



MANILA COMMUNITY SERVICES DISTRICT

Notice and Agenda of Regular Meeting Tuesday May 16th, 2023 at 6:30 p.m.

Manila Community Center, 1611 Peninsula Drive Room A

Posted by Saturday May 13th, 2023 6:30 p.m.

This meeting is accessible remotely via Zoom <https://us02web.zoom.us/j/3742372467> and phone-in @ 669-900-6833.

Unless otherwise noted, all items on the agenda are subject to action by the Board of Directors. Time specific items (if any) are noted on the applicable agenda item and will be discussed at that time or as soon after that time as practical. It is planned to record this meeting so that it is accessible by the public.

1. ROLL CALL, DETERMINE QUORUM:

2. APPROVE AGENDA:

3. PUBLIC INPUT / PETITIONS / ANNOUNCEMENTS: *The public is invited to present petitions, make announcements or provide other information to the Board on matters **not** on the agenda. The Board may uniformly impose a time limit of 3 minutes to individual presentation to assure every subject is heard. By public law, the Board cannot take action on items not on the agenda.*

4. PRESENTATION ITEMS:

a) n/a

5. BUSINESS ITEMS (Action Items):

a) District Policy Manual Amendments / Discussion

b) Draft Budget 2024 / Amendments for 2023 / Budget Vs. Actual FY to Date

6. CONSENT CALENDAR: *(Items may be pulled for future consideration) – Amendments or corrections should be received in writing prior to approval.*

a) Draft Minutes of April 18th 2023

b) Receive Disbursements: April 12th to date

7. BOARD DISCUSSION ITEMS:

a) Committee Member Updates

c) General Manager's Report: Manila Park: CEQA, Lupin Ave, RCAA Murals and general updates

8. INCOMING COMMUNICATIONS: Letter from D. Dengler

9. ADJOURNMENT:

If open session items cannot be completed by 8:30 P.M., the meeting may be adjourned to the next regular meeting or the Board may vote to extend the meeting. A request for disability-related modification or accommodation, including auxiliary aids of services, may be made by a person with a disability, who requires a modification or accommodation in order to participate in the public meeting, by contacting the Manila CSD General Manager at least 24 hours prior to commencement of the meeting.

Agenda Summary

Business Item: 5a

District Policy Manual Amendments / Discussion

Summary:

Staff has been asked to place an agenda item to discuss a schedule for addressing the District Policy.

The “current” district policy manual is a raster scanned document available on the website:

<http://www.manilacsd.com/assets/files/MCSD-Policy-Manual-oldcopy.pdf>

As part of upcoming management goals and objectives, the district should adopt a District Policy Update Program that will digitize, recreate in searchable form, the entirety of the existing manual and bring updates/amendments to the board for formal adoption.

The district began this task several years ago and abandoned the program around 2016. One of problems at that time was the *policy on changing policy* requiring (2) readings of amendments (as if they were ordinances). This made the process very cumbersome and time-consuming.

So, the first thing the board might want to consider is that digitizing, formatting and renumbering policies are not *changes* to policy and to also consider that every action by the board is essentially a policy decision (legislative or judicial).

Staff would like to start this program by digitizing the entirety of the current policy, including any revisions captured through myriad actions of the board over the last several years that affect governance. The board could address policy sections in discrete chunks that could be returned as necessary. The board may also wish to consider the best approach in referencing ever-changing laws, reporting requirements and technology efficiencies.

The district is in possession of a generic and “complete” digital policy set provided by CSDA in 2007 which was the basis for our current district manual.

The schedule for the implementing this program would be at the pleasure of the board.

Recommended Motion: n/a

AYES:

NAYS:

ABSENT:

ABSTAIN:

Attachments:

Table of Contents

MANILA COMMUNITY SERVICES DISTRICT

POLICY MANUAL

TABLE OF CONTENTS (01/14/2016)

POLICY # POLICY TITLE
KEY: BOLD TEXT = Policy Approved by Board
 Regular Text = Policy not approved – Draft Policy
Italics Text = Policy not drafted at this time

SECTION 1000 - GENERAL

1010	Purpose and Powers of District
1020	Basis of Authority
1030	Purpose of Board Policies
1040	Adoption/Amendment of Policies
1050	Conflict of Interest
1060	Public Complaints, amended 2007
1070	Coordination with Governmental Units
1080	Public Information/Request for Public Documents, adopted 8.30.2007

