

FALLEN LEAF LAKE COMMUNITY SERVICES DISTRICT

Saturday May 28, 2016

Fire Station #9

Fallen Leaf Lake, CA

President Cathcart called the meeting to order at 10:00 am

ROLL CALL

President Cathcart, Director Calof, Director Casey, Director Bacchetti and Director Malley

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS

Franz McMasters reported that Blue Bags are available at the Store, Station 9 and on the West side.

ADMINISTRATIVE MATTERS

A. Discussion and Motion(s) to Approve Minutes of March 5, 2016

Motion was made by Director Calof and seconded by Director Casey to approve the minutes with the following changes to Old Business Section B.

Section B. Discussion and Possible Motion(s) to Approve Annual Auditors Report for Fiscal Year 2014-15 prepared by Robert Johnson, CPA – Director Calof

Director Calof reviewed with the Board a management letter dated February 12, 2016 from Robert Johnson, CPA. ~~Regarding their concerns about a Management Letter.~~ After review of letter and full discussion, a motion was made by Director Calof to approve Annual Audit 2014-15 prepared by Robert Johnson CPA. Motion was seconded by Director Casey and passed unanimously.

B. Discussion and Motion(s) to Approve Financial Reports F/Y 2015-16 through February 2016

Motion was made by Director Bacchetti to approve the Financial Reports as a group for Fiscal Year 2015/16 through April 2016. Motion seconded by Director Casey. After a full discussion motion was passed unanimously.

C. General Manager's / Fire Chief's Report

Chief Gerren reviewed report with Board. In addition to Fire Chief's/General Manager's Report, Chief Gerren reported about the Defensible Space and insurance riders that the insurance underwriters are now asking for. Some residences are experiencing difficulty

obtaining insurance even though we are ISO rated 3 and 3y. This is an issue in all high-risk areas.

Chief Gerren reported that the Annual BBQ will be held July 2nd and the Wine Tasting is being held July 30th.

A brief overview of apparatus was discussed, along with overview of the maintenance of portable fire pumps and how they are checked. Chief Gerren also reviewed with the Board regarding a possible CCFD Patch Funding Project as it relates to immediate needs and how it would benefit the FLLFD.

D. Concessionaire's Report

Mike Basso reported that the store and marina opened May 20th. He also reported that the building was in good condition with minor repairs from over the winter season. He is hoping to beat last year's totals in sales. He further reported that the decks around the building have been sanded and restrained. Mike also reported to the Board that the new stove cost a little under what was quoted and he is working on selling old stove. Also, before the new fryer can be in working order there are a few minor kitchen adjustments to be made. He included in his report to the Board that there are to date 14 boats in the water, that staffing is good so far for the season and Mike Zanetell will be beginning on the new stairs around the boathouse and boat ramp this coming Tuesday and will take about 3-4 days to complete.

Andy Anderson also reported and made the Board aware that there is about \$10,000 available in the foundation funds to be used for marina improvements.

Director Casey noted the Fire Boat is now currently located at the end of the pier.

E. Citizen's Advisory Committee Report

Subject matter will be discussed under the combination of Old Business Item B & C.

F. President's Report

President Cathcart reported to the public, that to help streamline the discussions of the meeting, it would be advantageous for the public to review the posted Board Packet that is available on-line at FLLCSD.org.

OLD BUSINESS

President Cathcart reported that Old Business Item B & C will be moved to the end of the meeting.

A. Discussion and Possible Motion(s) for Investment Opportunities with CalTRUST – Chief Gerren

Chief Gerren introduced Lyle Defenbaugh from Wells Fargo/CalTrust. Lyle Defenbaugh reviewed with the Board a comprehensive profile of the Investment Opportunities that FLLCSD might be interested in pursuing. A motion was made by Director Bacchetti to move funds to CalTrust with a 2 person Board member appointed by the Chairman of the Board to oversee the investment process. Motion was seconded by Director Malley. After a full review and discussion of the investment opportunities as presented by Lyle Defenbaugh motion was modified by Director Bacchetti giving the General Manager authorization to invest funds in the CalTrust, joint powers investment program, with prior notification to the Board. Motion was seconded by Director Malley and passed unanimously.

NEW BUSINESS

A. Discussion and Possible Motion(s) to Approve 2016-17 Preliminary Budget for CSD Administration, Parks & Recreation and Fire Department– Chief Gerren

Chief Gerren presented to the Board Preliminary Budgets for Administration, Parks & Recreation and Fire Department for their review and suggested preliminary approval. Motion was made by Director Calof to approve each department's preliminary budget for 2016-17. Motion was seconded by Director Bacchetti. A discussion was held regarding the new internet projections to fill the needs of CLM, CSD Administration, Parks & Recreation and Fire Department with the possibility that the residences might be interested in pursuing themselves on an individual basis with the provider. Also, a discussion of phone bill increases and how maybe this new provider might be able to include and service our phone system. Another discussion was held regarding a research study for capital items and to help determine how much to be budgeted for each year in the reserve accounts of Parks & Recreation and Fire Department. Chief Gerren reported that he is currently working on such a study himself and will have something available to the Board at the next meeting for their review. After a full review and discussion of each preliminary budget for Administration, Parks & Recreation and Fire Department motion was passed unanimously.

B. Discussion and Possible Motion(s) to Review Dock Repairs to Marina– Director Casey

Chief Gerren reported that he would have some hard figures to provide to the Board at the next month's regular scheduled meeting in July. Subject matter tabled till next month.

Old Business Item B & C combined per President Cathcart

B. Discussion and Possible Motion(s) Concerning of the Voting Committee as Established – Director Casey and Director Malley

C. Discussion and Possible Motion(s) Concerning the Future Existence and Operation of the Fallen Leaf Lake CSD, Possible Alternatives for Operating, Maintaining,

Preserving and Protecting CSD Assets and Facilities Including the Store, Marina, and Fallen Leaf Lake Volunteer Fire Department, and the Establishment of a Community Area Committee to Study and Make Possible Recommendations Concerning Those Issues– Director Cathcart and Director Malley

Andy Anderson gave a synopsis of the voting situation and where it stands today. He also reported that he and his brother would be unable to continue under their current capacity on the committee, however he is willing to work with the committee as member. President Cathcart gave an overview of what would be necessary for the future of the CSD as a whole. A full discussion was held regarding the future of the CSD, alternatives for operating, maintaining, preserving and protecting the CSD assets and facilities and possible establishment of two committees to help with a study and recommendations concerning these issues. Subject matter was tabled for further discussion and review for the next regular scheduled meeting in July.

With no other further business, President Cathcart adjourned the meeting at 12:26 am