Saddle Creek Community Services District

1000 Saddle Creek Drive - Copperopolis, CA 95228 (209 785-6260 – saddlecreekcsd.org

DIRECTORS

Kent Lazarus, President Scott Baker, Vice President Charlie Robinson Darlene DeBaldo Sue Russ

SPECIAL BOARD MEETING AGENDA

November 11, 2014 2:00 PM Saddle Creek Lodge, Members Lounge 1001 Saddle Creek Drive, Copperopolis, CA

- 1. CALL TO ORDER
- 2. ROLL CALL
- PLEDGE OF ALLEGIANCE
- CHANGES TO ORDER OF AGENDA

5. PUBLIC COMMENT (Each speaker is limited to two (2) minutes)

Members of the public appreciated for taking the time to attend this meeting and provide comments on matters of District business. Any member of the public may address the Board relating to any matter within the Board's jurisdiction. This need not be related to any item on the agenda; however, the Board cannot act on an item unless it was noticed on the agenda.

CONSENT CALENDAR

Consent Calendar items are considered routine and will be acted upon by one motion. There will be no separate discussion on these items unless a member of the Board, Staff or a member of the Public requests specific items be set aside for separate discussion.

- a. Review of monthly financial report and approval of bills and claims for the month of October 2014.
- b. Approval of the minutes of the Regular Board Meeting of October 21, 2014

7. OLD BUSINESS

 Update report on water supply concerns related to wetlands maintenance management and compliance with Army Corps of Engineers 404 Permit

8. NEW BUSINESS

- a. Initial review and consideration of the draft District Budget for 2015.
- b. Approval and acceptance of the installation of Yield signs to replace existing Stop signs located in the Saddle Creek traffic circle.

9. STAFF REPORTS:

Brief reports will be provided by District staff to inform the Board and public on the status of general operational and administrative matters. No action will be taken by the Board during Reports, however items discussed may be recommended for discussion and action on a future meeting agenda.

- a. Site Manager
- b. General Manager

Saddle Creek Community Services District Special Board Meeting of November 11, 2014 Agenda Page 2

10. DIRECTORS REPORTS:

Brief reports will be provided by District Board members to inform on matters of general interest. No action will be taken by the Board during Reports, however items discussed may be recommended for discussion and action on a future meeting agenda.

11. ADJOURNMENT

Agenda Materials: May be viewed on the bulletin boards outside the Saddle Creek Pro Shop, on the Sports Club Bulletin Board and at the CSD Website on the Saturday proceeding each meeting date. Materials will also be available at the meeting.

Americans with Disabilities Act Compliance: If you require special assistance to participate in Board Meetings, please contact the CSD Clerk at (209) 785-0100. Advance notification will enable the District to make reasonable arrangements to insure accessibility.

SADDLE CREEK COMMUNITY SERVICES DISTRICT MINUTES FOR THE MEETING OF THE BOARD OF DIRECTORS

October 21, 2014

CALL TO ORDER:

The Saddle Creek Community Services District (CSD) Board of Directors held their monthly meeting on Tuesday October 21, 2014. President Lazarus called the meeting to order at 2:00 PM in the Members Lounge and led Directors and staff in the Pledge of Allegiance.

ROLL CALL:Roll call indicated the following directors were present:

President: Kent Lazarus
Vice President: Scott Baker
Director Darlene DeBaldo

Director Sue Russ

Staff: The following staff members were present:

General Manager Peter Kampa
Site Manager: Greg Hebard
Acting Clerk/Treasurer: Michele Menzies

Public: Castle & Cooke Dave Haley

PLEDGE OF ALLEGIANCE:

CHANGES TO THE ORDER OF AGENDA:

None suggested.