SECTION 2000 - PERSONNEL

2010	Personnel Policy
2011	Employee Recruitment and Rehire Policy
2012	Salary Schedule
<i>2020</i>	<i>Organization Chart</i>
2030	Job Description - General Manager, amended 6.19.2007
2030a	Interim General Manager, March 21, 2007
2040	Job Description - Operator
2050	Job Description - Utility Worker 1
2055	Job Description - Utility Worker 2
2060	Job Description - Administrative Assistant
2065	Job Description – Office Manager, amended 8.23.2007
2070	Job Description – Coordinator
2072	Job Description – Recreation Director
2074	<i>Job Description – MTWVRC Program Coordinator/Supervisor 01/06/2016</i>
2075	Job Description – Teenship Manager
2076	<i>Job Description - MTWVRC Technical Coordinator (added 01/06/2016)</i>
2077	Job Description – Restoration Project Manager
2078	Job Description – Restoration Field Supervisor
2079	Job Description – Nutrition Educator
2080	<i>Job Description – Landscaper (no Job Description available)</i>
2090	Job Description - Public Works Supervisor

SECTION 3000 - SAFETY AND OPERATIONS

3010	Safety Policy
3020	Illness and Injury Prevention Program (<i>separate document</i>)
3021	Drug-Free Workplace Policy
3022	<i>Emergency Preparedness, adopted 8.30.2007(see 3025)</i>
3025	Emergency Preparedness & Security List, adopted 10.25.07
3030	<i>Water System</i>
3031	Customer Water Leaks
3040	<i>Wastewater System</i>
3050	<i>Drainage</i>
3060	<i>Manila Park</i>
3070	<i>Manila Community Center</i>
3080	<i>Beach Access and Dunes Restoration</i>
3085	Disposal of Surplus Property or Equipment, 02.19.2015
3090	Recreation Program, 12.17.09

SECTION 4000 - BOARD OF DIRECTORS

4010	Code of Ethics
4020	Attendance of Meetings
4030	Remuneration and Reimbursement, 11/17/2011
4040	Membership in Associations
4050	Board President and Other Officers of the Board, 04/21/2011
4060	Committees of the Board of Directors (4060.21 repealed w 2009.01)
4070	Training, Education, and Conferences (recreated from text)

SECTION 5000 - BOARD MEETINGS

5010	Board Meetings (<i>needs amendment along with Ord 93.01</i>)
5020	Board Meeting Agenda (<i>currently under review</i>)
5030	Board Meeting Conduct
5040	Board Action and Decisions
5050	Review of Administrative Decisions
5060	Minutes of Board Meetings, 11/21/2013

SECTION 6000 - FINANCIAL

6010	Financial Procedures, 9.13.2007
6020	<i>Budget Preparation</i>
6030	Fixed Asset Accounting Control, adopted 8.15.07
6040	<i>Expense Authorization</i>
6050	Inter-departmental Borrowing

SECTION 7000 - FACILITIES DEVELOPMENT

7010	<i>Development Improvement Standards</i>
7020	<i>Environmental Review Guidelines</i>
7030	<i>Annexation Procedures</i>
7040	<i>Project Approval</i>
7050	<i>Development Agreements</i>

SECTION 8000 - MISCELLANEOUS

8010	Multiple Units
8020	Volunteers

Agenda Summary

Business Item: 5b**Draft Budget 2024 / Amendments for 2023 / Budget Vs. Actual FY to Date****Summary:**

Staff would like to introduce the draft for next year's FY2024 budget cycle and review the current position of the district. This '23 FY has exceeded the adopted budget due to the following expenses which should be amended in the current FY:

1. GM Contract cost: \$20,000 (increase to all depts personnel costs)
2. System Emergency Repairs: 19,000 (water and sewer O&M as needed)
3. Water Meters: \$35,000 (water O&M, capitalize)
4. Vehicle 4x4: \$13,000 (all depts, capitalize)
5. Effluent Pumps: \$25,000 (sewer, inquire with auditor on capitalizing)

The 4x4 vehicle and radio water meters were funded (mostly) with a transfer from reserves (2520 and 2521 respectively).

The attached Budget Vs. Actual has expenses to date while income reporting stops on March 31, skewing the performance. It also includes reimbursable Per Capital Pre-Construction expenses ~\$20,000.

In summary, the district has spent about \$112,000 more than anticipated in the 2023 budget to which most can be capitalized. Considering '23 budget included \$46,000 surplus, the total adjustments are expected around \$66,000. Staff seeks to amend the '23 budget (for the '23 audit) as listed above.

The attached Draft Budget takes into consideration increased staffing costs and captures a minor decrease in revenue that has been observed. This trajectory indicates the district should consider a rate study in the coming FY.

Our annual budget should be adopted proper to the close of the fiscal year, or June 30, 2023.

