

**SPALDING COMMUNITY SERVICES DISTRICT  
BOARD OF DIRECTORS  
REGULAR MEETING  
June 14, 2024  
Minutes - DRAFT**

APPROVED BY DIRECTORS:

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1. MEETING CALLED TO ORDER: Chairman Thomas called to order at 3:00 p.m.

<u>ROLL CALL:</u>	<u>PRESENT</u>	<u>ABSENT</u>
Ted Thomas	<u>  X  </u>	<u>      </u>
Ed Lawson	<u>  X  </u>	<u>      </u>
Larry Doss	<u>  X  </u>	<u>      </u>
Barbara Willard	<u>  X  </u>	<u>      </u>
Frank Muse	<u>  X  </u>	<u>      </u>

3. PLEDGE OF ALLEGIANCE:

The Pledge of Allegiance, led by Chairman Thomas was spoken.

4. APPROVAL OF THE AGENDA:

General Manager Graton requested the following changes and additions:

Item 14, the next meeting date should read July 12, 2024 at 3:00 p.m.; added between Items #6 & #7, Staff Report on Zoom Meeting and on Item 9, 9c. Staff Report on Fraud Situation. Copies of the Staff Report on both items handed out to the Board members and the public.

Motion: Approve the Regular Meeting Agenda as amended.

First: Director Muse.

Second: Director Willard.

Roll Call: Aye: Ted Thomas, Barbara Willard, Larry Doss, Frank Muse and Ed Lawson – motion carried.

5. PUBLIC COMMENT:

*Tammy LoBue - spoke to Resolution 2024-003 - Meeting Time & Place, and inquired about status of Operations & Maintenance; discretion with customer information, and the recent financial audit.*

**SPALDING COMMUNITY SERVICES DISTRICT  
BOARD OF DIRECTORS  
REGULAR MEETING  
June 14, 2024  
Minutes - DRAFT**

6. APPROVAL OF MINUTES

a. Approval of the minutes for May 10, 2024.

Motion: Approve the minutes for May 10, 2024 Regular Board Meeting.

First: Director Doss

Second: Director Muse

Roll Call: Ayes -Ted Thomas, Barbara Willard, Larry Doss, Frank Muse and  
Ed Lawson

Motion carried.

b. Approval of the minutes for May 17, 2024. Board discussion: Minutes for May 17, 2024 were inadvertently not included in the packet. They will need to be submitted at the next meeting.

Motion: Amend the Agenda for June 14, 2024 to remove Item 6b. from the agenda.

First: Director Thomas

Second: Director Willard

Roll Call: Ayes - Ted Thomas, Barbara Willard, Larry Doss, Frank Muse and  
Ed Lawson

Motion carried.

Added item - ZOOM MEETING

Staff Report from Manager Graton handed out to the Board and public.

Manager Graton informed the Board and the public that her attendance at today's meeting via Zoom is a test of the functionality and capabilities of the system. The Zoom meeting was set up under Manager Graton's personal Zoom account. If successful, Manager Graton requested the Board approve moving forward with the establishing an account with Zoom for the District and approve actions necessary to make the Board meeting hall compatible to holding meetings and allowing public participation in meeting via Zoom.

The Board recommended going forward with the necessary actions to make the use of Zoom feasible.

*Public Comment: Sheryl Alvernaz stated that this was a wonderful idea.*

7. 2022-2023 AUDIT DISCUSSION

Larry Bain, CPA who performed the 2022-2023 Audit for the District joined the meeting via Zoom. He reviewed a few highlights from the audit including the Auditor Opinion, review of the financial statements, the Fund statements, the expenditures of all accounts, the District's cash position, consideration of the rate increase, current assets, liabilities, depreciation of assets leading to the

**SPALDING COMMUNITY SERVICES DISTRICT  
BOARD OF DIRECTORS  
REGULAR MEETING  
June 14, 2024  
Minutes - DRAFT**

conclusion that the accounts are not in a “strong” position. Additionally, he reviewed the need for accurate information being presented for the audit.

*Public Comment: Sheryl Alvernaz and Tammy LoBue questioned various portions of the audit and the management report.*

The Board inquired about government assets, depreciation schedules and recommendations for moving forward.

Mr. Bain responded to questions, provided additional information on the audit deficiencies and material weakness and suggested a review of unpaid or aged O & M accounts. Manager Graton spoke to a preliminary review that indicated the unpaid account cited is a double billing. The findings are further evidence that a forensic audit is required of all accounts. Mr. Bain stated that this is even more crucial since removal of funds from the County treasury.

Manager Graton and the Board thanked Mr. Bain for his participation.

**8. FIRE CHIEF REPORT TO BOARD**

Chief Muse reported that there were 7 medical calls, 2 accidents, 2 vegetation fires and a structure fire in Bucks Bay that were responded to. Donations from the Pancake breakfast were approximately \$1500.00. Investigating possible department training through Lassen Community College.

*Public Comment: Tammy LoBue requested items be posted on website and presented a handout. Sheryl Alvernaz expressed concerns about Director Muse voting on Fire issues.*

Manager Graton commented that Director Muse abstaining on Fire department issues has been discussed.