PUBLIC COMMENT:

Dave Haley gave the Board and update on the new entrance gate. They submitted all documents necessary to get the entitlements a few weeks ago, however they have not heard back. He has also met with the Copper Cove/Lake Tulloch Homeowners Association Board of Directors. Calaveras County new planning Director Mr. Peter Maurer asked that Castle & Cooke do an informal presentation with the Architectural Review Committee. The good news is that they do not have any objections or our new entrance. The only thing that they have concern with is the roundabout. He then requested that the Board take action on the roundabout that is located in Saddle Creek, which has "Stop" signs and not "Yield "signs posted. He would like them to approve the replacement of the "Stop" signs with "Yield" signs. Castle & Cooke will pay for the replacement of the signs and the letter from the engineer stating that the new signs will be in accordance with traffic engineering standards and safety. The Board decided that this item will be placed on the November 11th meeting as an Action/Item on the Agenda. Mr. Haley stated that

Castle & Cooke will order the signs and if the Board approves on November 11th they will be ready to be installed.

CONSENT CALENDAR: Consent Calendar items are considered routine and will be acted upon by one motion. There will be no separate discussion of these items unless a member of the Board, Staff or a member of the public requests specific items to be set aside for separate action.

- a. Review of monthly financial report and approval of bills and claims for the month of August 2014.
- b. Approval of the minutes of the Regular Board Meeting of August 19, 2014 with changes as mentioned.
- c. M/ by Director Russ and S/ by Director DeBaldo to move approval of expenditures incurred by the district during the month of September, and approval of the minutes.
 M/ passed unanimously.

OLD BUSINESS:

a. Approval of Management Objectives for the General Manager for 2014/15. As directed by the Board, with the assistance of Director Darlene DeBaldo and as amended in the September 16, 2014 Board meeting, attached are the management objectives proposed for the remainder of 2014 and all of 2015. The Management Objectives may still be amended at this or any Board meeting. In addition, just because an issue or opportunity is not contained within the Management Objectives, does not mean it will not be addressed. As we track progress, the Objectives will be amended to include additional items. Our first tracking report will be at the January 2015 Board meeting.

GM Kampa recommended motion to approve the management objectives for the General Manager for 2014/2015 as presented [or amended.]

M/ by Director Baker and S/ by Director DeBaldo to move approval of Resolution of Management Objectifies for the General Manager for 2014/15. M/ passed unanimously.

b. Approval of a Resolution establishing the Board Policy on Easement Abandonment Procedures. At the September 16, 2014 Board meeting, the attached policy on Easement Abandonment was considered by the Board. The policy wording changes recommended during the September meeting have been made and a revised draft is contained herein.

GM Kampa recommended the Board move to approve Resolution 14-007, 2014, establishing the Board Policy on Easement Abandonment Procedures.

M/ by Director Baker and S/ by Director DeBaldo to move approval of Resolution establishing the Board Policy on Easement Abandonment Procedures. M/ passed unanimously.

c. Update report on water supply concerns related to wetlands maintenance management and compliance with Army Corps of Engineers 404 Permit Calaveras County Water District continues to threaten, and has as of October 16 implemented serious water delivery reductions. We all continue to work cooperatively toward an acceptable resolution. A verbal report was provided during the meeting.

NEW BUSINESS:

a. Report on Building a Water Use Efficient Community Conference and Exposition held October 18 and 19, 2014 in Sonora. A verbal report was provided during the meeting along with handout material. In addition, the scheduling of a smaller scale workshop to be held in Saddle Creek was discussed.

STAFF REPORTS:

Brief reports will be provided by District staff to inform the Board and public on the status of general operational and administrative matters. No action will be taken by the Board during Reports, however items discussed may be recommended for discussion and action on a future meeting agenda.

SITE MANAGER:

Greg gave and update on the West Niles Virus, he said that there are 74 new cases statewide this month, 17 have died in our state last week. We do not have any West Niles in our county; however Stanislaus and San Joaquin Counties have big numbers. We are not spraying at this time as there have been no complaints. Due to cold weather we can't find any mosquitoes or larvae.

He also requested Board approval to purchase Thanksgiving turkeys and candy. President Lazarus reminded Greg that the approval was given last year.

We are fully staffed now, except for one injury last week, an employee broke his leg. We are sending him a care package and hopefully he will return to work by the end of the year.

GENERAL MANAGER:

We have received the Special District Risk Management President's Award for no claims being paid. Kampa thanked the staff and Board for their diligent efforts as we will save much money due to our efforts.

We are all up for Ethics Training class. There will be a class November 13th between 10AM and 12PM. He would like all of us to do this; we can do it as a group or from our homes. We will need documentation for our files.

