBER REPORTS

Due to the lateness of the meeting, Chairwoman Claytor tabled these until next meeting.

## 10. NEW BUSINESS

### 10.1 RFP – District Audit/Forensic Audit RFP

GM rogers would like to move forward with a Request for Proposal (RFP) for audit services. The scope of services would include:

Annual audit for July 1, 2021 – June 30, 2022

July 1, 2022 – June 30, 2023

Forensic audit for July 1, 2021 – June 30, 2022

July 1, 2022 – June 30, 2023

July 1, 2023 – June 30, 2024

These audits will get the district back on an annual audit cycle. The contract would be for a two-year period with the option to extend the agreement for three additional years, subject to annual review by the Board

### **Motion: To move forward with posting the RFP for audit services and solicit bids**

First: Director Stallings

Second: Chairwoman Claytor

Roll Call: Ayes – Kathy Claytor, Ellen Stallings, Larry Doss, Glyne Johnson

Absent – Jerald Oliver

*Board Comment* – Director Stallings stated if annual audits are required the district must be behind. GM Rogers agreed.

*Public comment:* K. Graton read a prepared statement regarding a rate hike study that was performed in 2018 and showed a funding shortage for sewer maintenance. Voters passed a rate hike to compensate for this shortage at that time. The administration then moved the treasury out of the county and named the GM treasurer as required by law. Shortly after that the GM and office staff resigned. It was not clear where the previous GM placed monies. Graton is suggesting that a forensic audit should be conducted to account for financial actions taken by GM. Several annual audits were conducted during this time with

discrepancies that were not addressed. For the district, if they desire to return the treasury to the County two clean audits must occur. It will take a CPA to reconstruct what happened during the previous administration.

#### 10.2 Resolution 2025-03 State & Local Cybersecurity Grant Award

##### **1. Motion: To authorize the grant resolution in support of the application to Local & State Cybersecurity Grant Program FY22 & FY23**

First: Chairwoman Claytor

Second: Director Doss

Roll Call: Ayes – Kathy Claytor, Ellen Stallings, Larry Doss,  
Glyne Johnson

Absent – Jerald Oliver

This resolution would provide \$75,000 over two years to set up a robust cybersecurity system. GM Rogers felt the district could not pass up this opportunity due to the wire fraud that already occurred in the district. The threat will continue as long as the district manages its own bank accounts. Rogers explained that the district is in the early stages of applying and is behind the timeline so may not qualify for the grant. The grant will be awarded on need. There is a district match of 30% in the first year and 40% in year two. Extensive systems would have to be in place to track the grant.

*Public comment* – K. Graton reported that the cyber attacks did not come to the district's attention until May 2024.

T. LaBue thought the district could apply for a hardship waiver for the matching grant funds. LaBue also asked the Board if this grant was more important than ADA compliance. Chairwoman Claytor answered that the attorney stated the district is ADA compliant according to the strategic plan.

*Board comment* – Director Stallings questioned whether the district has funds to make the match. GM Rogers stated that the district could fund the matches. Director Johnson wanted to make sure the district is not obligated to move forward if we do not have the matching funds. Rogers assured him this motion is to move the paperwork forward.

#### 10.3 Ad Hoc Committee for Recruitment

##### **Motion: To form an Ad Hoc committee for recruitment to include the general manager and 2 Board members with meetings open to the public.**

First: Director Stallings

Second: Chairwoman Claytor

Roll Call: Ayes – Kathy Claytor, Ellen Stallings, Larry Doss, Glyne Johnson  
Absent – Jerald Oliver

GM Rogers is recommending that the Board form an Ad Hoc Committee to solicit, evaluate and recruit applicants for General Manager, Administrative Assistant, Office Receptionist I, Wastewater Operator I, Wastewater Operator II. The committee would consist of two board members and the general manager and shall commence its activities by May 30, 2025. Meetings will be open to the public and subject to the Brown Act. GM Rogers will update the necessary job descriptions. There was discussion on the experience needed for a Wastewater operator to make the district compliant with the Water Board and state laws. This committee will demonstrate to the Water Board that the district is moving toward to comply with the Wastewater Operator certification. Currently the district is operating under a waiver.

*Public comment* – K. Graton explained requirements for a certified Wastewater Operator.

*Board comment* – Director Johnson will find out what a Wastewater Operator needs to complete to be certified. GM Rogers will establish timelines and dates and then ask the Board for volunteers.

## **11. CONTINUING BUSINESS**

### **Motion: To table the continuing business until the next meeting**

First: Chairwoman Claytor  
Second: Director Doss  
Roll Call: Ayes – Kathy Claytor, Ellen Stallings, Larry Doss, Glyne Johnson  
Absent – Jerald Oliver

## **12. ADJOURN 7:35**

### **Motion: To adjourn the meeting**

First: Chairwoman Claytor  
Second: Director Doss  
Roll Call: Ayes – Kathy Claytor, Ellen Stallings, Larry Doss, Glyne Johnson  
Absent – Jerald Oliver