



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

REGULAR MEETING
MAY 22, 2013
MINUTES

(1) CALL TO ORDER

Chair Melissa Jordan called the meeting to order at 7:07 pm.

(2) PLEDGE OF ALLEGIANCE

All residents and members in attendance recited the pledge

(3) ROLL CALL

Present:

- Directors: Melissa Jordan, Steve Knightley, Charles Schaupp, Anna Girk
Colleen Fescenmeyer
- District Counsel: Not Present.
- General Manager: Mel Smith
- Board Clerk: Mel Smith

Public: No public present

(4) APPROVAL OF AGENDA

Chair Melissa Jordan entertained a motion to approve the agenda.

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

Second by: Director Colleen Fescenmeyer

Discussion: None

Vote: Ayes: 5 No: 0 Abstain: 0 Motion: Passed

(5) PUBLIC COMMENTS

Chair Melissa Jordan opened public comments –no public present

(6) CORRESPONDENCE

- a) Chair Melissa Jordan indicated the circus was successful and thanked the board for their involvement.
- b) Director Colleen Fescenmeyer referenced the future ribbon cutting for the Mercy Housing project. Not sure when this will take place.

(7) APPROVAL OF MINUTES

Chair Melissa Jordan entertained a motion to approve the minutes of 4-17-13

Minutes 4-17-13

Motion by: Director Charles Schaupp to approve the minutes of 4-17-13
Second by: Director Steve Knightley
Discussion: None

Vote: Ayes: 3 No: 0 Abstain: 2 (Jordan – Girk) Motion: Passed

Chair Melissa Jordan entertained a motion to approve the minutes of 5-1-13

Minutes 5-1-13

Motion by: Director Charles Schaupp to approve the minutes of 5-1-13
Second by: Director Steve Knightley
Discussion: None

Vote: Ayes: 3 No: 0 Abstain: 2 (Fescenmeyer – Girk) Motion: Passed

(8) CLAIMS: FUND 466-0 REGULAR MONTHLY

Chair Melissa Jordan entertained a motion to approve the claims

Motion by: Director Steve Knightley to approve the claims as presented
Second by: Director Colleen Fescenmeyer
Discussion: Chair Melissa Jordan questioned the large ticket item for Pace Supply. General Manager: repairs depleted our supplies; we needed to replenish our stock. Question on the Vermeer invoice? General Manager: a part went out on the vacuum trailer, had to order direct from manufacturer. Question on AB 54 cancelation credit? General Manager: refunded all but \$25.00.

Vote: Ayes: 5 No: 0 Abstain: 0 Motion: Passed

*MS
6-5-13*

(9) BUDGET UPDATE 4-30-13

General Manager: budget is getting fairly refined, moving things into correct cost centers and accounts; getting farther along in identifying our legitimate revenue.

General Manager: presented a copy of the revenue ledger with additional information to the board.

- Ledger is more developed now, it authenticates the new revenue number that appear on this 4/30 update, page 2, estimated total revenue for year end.
- Total increased from two months ago
- Data added to revenue ledger, cleaning it up and developing the format of this revenue ledger
- Referenced totals in two columns, explained how the money is distributed
- Our ledgers matched to county, no discrepancies found
- Everything reported on county's system, but there is a lag time sometime up to two months before our deposit appears.
- Two months left of this fiscal year, March deposit has not been credited, March deposit made in April but did not show on April accounting. At this point lag time appears to be only 30 days.

Chair Melissa Jordan: So amazing, such a great tool as a historical document; will get easier as time goes on and we will be able to manipulate and massage it and see by lining things up side by side. Would not be surprised at the close of the fiscal year if we are not 90 days behind, which is typically true.

Questions and discussion followed.

General Manager: referenced revenue that was placed back into last year's totals by Mark Krummenacker. As a result we started off this year with negatives in the penalty accounts.

Chair Melissa Jordan: questioned why Mark Krummenacker made this adjustment?

General Manager: indicated this was done by the distribution of the remaining funds in the Bank of the West account at year end. This may have been the first year we have provided this data to Mark Krummenacker, received an email requesting the balance in the Bank of the West account be distributed per the chart of accounts. Revenue budget projections for penalties will fall short.

Chair Melissa Jordan: asked General Manager if the amount distributed can be tracked back to county totals. General Manager responded, yes.

Questions and discussion followed.

(10) REVIEW AND FURTHER DEFINE GENERAL MANAGER SPENDING LIMIT

General Manager asked to discuss his spending limits. Would like the spending limit defined on a basis of discretionary spending versus maintenance and operations.

Reasoning:

- Anything that falls under the budget which has already been appropriated is in a different category.
- Important I am able to do a \$2500 maintenance job when it's necessary.

- Not sure if there ever was any board action taken on establishing my spending limit. This was only discussed upon my hiring between the board and me.

Questions: asked for example. Difference between discretionary spending and operational

General Manager: responded, discretionary spending would be anything that has not already been appropriated by the Board. When the Board approves an annual budget for maintenance and equipment those are the appropriated figures, as long as I'm going to bring the year in under that budget, those expenses are operational, not discretionary.

Discussion followed:

- Chair Melissa Jordan: possible to come back next month with a resolution. Encouraged board to research this item in the Policy Manual.
- Director Colleen Fescenmeyer: good idea, General Manager knows what's been appropriated; don't have to worry about over spending.
- Director Steve Knightley: might be a way to write this up to clearly state what is to be.
- Chair Melissa Jordan: may not be necessary, may already be written in our policy manual as discretionary spending up to budget amount. This still would have to come back to the board to review; we have to stay on top as we are the bottom line.