Recommended Motion:

I move to receive Budget Vs. Actual and,
Authorize FY23 budget adjustments as presented (or amended) and,
Authorize FY24 budget as presented (or amended)

AYES:

NAYS:

ABSENT:

ABSTAIN:

Attachments:

Draft Budget 2024

Budget Vs Actual details

Manila CSD FY 2024 Budget (DRAFT) 05/10/2023		23 Budget	24 Budget	Change	Water	Wastewtr	Parks	MCC	Drainage	Roads
Revenue:										
	Water/Sewer Utility prj from fy'23	425,174	405,000	-4.74%	210,000	195,000				
	Leases	73,140	73,140	0.00%			1,500	71,640		
	Property Taxes (32750 calc'd)	32,000	32,000	0.00%		8,000	18,500	-	2,500	3,000
	Interest Income	1,511	1,511	0.00%	581	581	350			
	Misc	2,000	2,000	0.00%	1,000	1,000				
	Total Revenue	533,825	513,651	-3.78%	211,581	204,581	20,350	71,640	2,500	3,000
Expenses:										
	Personnel Costs '23 was padded 10%E and 5%NE	214,007	226,588	5.88%	93,727	96,428	13,328	23,105	-	-
	Operations/Maintenace	92,000	92,000	0.00%	30,000	30,000	-	30,000	-	2,000
	Water Purchashes	85,000	87,500	2.94%	85,000					
	Utilities	40,120	40,120	0.00%	2,500	30,000	2,000	5,000	-	620
	Administration: Drainage RWQCB/3 yrs	38,650	48,650	25.87%	10,000	18,150	5,000	5,500	10,000	
	Professional Services	18,400	18,400	0.00%	5,700	6,500	1,200	5,000		
	Total Expenses	488,177	513,258	5.14%	226,927	181,078	21,528	68,605	10,000	2,620
	Net	45,648	393		(15,346)	23,503	(1,178)	3,035	(7,500)	380

Manila Community Services District
Profit & Loss Budget vs. Actual
 July 2022 through June 2023

10:19 AM
 05/13/2023
 Accrual Basis

	<u>Jul '22 - Jun 23</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
40000 · Water Income	176,253.76	226,581.00	-50,327.24	77.79%
41000 · Sewer Income	145,298.61	209,755.00	-64,456.39	69.27%
D40800 · Drainage Income	0.00	2,500.00	-2,500.00	0.0%
M40800 · Community Center Income	59,700.00	71,640.00	-11,940.00	83.33%
P40700 · Park Income	1,500.00	20,350.00	-18,850.00	7.37%
PW40690 · PUBLIC WORKS INCOME (Tax Alloc)	0.00	3,000.00	-3,000.00	0.0%
Total Income	382,752.37	533,826.00	-151,073.63	71.7%
Cost of Goods Sold				
50000 · Water COG	73,051.18	85,000.00	-11,948.82	85.94%
70000 · Sewer COG	11,803.18			
Total COGS	84,854.36	85,000.00	-145.64	99.83%
Gross Profit	297,898.01	448,826.00	-150,927.99	66.37%
Expense				
Payroll Expenses	2,791.25			
Payroll Taxes	19.92			
60000 · Water Dept. Expense				
60100 · Payroll - Water	111,681.32	88,410.00	23,271.32	126.32%
61000 · Administration - Water	10,076.90	10,000.00	76.90	100.77%
62000 · Operating & Maintenance - Water	53,497.78	30,000.00	23,497.78	178.33%
65000 · Professional Services - Water	4,443.25	5,700.00	-1,256.75	77.95%
68000 · Utilities	2,357.20	2,500.00	-142.80	94.29%
Total 60000 · Water Dept. Expense	182,056.45	136,610.00	45,446.45	133.27%
66900 · Reconciliation Discrepancies	-0.50			
80000 · Sewer Dept. Expense				
80100 · Payroll - Sewer	95,172.79	90,893.00	4,279.79	104.71%
81000 · Administration - Sewer	19,449.80	18,150.00	1,299.80	107.16%
82000 · Operating & Maintenance - Sewer	54,401.77	30,000.00	24,401.77	181.34%
85000 · Professional Services	5,470.25	6,500.00	-1,029.75	84.16%
88000 · Utilities - Sewer	17,505.34	30,000.00	-12,494.66	58.35%
Total 80000 · Sewer Dept. Expense	191,999.95	175,543.00	16,456.95	109.38%
97700 · Water Prop 1	39,521.50			
98900 · CRNA Grant Expense	5,836.85			
D80000 · Drainage Expense	0.00	2,257.00	-2,257.00	0.0%
M80000 · Community Center Expense				
M81000 · Payroll	14,467.40	20,338.00	-5,870.60	71.14%
M82000 · Administration	5,619.59	5,500.00	119.59	102.17%
M83000 · O&M MCC and Park	31,753.14	30,000.00	1,753.14	105.84%
M85000 · Professional Services	1,424.50	5,000.00	-3,575.50	28.49%
M88000 · Utilities	3,039.51	5,000.00	-1,960.49	60.79%
Total M80000 · Community Center Expense	56,304.14	65,838.00	-9,533.86	85.52%
P70000 · Park Expense				
P71000 · Park Payroll	8,758.17	12,109.00	-3,350.83	72.33%

