



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

REGULAR MEETING  
May 21, 2014  
MINUTES

**(1) CALL TO ORDER**

Chair Steve Knightley called the meeting to order at 7:05 pm.

**(2) PLEDGE OF ALLEGIANCE**

All residents and members in attendance recited the pledge

**(3) ROLL CALL**

**Present:**

- Directors: Steve Knightley, Don England, Charles Schaupp
- District Counsel: Not Present
- General Manager: Mel Smith
- Board Clerk: Mel Smith

**Absent:**

- Directors Colleen Fescenmeyer and Anna Girk

**Public:** Present

**(4) APPROVAL OF AGENDA**

Chair Steve Knightley called for a motion to approve the agenda.

**Motion by:** Director Charles Schaupp to approve the agenda as presented

**Second by:** Director Don England

**Discussion:** None

**Vote:** Ayes: 3 No: 0 Abstain: 0 **Motion:** Passed

A handwritten signature in black ink, appearing to be "C. Knightley", is located in the bottom right corner of the page.

(5) **PUBLIC COMMENTS**

Chair Steve Knightley opened public comments – none received

(6) **CORRESPONDENCE**

Chair Steve Knightley called for correspondence.

General Manager: none received other than a change on the audit to be presented later in the meeting

(7) **APPROVAL OF MINUTES**

Chair Steve Knightley called for a motion to approve the minutes of 5-7-14 Tabled to next meeting. No quorum present that was present at the meeting of 5/7/2014.

(8) **CLAIMS: FUND 466-0: 4/28/14 and 5/5/2014**

Chair Steve Knightley called for a motion to approve the claims for 4/28 and 5/5/2014

**Motion by:** Director Charles Schaupp to approve the claims for 4/28 and 5/5/14

**Second by:** Director Don England

**Discussion:** Question on petty cash notation; Grade II Cert. Jason General Manager indicated Jason paid for his certificate renewal and the district reimbursed him, copy of his check in tonight's packet.

Chair Steve Knightley: had a question on payment of audit being presented this evening; he will address later in the meeting.

**Vote: Ayes: 3 No: 0 Abstain: 0 Motion: Passed**

(9) **PRESENTATION OF ANNUAL FINANCIAL AUDIT PERFORMED BY PEHLING & PEHLING, CPA's**

Chair Steve Knightley recognized the representative from Pehling & Pehling, CPA present this evening to present the report on the annual financial audit.

Findings: independent auditor Zach Pehling, indicated finances presented fairly by General Manager.

Other matters: District did not prepare a management discussion analysis, although this is not required, it is recommended. It is a way for the district to inform the consumers where it's been, where it is now and where it is going. It is an informational statement to present district plans together with an understandable financial breakdown for consumers.

Under Financials: enclosed is a balance sheet showing district assets and liabilities. Reference made to CalPERs funding for 2015; the district will receive a total of the amount they will be required to pay. Full accrual will be required in 2015; will need to be included in financials.

Question by Chair Steve Knightley: to clarify this is only a one year audit, we did engage the firm prior to do a two year audit, is this correct. Response was yes.

Expenses: divided services into separate categories, water/sewer to present a picture of where each program stands currently.

Only change would be the outstanding litigation, awaiting attorney response. Under the ordinary course of operation decision on outstanding litigation could have an adverse effect on the district. Only other item would be the health benefit calculation report for employee's who have been with the district for ten year which will be due next year.

Discussion followed

Chair Steve Knightley: questioned if the cost for preparing next year's financial report would be slightly higher. Response: yes 3%

7:20 pm – Director Anna Girk arrived

## (10) MANAGERS REPORT

a) New trial date – General Manager indicated new date is August 13, 2014  
Cost will be on next year's budget.

b) Sludge survey and Gird Bee quotes -- General Manager included in the Director's package, the cost quote for the sludge survey and the updated quote for adding grid bees for ponds 4 & 5.

He indicated a conversation with the engineer regarding what we should find at this time if a survey was completed. The engineer indicated as much as a 30% reduction in the sludge that was present at the time of installation.

General Manager: indicated the cost was high; checked into district purchasing the equipment necessary for the sludge monitoring, found it to be considerably less. District is required under the permit with the RWQCB to do sludge monitoring. He indicated the district should put together its own monitoring system.

Question: the sludge survey that was done prior to grid bees installation; will we be able to determine the information from the same area? General Manager explained.

Discussion/questions followed.

Chair Steve Knightley: on the new grid bees; they are now offering a SCADA monitoring system that will monitor rotation, flowing, pumping; basically the whole operation to be sure the grid bees are operating correctly. By adding a SCADA system to the existing grid bees as well as the new ones we can monitor/watch here in the office the operation.

Suggest we upgrade the ones we have now

Discussion followed.

Question: when will we have our sludge survey done?

General Manager: we may have it completed by the next board meeting but not in time to be in the director's packets.

Chair Steve Knightley: purchasing the grid bees are in this year's budget, can it be carried to next year?

General Manager: it's in our Capital Improvements budget. Should not be a problem to move it to next year.

Chair Steve Knightley: okay, let's be sure we include the purchase of the grid bees in next year's budget.

- c) Well 5 (b) update – General Manager: Luhdorff & Scalmanini engineers have been put on the design of Well 5 (b), screen sift of soil samples and prepare a bid sheet for the RFP.

7:45 pm - Entered Closed Session

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**(11) Closed Session**

- a) General Manager employment negotiation, authorized by Gov. Code 54957 (b) (1).
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8:00 pm – Return from closed session

**(12) Report of Closed Session**

Chair Steve Knightley: vote was taken to increase the General Manager's salary, non-retroactive; to \$80,000 per year as of July 19, 2014. Salary to be locked in for two years. Vacation benefit will begin to accrue per pay period equal to net result of four weeks per year.

Chair Steve Knightley asked the General Manager to prepare the document for his signature and to call roll for the vote.

**Vote: Yes: 4 (England, Knightley, Girik, Schaupp) No: 0 Abstain: 0**

**(13) FUTURE AGENDA ITEMS**

- a) Balance Payment Plan
- b) Bluefin Website update
- c) Calendar update
- d) Budget draft
- e) Solar Array
- f) Grid Bees
- g) Auto Cad update



(14) **ADJOURNMENT**

Chair Steve Knightley called for a motion to adjourn the meeting

**Motion by:** Director Charles Schaupp to adjourn the meeting

**Second by:** Director Don England

**Vote:** Ayes: 4 No: 0 Abstain: 0 **Motion:** Passed

Meeting adjourned at 8;10 pm

Steve Knightley – Chair of the Board



Mel Smith - Board Clerk



Date: 6/4/14

Date: 6-4-14