There is a water bond on the ballot which will bring good thing and benefit our community and district.

The next board meeting will be held on November 11th at 2PM.

DIRECTORS REPORTS:

President Lazarus – Would like GM Kampa to stay abreast and see what can	е
come our way with watershed grant and wetland enhancements.	

V/President Baker - None

Secretary Robinson – Absent

Director Russ - None

Director DeBaldo - None

ADJOURNMENT – Having no further business, President Lazarus adjourned the meeting at 3:30PM. CSD's next board meeting date is November 11, 2014.

Michele Menzies, CSD Clerk/Treasurer
Peter Kampa, General Manager
APPROVED BY:
Kent Lazarus, Board President

	SEAL
Scott Baker, V/President	

Saddle Creek Community Services District Special Meeting of November 11, 2014

AGENDA SUPPORTING DATA

8a. Initial review and consideration of the draft District Budget for 2015.

Background

Each calendar year in November, the Board is presented the first draft of the proposed District budget for the upcoming year. This year, rather than presenting a reproduction of last year's budget with adjustment, we propose to first consider a comprehensive budget narrative, which will provide for robust discussion of how the Board would like to see the budget figures prepared and presented.

Attached is the 2015 Budget Supporting Narritive for your review and consideration. Per the Memo, we have developed budget projections that will be discussed at the meeting, in addition to the memo. The draft final budget including all of the revenues and expenses will be considered for approval by the Board next month.

Recommendation

Discuss the draft budget narrative and direct staff to develop the draft final budget proposal for approval on December 16, 2014.

Saddle Creek Community Services District

2015 Budget Preparation Memorandum November 8, 2014

1 BUDGET OVERVIEW

1.1 Purpose

We are pleased to present to the Board of Directors the proposed 2015 Calendar Year budget. The development of the small public agency budget is as much an exercise in public outreach and education as it is in finance and fiscal accountability. Effective special district budgets tie directly to management goals and objectives, are simply presented and easily understood by the average District service customer.

1.2 Transparency

To provide a basis of budget understanding, the assumptions, criteria and procedure of budget development is articulated in this memorandum to offer the reader with the background necessary to comprehend the methodology used and performance to budget within the year currently coming to a close; as well as the ability to transition into the upcoming budget year with the information necessary to identify trends, financial red flags, budget influences and other factors. The budgeting exercise is therefore used as a vehicle to increase financial transparency and accountability.

1.3 ACCOUNTABILITY

Budgeting is also a management tool used to continuously refine financial accounting methods to evaluate the impact of delivering various levels of public services. For example, we need to be able to not only quickly recognize when we have underestimated cost for materials and supplies; we should also have the ability to know whether it was the wetlands maintenance or mosquito control activities that produced the overrun. Throughout the upcoming year, we will be refining our accounting practices to allow for this level of expense tracking so that in future budgets, we can easily understand the value and cost of our administrative overhead as well as each of the services we provide.

1.4 SERVICE LEVELS

Special districts are truly the most responsive vehicle in which to respond to a community's service provision needs. In some cases, a district is formed to provide a single public service such as water or wastewater, and in others such as Saddle Creek, a district is formed to serve as a stable entity in the delivery of services that were mandated as a condition of development. Considering these differences, it is important to understand the fact that some of our service levels are fixed by law, and others are at the discretion of the community through its district Board of Directors.

For example, the Local Agency Formation Commission (LAFCO) Resolution that formed the Saddle Creek CSD assigns to us the responsibility to maintain compliance with the US Army Corps of Engineers, Clean Water Act Section 404 Permit. This permit is an example of a service in which our actions and service levels are for the most part fixed by others. We have a fiduciary responsibility under the permit to employ the staff, purchase the materials and supplies and apply the methods necessary to meet the specific operational conditions detailed in the 100 page permit. Budgetary limitations are not an excuse for noncompliance with permit conditions.

Road maintenance is an example of a service where we have the discretion to set service levels. For the District to accept responsibility for any roads, we require approval of all construction plans and specifications, as well as verification that the roads have been constructed to all applicable standards. There are no state or federal mandates that require us to perform ongoing road maintenance to a specific level; however lack of maintenance or conducting our work in a manner that leaves a *Dangerous and Defective Condition of Public Property* is one of the few instances where a public agency can be held liable for damages determined to be caused by such defects.

