

TO: The Board of Directors  
SPALDING COMMUNITY SERVICES DISTRICT

FROM: Vince Rogers  
Administrative Assistant

DATE: September 10<sup>th</sup>, 2024

RE: Staff Report - Board of Director's Regular Meeting, September 13<sup>th</sup>,  
2024

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## **DISCUSSION:**

### **Strategic Planning**

- In follow-up to goals identified by the recent Ad Hoc Committee for Strategic Planning, staff now need to define specific and measurable objectives, tasks, and timelines in additional detail.
- *Recommendation:* Complete development of a detailed Strategic Plan for 2025-2030 (FY2024-2025 to FY2030-2031) to guide the District beginning in the New Year.
- All of the updates and recommendations mentioned in the previous efforts and listed herein would be incorporated in greater detail in the tentative Strategic Plan.

### **Fiscal Health:**

- As the district has assumed management of operating funds portions of its treasury, Spalding CSD will need to adopt fiscal policy and procedures in accordance with Government Code, Government Accounting Standards, State Controller Office guidance, auditor recommendations and current- and near-future organizational structure and staffing and have them ratified by the Board of Directors.
- This means establishing the District's financial practices and controls, with practical procedural guidance, for fund accounting with restricted operating revenues, and managing those to meet the District's operations and maintenance workload and debt service obligations.

- In consultation with the bookkeeper, staff may make recommendations for amendments to existing policy reflective of the District's current operating capacity.
- The Board of Directors may wish to form a Standing Committee on Fiscal Policy, if willing and suitably experienced volunteers are available.
- The Board of Directors may wish to establish that the General Manager act as Treasurer for the District, pursuant to California Government Code Gov. Code 61050 (c).
- *Recommendation:* The Board of Directors may wish to direct Spalding CSD Counsel to reach out to Lassen County Counsel to initiate discussions for the development of a Memorandum of Understanding (MOU) for Treasury Management defining:
  - 1) Roles and responsibilities of the District and the County.
  - 2) Establishing the conditions for consolidation of the District treasury back to the County.
  - 3) Managing the abridged treasury in the intervening period.
  - 4) Meeting the District's long-term debt service obligations.

### **Governance & Community Development**

- Administrative Staff are comparing the existing policy against the governance record (i.e. resolutions and ordinance for adoption).
- Prepare for orientation and development of the new members of the Board of Directors.
- Oath of Office to tentatively take place during a Special Meeting following election certification in December of 2024.
- Board Orientation and Development programming and materials will be curated to ensure that incoming officers have a thorough understanding of their responsibilities.

## **Infrastructure Maintenance**

- Staff have accompanied contracted engineering services support for on-site inspections of the system for guidance on repairs – awaiting deliverables.
- In addition to normal operations and maintenance activities, staff will be focusing on preparing an interim maintenance and monitoring plan for the lift stations with contingency systems in anticipation of the Winter.
- Depending on the scope of repairs identified and recommended by the engineer's opinion, it may be necessary to petition for amendment of the FEMA National Flood Hazard Layer (last updated in 2010), requiring professional engineer/surveyor opinion and/or community consensus petition.
- A thorough Sewer System Preventative Maintenance Plan, Sewer System Management Plan, and Sewer System Needs Assessment, with Capital Improvement Plan and Capital Reserve goals and forecasting remain a critical priority.

## **Risk Management**

- Administrative Staff have successfully enrolled the District in fraud prevention services with the District's financial institution; effective as of last week only pre-authorized transactions and checks issued will be honored.
- Administrative Staff will continue to review the transaction record to initiate and follow up on claims. Monitoring for instances of check or wire fraud will be a regular task for the District for the foreseeable future.
- Administrative Staff Working with VC3, a reputed cybersecurity consultant affiliated with California Special Districts Association, the National League of Cities, to prepare a quote for secure IT services and grant-writing support needed to retain them with a full suite of services for 2-3 years.
- Workers' Compensation reporting should be completed by the date of the meeting.

- Administrative staff need to perform a detailed review of existing general liability coverage and policy.

### **Budget:**

- The District attempted to pass the budget at a Regular Meeting of the Board of Directors on August 9th, 2024; no quorum due to illnesses and vacations.
- The Final Draft Budget for FY2024-2025 is provided again, herein, along with Public Hearing documentation.
- The Public Hearing period has closed – once the budget is approved, all appropriations or transfers in the budget must be subject to approval by resolution of the Board of Directors.
- It is a critical need to approve the budget and establish cash flow reporting procedures; critical to managing operating revenues for the sewer funds.

### **Financial Management**

- Administrative Staff have been working with the office staff and Bookkeeper to adhere to standard procedures for Payroll, Accounts Payable, and Accounts Receivable.
- The Bookkeeper has been working to assist with reporting and meeting quarterly tax obligations.
- The procurement of a CPA for the purposes of Forensic Audit remains a critical priority.

### **Staff Resources**

- Administrative Staff are working with staff to regularly submit and review timesheets and adhere to weekly schedules.
- Staff are collecting information for the development of standard procedures, job codes and schedules.

- Recruitment efforts for the additional qualified staff to reach the operational capacity of the past is a priority.

### **Bonds & Assessments**

- The Board of Directors may wish to request a conference of Spalding CSD Staff, US Bank Bond account managers, Lassen County staff and potentially Lassen County leadership to review the debt service obligations of Spalding CSD and establish procedures for satisfactory management – this may be in conjunction with discussion of an MOU.
- Key assessments and debt obligations continue to be managed by the County. To date, Lassen County has honored obligations with reserves.
- Administrative Staff will be working to review and organize the Bond and Assessment documentation in the records management framework in a way that is reflective of generally accepted and accounting standards and procedures.
- Beginning in October staff will be planning for educating the new slate of officers on these obligations in the New Year.

### **Record Management System:**

- Previous employees left little in the way of coherent records management systems procedures and documentation, making information requests a significant challenge.
- Administrative Staff have established Records Management System guidance and procedures for staff and contractors to follow for digital and hard copy file management and are working to organize records in the system.

**RECOMMENDATION:** n/a

**FINANCIAL CONSIDERATIONS:** n/a

**RESULTS:** n/a