	<u>Jul '22 - Jun 23</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
P72000 · Administration	5,760.90	5,000.00	760.90	115.22%
P73000 · O&m DO NOT USE Moved to MCC	476.13			
P74000 · Park Per Capita	18,438.53			
P75000 · Professional Services	720.50	1,200.00	-479.50	60.04%
P78000 · Utilities	746.28	2,000.00	-1,253.72	37.31%
Total P70000 · Park Expense	34,900.51	20,309.00	14,591.51	171.85%
PW69000 · Public Works Expense	714.40	2,620.00	-1,905.60	27.27%
Total Expense	514,144.47	403,177.00	110,967.47	127.52%

Note that income stops at March 2023

Expenses capture to May (and include grant reimburseables)



MANILA COMMUNITY SERVICES DISTRICT

Minutes of Regular Meeting Tuesday April 18th, 2023

1. **ROLL CALL, DETERMINE QUORUM:** *Woods, Broderick, Ryan, Muniz and Faulk-Kellogg present. Staff present: GM Drop and AA Watson*
2. **APPROVE AGENDA:** *There were not changes to the agenda.*
3. **PUBLIC INPUT / PETITIONS / ANNOUNCEMENTS:** *Public members provided input on the agenda listing future items and earthquake preparedness.*
4. **PRESENTATION ITEMS:**
 - a) **Redwood Coast Energy Authority Programs;** Aisha Cissna, Regulatory and Legislative Policy Manager
No Action Taken
5. **BUSINESS ITEMS (Action Items):**
 - a) **Approve Resolution 2023.01 Adopting Mitigated Negative Declaration/Notice of Determination (Drainage Grant)**
Faulk-Kellogg/ Broderick to approve as amended for finding 1C. Vote: 4-0-1 with Woods abstaining
 - b) **Consideration of Community Center Rain Garden Conceptual Plan (Drainage Grant) *** The General Manager owns property adjacent to the project and will not be making a recommendation *****
No Action Taken
 - c) **Approve Warrant from Treasury Acct 2520 (General Fund) to MCSD for \$12,750 for New 2022 4WD vehicle**
Ryan/ Muniz to approve purchase and warrant from county treasury 2520. Vote: 5-0
 - d) **Approve Warrant from Treasury Acct 2523 (Prudent Reserves) for \$52,263.20 for Drainage Grant/GHD**
Muniz/Broderick to approve warrant for GHD from 2523. Vote: 4-0-1 with Woods abstaining:
6. **CONSENT CALENDAR:** *(Items may be pulled for future consideration) – Amendments or corrections should be received in writing prior to approval.*
 - a) **Draft Minutes of March 21st, 2023**
Ryan/ Muniz to approve minutes with GM Report clarification of unaddressed items. Vote: 5-0
 - b) **Receive Disbursements: March 16th to date**
Muniz/Faulk-Kellogg to approve disbursements. Vote: 5-0
7. **BOARD DISCUSSION ITEMS:**
 - a) **Committee Member Updates:** *Ryan reported on RRDEC*

General Manager's Report:

8. **INCOMING COMMUNICATIONS:**
9. **ADJOURNMENT:** *8:30pm*

_____ Date: _____
Tracy Woods, Secretary

_____ Date: _____
Meghan Ryan, Board President

Manila Community Services District

5/12/2023 3:20 PM

Register: 10117 · Coast Central Checking

From 04/01/2023 through 05/12/2023

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
04/01/2023		SDRMA Ancillary	60000 · Water Dept. E...	Auto-pay May ...	2,462.11			73,904.39
04/04/2023			12000 · Accounts Rece...	Deposit			2,088.99	75,993.38
04/06/2023			12000 · Accounts Rece...	Deposit			72.47	76,065.85
04/06/2023		QuickBooks Payroll ...	-split-	Created by Pay...	5,248.35			70,817.50
04/07/2023			12000 · Accounts Rece...	Deposit			40.42	70,857.92
04/07/2023		EFTPS	-split-	94-1653492	1,813.70			69,044.22
04/07/2023	DD1950	DROP, CHRISTOP...	-split-	Direct Deposit		X		69,044.22
04/07/2023	DD1951	KITTLESON, KEN...	-split-	Direct Deposit		X		69,044.22
04/07/2023	DD1952	WATSON, ALISHA L	-split-	Direct Deposit		X		69,044.22
04/11/2023			12000 · Accounts Rece...	Deposit			4,645.17	73,689.39
04/12/2023			40000 · Water Income:...	Deposit			17,950.70	91,640.09
04/12/2023	2421	JESSICA JEWETT	23000 · CBSW Custa...	DEPOSIT REF...	38.79			91,601.30
04/12/2023	2422	BOONE BATES	23000 · CBSW Custa...	DEPOSIT REF...	51.25			91,550.05
04/12/2023	2423	ADVANCED SECU...	22000 · Accounts Paya...		183.00			91,367.05
04/12/2023	2424	BADGER METER	22000 · Accounts Paya...		16,075.50			75,291.55
04/12/2023	2425	CBS LEASING CO...	22000 · Accounts Paya...	003-0610693-0...	399.78			74,891.77
04/12/2023	2426	DROP*, CHRISTOP...	22000 · Accounts Paya...	Reimbursement	149.90			74,741.87
04/12/2023	2427	HENSEL'S ACE HA...	22000 · Accounts Paya...	CUST 351	519.40			74,222.47
04/12/2023	2428	HUMBOLDT BAY ...	22000 · Accounts Paya...	March 1-31,20...	6,933.32			67,289.15
04/12/2023	2429	HUMBOLDT COU...	22000 · Accounts Paya...	CRNA 2023 C...	2,814.00			64,475.15
04/12/2023	2430	KEENAN - HAJOC...	22000 · Accounts Paya...	CUST 26-5561...	3,771.03			60,704.12
04/12/2023	2431	Kernen Construction	22000 · Accounts Paya...	INV 23974 Bas...	714.40			59,989.72
04/12/2023	2432	NORTH COAST LA...	22000 · Accounts Paya...		730.00			59,259.72
04/12/2023	2433	PACIFIC MOTOR S...	22000 · Accounts Paya...	2022 CFMOT...	12,750.00			46,509.72
04/12/2023	2434	RECOLOGY HUMB...	22000 · Accounts Paya...	CUST 060790...	518.25			45,991.47
04/12/2023	2435	Robert Colburn Elect...	22000 · Accounts Paya...	MCSD	190.00			45,801.47
04/12/2023	2436	The Mitchell Law Fir...	22000 · Accounts Paya...	Inv 52157	412.00			45,389.47
04/12/2023	2437	VALLEY PACIFIC ...	22000 · Accounts Paya...	10366	611.33			44,778.14
04/13/2023			12000 · Accounts Rece...	Deposit			1,564.11	46,342.25
04/14/2023		PACIFIC GAS AND...	70000 · Sewer COG:70...	3428857410-5 ...	3,417.66			42,924.59
04/17/2023			-split-	Deposit			180.00	43,104.59
04/17/2023		VERIZON WIRELE...	-split-	Account #3420...	100.10			43,004.49
04/19/2023	2438	Alisha Watson	22000 · Accounts Paya...	Reimbursement	706.95			42,297.54
04/20/2023			12999 · Undeposited F...	Deposit			5,970.00	48,267.54
04/20/2023			12000 · Accounts Rece...	Deposit			5,150.84	53,418.38
04/20/2023			12000 · Accounts Rece...	Deposit			7,122.83	60,541.21
04/20/2023		EFTPS	60000 · Water Dept. E...	Underpayment ...	503.24			60,037.97
04/20/2023	2439	Kahle Industries	22000 · Accounts Paya...	Mowing Park	480.00			59,557.97
04/20/2023	2440	KITTLESON, KEN*	22000 · Accounts Paya...	Reimbursement	154.04			59,403.93
04/20/2023		QuickBooks Payroll ...	-split-	Created by Pay...	5,710.34			53,693.59

