

DRAFT

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

March 18, 2008

CALL TO ORDER

The Saddle Creek Community Services District (CSD) Board of Directors held their monthly meeting on Tuesday March 18, 2008. President Russ called the meeting to order at 2:05 PM in the Gold Room and led Directors and staff in the Pledge of Allegiance.

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

President:	Sue Russ
Vice-President:	Bob Kenyon
Secretary:	Steve Marsden
Director	Charles Robinson
Director	Dennis Merrill

Staff: The following staff members were present:

General Manager:	Charles Martin
Site Manager:	Greg Hebard
Clerk/Treasurer:	Phyllis Richards

Public: CSD Accountant Larry Bain

APPROVAL OF MINUTES:

M/ by Director Kenyon and S/ by Director Robinson to approve the minutes of the February 19, 2008. M/ passed unanimously.

CHANGES TO THE ORDER OF AGENDA:

None suggested.

PUBLIC COMMENT:

None

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. M/ by Director Kenyon and S/ by Director Merrill to move approval of expenditures incurred by the district during the month of February. M/ passed unanimously.

CORRESPONDENCE: (Board will briefly address/respond/refer)

None

OLD BUSINESS

None

NEW BUSINESS

- a. Action/Simple Motion: Recommendation for Board acceptance of Saddle Creek CSD FY 2006 Independent Audit. Audit packets were provided to Board Members and CPA Larry Bain (Independent Auditor) was present to answer questions. M/ by Director Robinson and S/ by Director Kenyon to move approval of the CSD FY 2006 Independent Audit. M/ passed unanimously.

Mr. Bain indicated that the December 31, 2006 audit was completed in January 2008. He expects the 2007 audit to be completed in April or May of 2008. Mr. Bain's felt that there were no issues on non-compliance with regards to the 2006 audit. He also stated that the records were well organized and well managed. Overall considering the limited number of employees this is a well run district. He referred the Board to review the last page of the audit for more detailed information.

Mr. Bain also stated that there are new standards (Statement of Standards #114) that will require him to communicate directly with the Board Members. He will be forwarding a letter to the Board identifying any major problems that he found during the audit.

Director Kenyon wanted to know what Mr. Bain's thoughts were regarding our having no reserves for long term assets (i.e. roads, streets, lighting, ect.) Mr. Bain said that was a decision for the Board to make.

GM Martin advised the Board that due to cash flow concerns we needed to be cautious about setting up a specific reserve category at this time. Board consensus was that the matter be revisited during the FY 2010 budget preparation.

With regards to Segregation of Duties, President Russ wanted to know how we resolve this issue considering we are a small district with few employees. Mr. Bain said there is nothing that we can do without incurring additional cost to the district, and indicated that this issue is addressed on the last page of the report.

Director Kenyon is concerned that we have a large amount of money which is Not currently in a CD. GM Martin indicated that he has spoken with President Russ about this issue. They had to close one out at this time. The plan is to get two more \$25,000 CD's. They are waiting for another month because the rates are not very good at this time. The Board felt that we should go ahead with the CD's at this time and not wait to see if the rates go up.

- b. Action/Simple Motion: Recommendation to authorize General Manager to sign Letter of Engagement with CPA Larry Bain for preparation of Saddle Creek CSD FY 2007 Independent Audit. Estimated cost, \$6,500. M/ by Director Merrill and S/ by Director Robinson to authorize General Manager to sign Letter of Engagement with CPA Larry Bain for CSD FY 2007 Independent Audit. M/ passed unanimously.

11. GENERAL MANAGER:

- a. Board Members and GM Martin completed their 2008 Economic Interest Statements (Form 700). All completed forms were given to Clerk/Treasurer to hand deliver to San Andreas.

12. SITE MANAGER:

- a. Site Manager Hubert reported on his attendance at the National Mosquito Abatement Conference. He said that this was a very good conference. That there were 986 attendees from 24 different Countries and the United States. California was well represented at the conference.

Director Merrill wanted to know if there would be any grant money available this year. Greg said that there was no grant money and we were very lucky that we received money last year. He advised that two directors of the California Mosquito Vector Control Association were fired this year and they have hired a new management company this year. Even Governor Schwarzenegger was upset about this decision.

Greg also advised that he will be getting chickens within the month. He will start spraying when he starts receiving phone calls from residence or his count goes up in the traps. Also, our ponds are stocked with mosquito fish, and we are doing fine with regards to product for spraying.

13. DIRECTORS REPORTS:

President Russ – Advised the Board that she will not be attending next month's meeting as she will be on vacation. In her absence, V/P Kenyon will serve as chair.

V/President Kenyon – Wanted to know if the Wet Lands Letter was sent out? Director Robinson said that the CSD letter was just sent via e-mail, and that the Wet Lands Letter will be sent next week.

Secretary Marsden – What is the status of the street repairs? With regards to the Rock Ridge area they have a Letter of Commitment when we accepted the neighborhood, and of course the work still has not been done. Can we pull out the letter and enforce their commitment? President Russ recalled that Mr. Haley stated that Rock Ridge would be done after the rainy season this year. It was requested that this be put on the agenda for May for further discussion.

Director Robinson – None

Director Merrill – Mentioned that the debris by the Sports Center has not been removed. Greg will ask Mr. Haley to take care of this again. Director Merrill also stated that the pond on #9 looks really good, and wanted to know if they will be doing anything else in that area. Greg said that they will not be doing anything else this spring or summer, but they will do it again next winter as time allows.

ADJOURNMENT – Having no further business, President Russ adjourned the meeting at 2:45PM. CSD's next board meeting date is April 15, 2008.

Phyllis Richards, CSD Clerk/Treasurer

Charles Martin, General Manager

APPROVED BY:

Sue Russ, Board President

Steve Marsden, Board Secretary

SEAL