**9. GENERAL MANAGERS REPORT TO THE BOARD**

a. Manager Graton presented a presentation on the need for repair at Pump Station 1, a Statement of Qualification for Sauer Engineering and proposal for necessary investigation. Manager Graton requested approval of \$6500.00 funding for the proposal, as the next step to repair the Pump Station.

*Public Comment: Sheyrl Alvernaz questioned the use of this firm. Tammy LoBue questioned a previous proposal by H2O Pro and funds for repair.*

The Board discussed the proposal, the scope of work, the current flood plan elevations and the need to review construction diaries.

Motion: Approval of the proposed work and the expenditure of \$6,500.00 to complete the work.

First: Larry Doss

Second: Frank Muse

Roll Call: Ayes - Ted Thomas, Barbara Willard, Ed Lawson, Larry Doss

**SPALDING COMMUNITY SERVICES DISTRICT  
BOARD OF DIRECTORS  
REGULAR MEETING  
June 14, 2024  
Minutes - DRAFT**

and Frank Muse.

Motion carried.

- b. Manager Graton read the May Recreation report.

*Public Comment: Tammy LoBue questioned the income and expenses. Commented on Bingo.*

Board discussed issues with stinging nettles at the picnic area and commented that boats may only be able to launch for another week.

- c. Manager Graton read the financial report. Reviewed the increase of the quarterly billing and issues with yearly payments. Requested approval of expenditures to the IRS in the amount of \$8,354.36 and Stradling in the amount of \$5,000.00. Manager Graton commented on the payment from the County Treasurer for the Bond assessments in the amount of approximately \$161,000.00. Manager Graton read the second d staff report presented today regarding an issue with fraudulent checks being presented and reviewed actions taken to date.

*Public Comment: None.*

The Board questioned the signatures on the checks with Manager Graton replying that the signors were not valid.

Motion: Approve the expenditures to the IRS and Stradling attorneys pending authorization from US Bank to proceed.

First: Director Thomas

Second: Director Lawson

Roll Call: Ayes - Ted Thomas, Barbara Willard, Larry Doss, Frank Muse and Ed Lawson.

Motion carried.

10. BOARD MEMBER REPORTS/COMMENTS

- a. Director Willard reported on the status of the recruitment for a General Manager. Director Willard stated that 6 or 7 applications have been received and thanked the members of the committee for their work.

b. Director Muse reported that the rekeying of the district buildings should be accomplished next week. Reviewed the status of the District membership in NECSDA and the need to investigate further whether it was advantageous for the District to join.

c. Director Lawson commented on the need for a campground host in the Marina area, the tasks that could be performed by the host in exchange for space with electricity and water. Discussion included the need for a formal proposal and solicitation for the position.

d. Chairman Thomas reviewed the meeting with the County Auditor regarding returning our treasury to the County and what would be required to accomplish the

**SPALDING COMMUNITY SERVICES DISTRICT  
BOARD OF DIRECTORS  
REGULAR MEETING  
June 14, 2024  
Minutes - DRAFT**

return to the County treasury.

*Public Comment: Tammy LoBue questioned the requirements for General Manager and Administrative Assistant; questioned the security of the new keys.*

**11. NEW BUSINESS**

a. Consolidation of Election and resolution 2024-07. Volunteer Office Manager Ms. Graton read the staff report.

*Public Comment: Sheryl Alvernaz questioned timing for candidates.*

Barbara Willard commented.

Motion: Approve Resolution 2024-07, A Resolution of the Board of Directors of the Spalding Community Services District Ordering An Election, Requesting County Elections to Conduct the Election and Requesting Consolidation of the Election.

First: Director Doss

Second: Ed Lawson

Roll Call: Ayes-Ted Thomas, Larry Doss, Ed Lawson, Barbara Willard and Frank Muse.

Motion carried.

b. Manager Graton introduced the Preliminary Budget Report.

*Public Comment: Sheryl Alvernaz questioned information from North Star and audit for income and expenses not accurate.*

Board member discussion regarding schedule for Budget Workshop on July 12, 2024 at 1:00 p.m. Recommended to approve in August Regular Meeting, understanding the potential need for mid-year budget adjustments.

Motion: Direct staff to prepare a Budget Workshop on July 12, 2024, at 1:00 p.m.

First: Director Muse

Second: Director Doss

Roll Call: Ayes- Ted Thomas, Larry Doss, Ed Lawson, Barbara Willard and Frank Muse.

Motion carried.

**12. CONTINUING BUSINESS**

a. Request for Qualifications for local attorney firms. Manager Graton reported that the search for attorneys is still in progress.

b. Request for Qualifications for CPA firms. Manager Graton reported that the search for CPA firms is still in progress.

*Public Comment: Sheryl Alvernaz suggested contacting Herlong regarding*

**SPALDING COMMUNITY SERVICES DISTRICT  
BOARD OF DIRECTORS  
REGULAR MEETING  
June 14, 2024  
Minutes - DRAFT**

*their local attorney.*

**13. CLOSED SESSION**

*Public Comment: Tammy LaBoe presented additional handout.*

The Board entered Closed Session at 5:31 p.m.

The Board returned to the Regular Meeting at 6:23 p.m.

No reportable action was taken.

**14. ADJOURN**

Motion: Adjourn the June 14, 2024 Regular Meeting at 6:25 p.m.

First: Director Muse

Second: Director Willard

Voice Vote: All Ayes.

Motion carried.

Meeting adjourned.