Manila Community Services District

5/12/2023 3:20 PM

Register: 10117 · Coast Central Checking

From 04/01/2023 through 05/12/2023

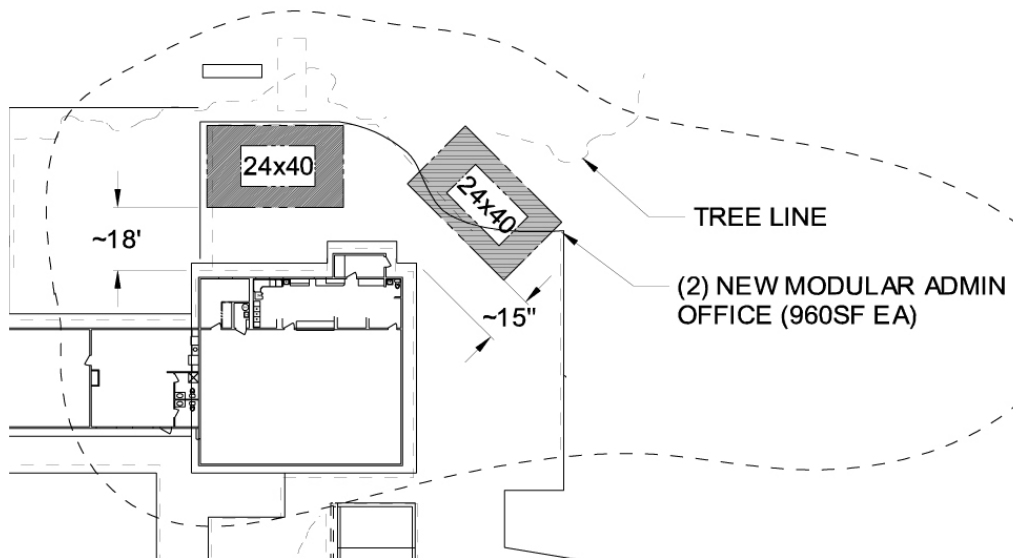
Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
04/20/2023		QuickBooks Payroll ...	-split-	Created by Pay...	3,192.95			50,500.64
04/21/2023			12000 · Accounts Rece...	Deposit			621.51	51,122.15
04/21/2023		EFTPS	-split-	94-1653492	2,821.26			48,300.89
04/21/2023	DD1977	BRODERICK, JOHN J	-split-	Direct Deposit		X		48,300.89
04/21/2023	DD1978	DROP, CHRISTOP...	-split-	Direct Deposit		X		48,300.89
04/21/2023	DD1979	FAULK-KELLOGG,...	-split-	Direct Deposit		X		48,300.89
04/21/2023	DD1980	KITTLESON, KEN...	-split-	Direct Deposit		X		48,300.89
04/21/2023	DD1981	Muniz**, Danielle	-split-	Direct Deposit		X		48,300.89
04/21/2023	DD1982	RYAN, MEGHAN	-split-	Direct Deposit		X		48,300.89
04/21/2023	DD1983	WATSON, ALISHA L	-split-	Direct Deposit		X		48,300.89
04/21/2023	DD1984	WOODS, TRACY F	-split-	Direct Deposit		X		48,300.89
04/21/2023	DD1985	WATSON, ALISHA L	-split-	Direct Deposit		X		48,300.89
05/02/2023		STATE WATER RE...	98900 · CRNA Grant ...	EFT paid onlin...	2,734.00			45,566.89
05/03/2023	2441	Reilly Lombardi-Hac...	23000 · CBSW Cust...	Deposit Refund...	26.27			45,540.62
05/03/2023	2442	Whitney Lozada	23000 · CBSW Cust...	Deposit Refund...	94.80			45,445.82
05/03/2023	2443	CBS LEASING CO...	22000 · Accounts Paya...	003-0610693-0...	408.09			45,037.73
05/03/2023	2444	GHD	22000 · Accounts Paya...	INV 380-0026...	14,955.00			30,082.73
05/03/2023	2445	HENSEL'S ACE HA...	22000 · Accounts Paya...	CUST 351	154.83			29,927.90
05/03/2023	2446	HUMBOLDT BAY ...	22000 · Accounts Paya...	April 1-28,202...	7,168.46			22,759.44
05/03/2023	2447	KEENAN - HAJOC...	22000 · Accounts Paya...	CUST 26-5561...	4,255.84			18,503.60
05/03/2023	2448	PLATT	22000 · Accounts Paya...	May Statement	338.52			18,165.08
05/03/2023	2449	Restif Cleaning Servi...	22000 · Accounts Paya...	Bathroom Clea...	360.00			17,805.08
05/03/2023	2450	GHD	22000 · Accounts Paya...	INV 380-0027...	23,522.50			-5,717.42
05/04/2023		QuickBooks Payroll ...	-split-	Created by Pay...	5,210.94			-10,928.36
05/05/2023		EFTPS	-split-	94-1653492	1,813.68			-12,742.04
05/05/2023	DD1986	DROP, CHRISTOP...	-split-	Direct Deposit		X		-12,742.04
05/05/2023	DD1987	KITTLESON, KEN...	-split-	Direct Deposit		X		-12,742.04
05/05/2023	DD1988	WATSON, ALISHA L	-split-	Direct Deposit		X		-12,742.04

General Manager's Report for May 2023

Manila Community Center/RCM Admin Space:

As reported previously, Redwood Coast Montessori (RCM) would like to add office/admin space at the site which requires an amendment to our existing Coastal Development Permit. The board has not yet considered or approved the additions and staff is gathering information from the county for feasibility of the project. The current concept is to add (2) 24'x20' mobile units in the parking lot; one directly behind the kitchen and the other angled where existing storage units are currently sited. Staff expects to bring this item to the board in the future for further consideration. Staff will not be making any recommendation to the board on this item to avoid a potential conflict of interest due to the proximity of my residence.