Although not mandatory, performing road maintenance to an established standard will reduce all liability to a minimum and maximize the useful life of the road itself; thereby reducing long term costs. Road maintenance to the full industry standard can be extremely expensive for a small community, especially in exclusive (private gated) areas where special districts perform the maintenance and receive NO property taxes, gas tax appropriations, state or federal subventions or transportation grants; such as with SCCSD. This high cost often leads the special district Board to under-fund necessary maintenance work, thus making a conscious decision to perform a lower level of service than required for optimal road life. The Board does have the option to adopt, fund and implement fully compliant industry standard practices.

In order for the Board to direct a road maintenance service level, a condition assessment must be performed, compared to standards and a thorough Capital Improvement Program (CIP) and maintenance program developed. From this evaluation, a financial plan is created to support the CIP and maintenance program, and the Board is then able to make knowledge based decisions on the level of service desired; in particular, whether fully or partially funded. Through the recently adopted Management Objectives, this Board has directed the completion of the condition assessment and CIP development which will significantly affect budget decisions next year.

1.5 2015 BUDGET HIGHLIGHTS:

- Three of our maintenance vehicles (carts) have reached their useful life and are proposed to be replaced rather than major maintenance performed
- The adopted Management Objectives will produce additional staff effort, temporarily increasing administrative staff costs by up to 25%
- A transfer from our very small (unrestricted) Contingency Reserve is necessary for revenue and expense to balance in this budget
- Much future planning will be conducted in the 2015 budget year; while implementation of the approved plans will be considered in 2016

2 2014 BUDGET PERFORMANCE

Overall, it is projected that revenue and expenses for 2014 will be in line with initial predictions. The 2014 budget was prepared in a manner consistent with previous budgets; primarily to continue operations in a fairly constant state and in compliance with wetlands permits and other requirements. Due to limited revenues, previous budgets did not contain significant capital improvements or purchases, so performance to budget may not necessarily be the best measure of the service performance of the District.

In the last few months, purchases of necessary materials and supplies, as well as necessary repairs to equipment were not made to ensure performance to budget. This deferral of expenses at the end of the calendar year is historically typical for the District and will result in a significantly increased level of spending in the first quarter of 2015. Of primary concerns with this practice is the continued deferral of major maintenance for the District's cart fleet. The condition of this equipment if for the most part poor for equipment over five year old (one in stock), with fatal failure expected in carts over 10 years old (currently 2 in stock).

3 2015 BUDGET DISCUSSION

The District's budget is developed for the ensuing calendar year by the Bookkeeper and General Manager, with input from the Operations Supervisor and staff typically beginning in the fall of each year. Expenses and revenue through the first six to eight months of the year are closely analyzed and then projected through the end of the calendar year. To understand financial trends and identify potential budgeting inaccuracies, the expenses and revenue are then compared to previous years' budgets and actual fiscal year-end figures. These identified trends, as well as areas where we had in previous years budgeted too high or low, are taken into consideration in development of the next fiscal year's budget. Further, budget criteria are established and assumptions about known changes in expenses and revenue for the next year are forecasted and further guide budget development.

This budget proposal is very simply constructed and presented, due to the relatively stable and very limiting nature of our funding and limited expense fluctuations; therefore this narrative is very important in understanding the financial condition of the District. Following are some basic assumptions and criteria used in our budget development:

3.1 Services Assumptions

- There will be no changes in the type or extent of the services provided. For example, additional mosquito abatement activities over last year will not be required.
- No new regulations will be enacted to cause a dramatic change in operations
- Implementation of the 2014-15 management objectives will produce a short term (12 to 18 month) increase in administrative effort of approximately 25% as follows:
 - o Board Clerk and GM development and implementation of records management systems, policy manual and Board Orientation Manual
 - o Increased level of public communication and outreach activities
 - o Development of the Capital Improvement Program (CIP)

- Development of financial data management system to better understand cost impacts of the various services and associated CIP
- Development of proposals for increased revenue to fund the CIP and sustain services/service levels for the long term