Example provided by one of the board members of a recent incident that defines the need for a discretionary spending limit by the General Manager.

Chair Melissa Jordan: this is exactly why we need to review the policy and be prepared at our next meeting to give an informed vote and decision based on the information you have provided.

(11) APPROVAL OF COUNTY AUTHORIZATION FORM FOR STAFF ACCESS TO GEN LED ACCOUNTING SYSTEM

Chair Melissa Jordan entertained a motion to approve the authorization of staff access to the Gen Led Accounting System.

Motion by: Director Steve Knightley to approve the authorization

Second by: Director Colleen Fescenmeyer

Discussion: Question is this for all staff? Is this an annual item?

General Manager: county requests this form be completed annually. It was not done at year end for last year. This assigns access criteria to staff. Form allows for assigning only certain functions. Currently Michele is authorized for journal entries, deposits and claims. General Manager is authorized for approval of journal entries, deposits and claims.

Each transaction is covered by two reviews and then submitted to the county for another review prior to the hardcopies being submitted.

Chair Melissa Jordan: referenced the access placed on her lap top, would like same access on her current computer. Requested General Manager to provide the last form, as approved by the board, for comparison to what we are now being asked to sign. Also referenced if any of the other board members would want access to Gen Led and report writing.

Discussion followed:

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Director Charles Schaupp asked the motion for approval be tabled to the next meeting to allow for additional information requested during the discussion period to be presented.

Chair Melissa Jordan asked Directors Knightley and Fescenmeyer if they accept the request to table the motion. Both Directors indicated, yes.
Motion tabled to next meeting.

(12) MANAGERS REPORT

a) Well 4 update – put back on line, started pumping 320 – 340 gal per minutes, ran for approximately 1 ½ months with no problem then it started pumping gravel. Throttled it down to 280 gal per minute, no gravel drawn. Started with a 30 horse power pump, had Vanucci come out and switch out the pump to a 20 horse power pump that pumps 200-220 gal per minute, traded out pump today, well back on line tomorrow.
Questions and discussion followed

b) 5-year projection submitted to CDPH – Spread sheet previously submitted had some of the information included. Request was for us to fill out the CDPH form with our data.

c) Update customer billing/metered rates – sample bill presented.
Director Anna Girk: suggested the bills be defined to indicate, new future metered rates and current non metered rates.
Chair Melissa Jordan: would like it further defined to explain where the \$14.44 comes from so everyone will understand. Referenced open space on bottom of bill for instructions.
General Manager: open space on bottom will include messages every month in bold type to teach, “Sample” will be emphasized.
General Manager: first community outreach will be June 11 to the senior mobile home park. First sample bill to go out July 1.
Concerns:

- Not enough explanation, bill appears confusing

Suggestion:

- Send a letter at the same time of the new bill explaining how to read your new bill.

Discussion followed:

- Water base rate, water current usage explanation on bill
- Overage on bill based on current usage
- \$39.00 hookup fee and payment for each cube used
- Large postcard very good
- Concern about clarity and comparison

General Manager: clarified that the sample before you is not what they will receive, there will be clear notations and explanations on the card.

Concern: verbiage stating water base rate needs to change, consider water service charge; amount due must be very visible.

Chair Melissa Jordan: suggested the letter and card be sent together, would

save postage and they would have everything before them at the same time.

d) Update Solar Bees – projected delivery within a week to a week and a half. Jason has completed installing the electric. We are set up with the solar wholesaler as an authorized purchaser of the panels so we will get them at wholesale cost.

Chair Melissa Jordan: would like to see us keep the water cannons

General Manager: we are going to keep them, one is set up on pond 6 right now, only pond 1 through 5 will get the solar bees.

e) Update LAFCO – stopped in to see Christina and get an update. We discussed some of the current events and she shared some of her thoughts. Question: have we received a response from Regina Espinoza regarding our letter.

General Manager: not as of this date. Believe there are some issues.

LAFCO staff report for the upcoming meeting referenced a meeting between Christina and Supervisor Chamberlain to discuss the municipal services review for Esparto and MERCSA.

Chair Melissa Jordan: MERCSA covers a very large area, we would at some time in the future, if possible and if we are successful in taking care of the area within the borders of the Esparto community we might consider expanding it if we can provide the services needed.

General Manager: What will take place with MERCSA and its boundaries will start with LAFCO recommendations in the MSR.

Discussion followed

(18) FUTURE AGENDA ITEMS

- | | |
|-----------------------------|---------------------------------|
| a) Budget | g) Solar Array Information |
| b) Sewer Lateral Review | h) Well Camera |
| c) Metered Rates Outreach | i) Grand Jury response |
| d) District Calendar | j) Committee Reports |
| e) Solar Panels on 15 acres | k) Add Vice Chair for Signature |
| f) Research Impact Fees | |

(19) ADJOURNMENT

Chair Melissa Jordan entertained a motion to adjourn the meeting

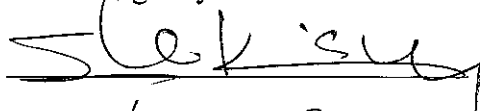
Motion by: Director Colleen Fescenmeyer to adjourn the meeting

Second by: Director Anna Girk

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

Meeting adjourned at 9:05 pm

Steve Knightley – V. Chair of the Board



Date: 6-5-13

Mel Smith - Board Clerk



Date: 6-5-13