Park:

Staff has invoiced the state (OGALS) for ~\$20k to reimburse the about half of our planning budget for the Per Capita Park Improvements Grant. The next step for this project is the filing of the Categorical Exemption to comply with CEQA which captures the entirety of the project.

The Per Capita portion (Manila CSD) includes:

Pre-construction (engineering and planning), Trails renovation, playing field renovation, remodel restrooms, signage and lighting, tennis and basket ball ct improvements. We expect to stripe and surface the tennis cts to accommodate pickleball as a multi-use court space.

The other funding stream for Park are the Caltrans Clean Ca Grant administered through the Harbor District and RCAA which includes entrance signage, parking lot surfacing/stripping and layout redesign, interpretive signage, park activity signage, native plant landscaping, dog waste station installation, wood chips for playground (completed), sculptural play structures, new painting and mural for the bathroom/concessions building, and trash receptacle placement. The murals include the restrooms at the MCC as well as the repainting of the mural on the MCC building, which was brought to the board previously.

Wastewater Permitting:

Our Waste Discharge Permit (WDR) was modified by the RWQCB this year to include increased groundwater monitoring and testing. All other criteria remained as per our existing permit. This new permit has recently been certified by staff for continued coverage from the state water board.

Roads/Lupin Ave.:

Staff was directed to inquire about the legal status and obligations our agency has in owning and maintaining Lupin Ave (APN 400-011-022). To that end, staff contacted our attorney who requested the deed of condemnation which is to be ordered from the county recorder/assessor. Staff will provide updates on this matter as data is received.

System:

The 45kw Generator at our lift station needs some work on the cooling system to hold it over until a new generator is installed from the upcoming wastewater grant. We should be able to get a couple of years out of it without requiring a major investment. This backup power is only used in the event that power is out only at the lift station. If the entire community is out of power, there are no flows to the plant.

Radio Meter Program (Automatic Meter Reading, AMR):

An additional 60 meter radio tops have been received and about half of these meter packs are installed. We are approaching 25% completion of this project.

Water: Drought & Conservation Reporting:

The district is now required to report our water sales vs production (purchases) to the state quarterly. This began in January 2023 and we have one month completed and need to catch up the next quarter.

Our Consumer Confidence Report is completed and should be uploaded to the website by this reading.

Dune Encampment Cleanout:

The new 4x4 made short work of removing and cleaning out of an encampment in the dunes. This camp filled our dumpster twice:



Before



After

419 Beach Drive
Arcata, CA 95521
April 12, 2023

Manila CSD Board of Directors
and General Manager
1901 Park Street
Arcata, CA 95501

Dear Directors and Staff,

I would very much prefer not attending your Board meetings as enlightening as they are. During public input at the last board meeting, I read a list of items that have been lingering and need to be brought to the board in the correct format for board review and approval.

Financial policy changes or additions needed:

1. Electronic checking and single check signer. This was approved on 8-16-2018 in concept (minutes state "Woolly/vander Meer to allow single signor on bank account to allow ACH autopayments and online functionality. Vote 5:0" The actual wording for the financial policies never came back to the Board for two readings. (How does this affect internal controls?)
2. Other financial policy changes based on recommendations made by the auditor in his Management Letter dated October 11, 2021. Staff noted at least three new processes were implemented and another recommendation was that "someone outside of monthly reconciliation process review the (Coast Central) monthly reconciliation to question and investigate....deposits in transit for more than 3 days and uncashed checks outstanding..." (all four should require policy updates)
3. Deposit quarterly to reserve account with County Treasury the \$5.00 collected monthly by ratepayers for this purpose (approximately \$20,000.00 per year). **The board was just informed at the March 2023 meeting that this had not taken place for several years.**
4. Ensure that the property taxes that are allocated in the non-enterprise budget are properly withdrawn and only utilized for their stated purpose. **The board was just informed at the March 2023 meeting that this had not taken place for several years. It appears that there may have been interdepartmental borrowing without Board knowledge and without following Policy 6050**
5. Deposit the yearly interdepartmental debt repayment of \$8,000.00 to 2523 Enterprise Reserves County Treasury account as stated in debt repayment plan. Request documentation.
6. Place the Teenship funds in a County Treasury account so that the funds will earn interest and be tracked separately from the District's bookkeeping by the County.
7. How are Districts purchases of computers, laptops, and accessories being tracked including those purchased during pandemic for offsite usage? (Jan. 2020 GM report and March 2023)