3.2 REVENUE FORECASTS

- There will be no changes in the type of revenue received; ie no new taxes adopted or fees charged
- With the July 1, 2014 and July 1, 2015 CPI adjustment in the exiting special tax, there will be an increase of 3% in the special tax revenue
- We will continue to charge the \$50 fee for vacant lot mowing and will pursue collections more diligently than last year

3.3 EXPENSE ASSUMPTIONS AND CRITERIA

- Increased all positions and all step levels of the Salary Scale by the 2014 CPI (Bay Area) of 3%
- Included step increases for regular employees that will be due in 2015 based on SCCSD policy and assuming performance expectations are met
- Added the Clerk and Bookkeeper positions to the salary scale with a starting wage at 3% increase from 2014 and salary steps mirroring field positions
- Health insurance is calculated based on 2015 quoted rates
- Workers Compensation is estimated based on 2014 rates
- Bookkeeper position estimated at 25 hours per month; up from 20 hours per month in 2014.
- Clerk position estimated at approximately hours per week, 38 hours per month (an increase of 25% over 2014)
- Increases in payroll expenses related to Bookkeeper as a staff position versus contractor
- Elimination of contracted Bookkeeper expense
- Increased purchase of office equipment such as a fireproof file cabinet, appropriate scanning hardware and additional organizational supplies and equipment
- Secure a five year lease to purchase (1) ½ ton pickup, (2) Toro maintenance carts and (1) Toro utility dump cart

4 AREAS OF BUDGETARY CONCERN

4.1 OPERATIONS

We are staffed with four full time maintenance staff, one full time supervisor and one full time Maintenance Manager. Turnover in maintenance staff is normal, but we have only one (field) maintenance staff person with a tenure of over five years. Although only moderate training time is

necessary for employees to become fully qualified, it can take a year or more working in our systems to become fully efficient in the work.

4.1.1 **Solutions -** The cost of turnover should be evaluated as well as the reasons for the turnover. It is recommended that the salary, benefits and advancement opportunities offered be evaluated based on similar industries and similar local government jobs.

We have work carts for each employee to efficiently conduct their work. We do not employ mechanics and major maintenance of these carts can be time consuming to achieve and costly. Employee time is spent hauling carts to the shop, and workload suffers while repairs are being made as employees must double up on duties as we do not stock extra equipment. Due to an aging fleet, much time has been lost over the past year maintaining carts. Our staff is qualified and proficient in basic cart routine maintenance, but the number of repairs have outstripped our capabilities. Also, we have been attempting to perform major repairs ourselves, leaving less field time for essential duties.

4.1.2 **Solutions** – (budgeted for purchase this year) It is recommended that a large portion of the fleet be replaced with new, and then the amount of the lease payments be budgeted continuously to allow for cart rotation with new at a point where major maintenance starts occurring; typically after 5 years.

The only existing District vehicle is a one ton flatbed truck used for all purposes including travel to mandatory training classes, out of town parts and supplies pickup and filed work requiring heavy supplies or equipment to be delivered or hauled. The flatbed was purchased with a one time grant and deprecation (replacement) funds have not been previously budgeted and set aside. Due to its use for unintended miscellaneous purposes as the only district truck, the service life of this critical vehicle is being reduced.

4.1.3 **Solutions** – (Budgeted for purchase this year) Reserve the one-ton truck for work within its intended purpose of Mosquito Abatement and purchase a standard ½ ton pickup to be used for all other purposes. The life of the one-ton will be extended by five years or more and the ½ ton truck can last easily up to 10 years.

4.2 Administration

Until a permanent location for a District office is identified, limited investment should be made in office equipment and other related infrastructure. The past recordkeeping system needs to be completely renovated and updated to include technology and efficient processes. Finding even the simplest adopted policy currently requires a search of meeting minutes to ensure accuracy. District management needs clear direction of Board policy to ensure that the operation is conducted in accordance with Board expectations. Due to the difficulty in knowing what the Board has and has not adopted, there will undoubtedly be some duplication of effort and missteps until the system renovation is complete.

4.2.1 **Solutions** – Resolve the long term office location and review all Board adopted actions, begin compiling a policy manual and develop processes and procedures for future documentation efficiency.

