

BOARD OF DIRECTOR'S MEETING
ESPARTO COMMUNITY SERVICES DISTRICT
ESPARTO, CA 95627

SPECIAL MEETING MINUTES
JUNE 25, 2007

1. CALL TO ORDER The meeting was called to order by Chairman Laurel Kieny at 6:06 p.m.

2. ROLL CALL Laurel Kieny, Bill Setnik, and Mike Goodin

MEMBERS ABSENT Joe Moreland and George Daniel

STAFF PRESENT Ron Loudon, Jeff Mitchell, and Anna McNamara

OTHERS PRESENT Tracy McNamara

ACTION:

3. APPROVE AGENDA
Director Mike Goodin made a motion to approve the agenda as written and was seconded by Director Bill Setnik.

No discussion.

Ayes: 3 Noes: 0 Absent: 2

INFORMATION:

4. PUBLIC COMMENT
No public comment.

INFORMATION/
ACTION:

5. A) APPROVAL OF – NOTICE TO ELECTION OF THE ESPARTO COMMUNITY SERVICES DISTRICT
Director Bill Setnik questioned which three positions are open. The Administrative Assistant stated, Director Mike Goodin, Director George Daniel, and Laurel Kieny. The Administrative Assistant state Mr. Daniels' position became a short position because of the issues with Daniel Albano.
Director Mike Goodin made a motion to approve the Notice of the District Election and was seconded by Director Bill Setnik.

No discussion.

Ayes: 3 Noes: 0 Absent: 2

B) APPROVAL OF RESOLUTION 07-07 – RESOLUTION CALLING ELECTION FOR SELECTION OF MEMBERS OF BOARD OF DIRECTORS, AND REQUESTING CONSOLIDATION WITH THE REGULAR STATEWIDE ELECTION ON NOVEMBER 6, 2007

Director Mike Goodin made a motion to approve Resolution 07-07, Resolution Calling Election for Selection of Members of Board of Directors, and Requesting Consolidation with the Regular Statewide Election on November 6, 2007, and was seconded by Chairman Laurel Kieny.

Director Bill Setnik stated the district will reimburse the County for any cost which is incurred at the cost of the Board.

No further discussion.

Ayes: 3 Noes: 0 Absent: 2

6. BUDGET WORKSHOP

Director Mike Goodin stated the Budget is really a planning tool, and is really a planning tool and should reflect what the district plans to do in the next several years; 5 yr. and 10 yr, a Statement of Goals.

The General Manager stated it has been very busy.

Chairman Laurel Kieny stated now is a good time to formulate that.

Director Goodin expressed his frustrations in regards to it not being available yet, that it has not gotten done for many, years.

Chairman Laurel Kieny stated this is a good time to start looking at this issue, and believes the Board all knows where the district is heading. Further stating, that the district having secured the loan package, proceeding this year with the rebuild of the old infrastructure.

The General Manager stated with all of the issues which have had to be addresses, he has not had the time to do the 5, 10, & 15 year plans, but have taken the first steps showing the Board on the last page; showing the Appropriation for Contingencies, that being the first step creating a set aside money for projects which will be obtained in a 5, 10 & 15 year plan.

The General Manager reviewed the Budget with the Board, and how the Budget shows a lot of the future.

Director Bill Setnik stated even if you formulate a 5, 10, & 15 year plan you revise it accordingly as time goes on, it is a living document. Further stating to the Chairman that the Board should be able to come up with a future objective based on what is in the proposed Budget.

Chairman Laurel Kieny stated to proceed with funding being received by USDA for the replacement of infrastructure, and to set aside reserves for maintenance and replacement, set aside reserves for general operations, and to meet the financial obligations of the district, stating that is what the statement should read.

The General Manager stated it should also reflect the intent of the Board, to complete the water and sewer projects for the USDA funds, along with the project slated for the CDBG funds.

The General Manager stated there are approximately \$943,000 being reimbursed partly into the fund 466-0, and partly into fund 469-0.

The way to do things with the loans is to try to operate with your own money, and take out bridge loans, which are really hard to project in a Budget. Because of the district not knowing how much money they will receive.

Mark Krummenacker stated to the General Manager the County would carry the district until the district received the RCAC money, but the day after their last meeting he stated, no, he was not going to.

The General Manager stated he then immediately called RCAC. Further stating the district will not know how much it will cost until it goes out to bid, and can not get any funds in until it goes out to bid, this is for the replacement of the infrastructure.

Director Bill Setnik questioned how Castle Company will fit into this, because they have stated they are replacing \$660,000 approximately, of the replacement of the sewer and water, as part of the Orchioli project. Further stating this information should be included into the 5, 10 & 15 year plan.

Director Mike Goodin stated he would like to have a Statement of Goals.

Director Bill Setnik agreed.

Director Mike Goodin further stated you would also want plan 'A' and plan 'B'.

The General Manager stated the district with fund 469-0, is in the red, further that Mark Krummenacker let the district go until the district was over \$200,000 in the red, and now stating he would not carry the district until the district receives its RCAC bridge loan.

The General Manager stated the \$943,000, funds already spent with this project, engineering, funds Ryland Homes has expended, funds to build sewer ponds, which will reimbursed through this project from the RCAC bridge loan.

Explaining the district is really not in the red, we are only in holding until funds are available.

Director Mike Goodin asked where it states this.

Chairman Laurel Kieny noted it is in the revenue, reserves and fund balances.

The General Manager stated the funds sheet was not included.

Director Mike Goodin reiterated the district is only in the red because the district has not received the reimbursements, and are they due.

The General Manager stated the will be available as soon as all of the requirements are due.

Director Mike Goodin asked if the check will come from a developer.

The General Manager stated no, it will come from RCAC, which is a bridge loan.

Further, as soon as the engineer takes the project out to bid, with USDA, and they are awarded, then the funds come from USDA to pay back the RCAC bridge loan.

The General Manager stated the district is \$290,000 in the hole with development fees. This is just a matter of reimbursing the

funds. Therefore as soon as the district gets the \$943,000 from the RCAC the district should be in pretty good shape.

7. MANAGER'S REPORT

8. DISTRICT INFORMATION AND CORRESPONDENCE

7. ADJOURNMENT:

Laurel Kieny-Chairman of the Board

Anna McNamara-Clerk to the Board