4.3 CAPITAL NEEDS

The special tax funding approved in 2001 was intended to provide the base level funding to keep the District in compliance with permits, then current service expectations, etc. In calculating the 2001 special tax, the cost of major road repairs and improvements, vehicle purchase and replacements, service demands for such items as West Nile Virus and dramatically increasing costs were not contemplated. We have lived within the limited budget for many years, but we are approaching a period of time where additional expenditures will be required; either for direct expenses or to establish adequate reserves for major future projects and purchases.

It is obvious that if we continue with only the 2001 special tax funding as the sole source of revenue, discretionary service levels will have to decrease. We currently do not have adequate revenue to perform major road maintenance that is becoming necessary, vehicles and equipment need to be replaced and specific infrastructure and equipment reserve funds established and funded. Continuing to operate in the same manner fiscally will result in deferred expenses placing an undue financial burden on future generations.

4.3.1 **Solutions** – Maintain diligence on expense control, evaluate service delivery expenses and needs, identify and fund needed reserves, and plan to increase revenue. Increasing revenue will require significant planning and public engagement to be successful and the time to plan is now.

5 RECOMMENDATIONS

Staff recommends that the Board approve the budget as presented, with the clear understanding of its potential for accomplishments as well as shortcomings. It is further recommended that the Board authorize and direct staff, concurrent with the completion of service planning pursuant to the approved Management Objectives, the evaluation of possible additional funding sources for District services including special taxes, fees, assessments, grants and the provision of additional services.

Saddle Creek Community Services District Special Meeting of November 11, 2014

AGENDA SUPPORTING DATA

8b. Approval and acceptance of the installation of Yield signs to replace existing Stop signs located in the Saddle Creek traffic circle.

Background

The District is responsible for road maintenance within the Saddle Creek Community, including signs, striping, road surface and other related road features. The Saddle Creek developer initially constructed the roads to the County standard in existence at the time of construction and when the District was formed, the existing roads were dedicated to it for ongoing maintenance. It has been determined that the existing traffic circle, or Roundabout on the entrance road is not in conformance with current codes and does not provide for smooth traffic circulation pattern.

Castle & Cooke has proposed to replace the STOP signs with YIELD as provided in California Vehicle Code sections 21351 and 21356. In addition, to facilitate the new signage, road striping work will be required. Attached is a letter describing the matter from MVE, Inc. as well as existing and proposed signage plans.

Approval by the District Board will allow this project to proceed. Once constructed, the District will assume customary maintenance of the new signage system.

Recommendation

Approve and accept the installation of Yield signs to replace existing Stop signs located in the Saddle Creek traffic circle.



Project Management · Civil/Structural Engineering · Telecommunications · OSP Engineering · Urban Design Land Planning · Entitlements · Right-of-Way/Permitting · Surveying · Construction Staking · Graphics

October 29, 2014 CV08-013

Dave Haley Castle & Cooke 100 Town Square Copperopolis, CA 953228

Re: Justification of Signage Change at Existing Roundabout in Saddle Creek

Dave Haley,

It has been determined the existing signage for the roundabout at Saddle Creek and Lodge Entry Road is not in conformance with current codes and does not facilitate a smooth traffic circulation pattern. In order to enhance the traffic circulation the existing signage and striping will need to be revised.

Please find attached two exhibits for the revision to the signage for the existing roundabout at Saddle Creek Drive and Lodge Entry. The signage shown conforms to the Manual of Uniform Traffic Control Devices (MUTCD) and the National Cooperative Highway Research Program (NCHRP) Report 672, Roundabouts: An Informational Guide, Second Edition, October 2010.

The attached documents consist of the following exhibits:

1. The existing signage exhibit. This exhibit includes the location of temporary signage that will need to be installed prior to removal of any existing signage or striping.

2. The proposed signage exhibit. This exhibit shows the locations and type of signage and striping required to conform to the MUTCD and the NCHRP.

If you have any questions please call us.

Thank you,

Charles A Ozanich

MVE Vice President/Sr. Civil Engineer

cc: Sean Tobin, Sr. Vice President, Project Management/Engineering/Office Survey

mid-valley engineering