Other items from General Managers July 2015 Evaluation (*) and SDRMA inspection report ():**

- 1) Develop a comprehensive District Safety Manual (goal 5.3.d (*) and (**))
 - a) Feb. 15, 2018 - Presented DRAFT Injury and Illness Prevention Plan (IIPP) and Liability Loss Control Program (LLCP) plans
 - b) May 15, 2018, Drafft Injury and Illness Plan presented and approved with amended changes but never came back to Board in **final format** for approval and required policy readings.
 - c) The Liability and Loss Plan was to come back in April but never did.
 - d) Also, the General Code of Safe Practices (**) which should have been included but was not.
- 2) Provide a current comprehensive Board Policy Manual – stated completed 01/21/2016 however incomplete and not up to date.
- 3) Apply for CSDA/ SDRMA Transparency Certiicate (goal 5.1.c(*)).
- 4) The District Operations and Maintenance Plan was to come to the Board several months ago but has not been received. (However, completed Sewer System Maintenance Plan update – a state requirement.)

Sincerely,
Dendra Dengler

- Improper Segregation of Duties
- Procurement Card Policy Not Followed
- Failure to Document Business Purpose
- Supervisors Not Approving Time Worked
- Failure to Perform Periodic Network Vulnerability Scans
- Terminated Employees Retain Access to Computer Systems
- Inadequate Cash Controls
- Employees Not Given Annual Performance Appraisals
- Inadequate Review of Transactions Before Approval
- Unlicensed Software Is Installed On Department Computers
- Regular Inventory of Capital Assets Is Not Taken
- Proper Bidding Procedures Are Not Followed
- Sharing of NetID's and Passwords
- Lack of Supervisor Review of Travel
- Lack of Certification and Documented Review of Accrued Leave Balances

*This was from
a training w/
CSDA & SDKMA.
There are more
checklists, etc.
if anyone is
interested.*

Improper Segregation of Duties

Segregation of duties is an internal control intended to prevent or decrease the occurrence of innocent errors or intentional fraud. This is done by ensuring that no single individual has control over all phases of a transaction.

There are four general categories of duties: authorization, custody, record keeping and reconciliation. In an ideal system, different employees perform each of these four major functions. In other words, no one person has control of two or more of these responsibilities. The more negotiable the asset, the greater the need for proper segregation of duties - especially when dealing with cash, negotiable checks and inventories.

We often think of cash handling as the place where segregation of duties is most important, because cash is a highly liquid asset. This means that it is easy to take money and spend it without leaving a trail of where it went. Any department that accepts funds, has access to accounting records, or has control over any type of asset should be concerned with segregation of duties.

Some examples of incompatible duties are:

- Authorizing a transaction, receiving and maintaining custody of the asset that resulted from the transaction.
- Receiving checks (payment on account) and approving write-offs.
- Depositing cash and reconciling bank statements.
- Approving time cards and having custody of pay checks.

Separation of duties will only limit problems stemming from incompatible duties. It is possible, though not likely, that collusion will occur, making control procedures ineffective. Management needs to be aware of relationships (family and friends) and be alert to the possibility of collusion.

Also, in a small operation, it is not always possible to have enough staff to properly segregate duties. In those cases, management may need to take a more active role to achieve separation of duties, by checking the work done by others. Sometimes, the knowledge that records will be checked by others is enough to prevent misappropriation of assets.

Inadequate Cash Controls

Cash is a highly liquid asset, meaning that it can easily be misappropriated. For this reason, it is important to have strong controls over cash operations.

Cash should be physically secured with limited access to registers, safes and cash boxes. Deposits should be made timely, before large amounts of cash accumulate. Petty cash accounts should be reconciled regularly. Surprise cash counts should be made in any operation handling large amounts of cash.

Inadequate Review of Transactions Before Approval

The effectiveness of internal controls are limited to the extent that decisions are made with judgment, in the available time, based on information on hand, and under pressure to conduct business. Internal controls can break down when authorizers do not review the forms they must sign, such as accounts payable vouchers, reconciliations and time cards. In audit office presentations, we like to state it this way: "We are looking for a signature, not an autograph." Unlike an autograph, a signature implies that a review took place.

Regular Inventory of Capital Assets is Not Taken

The university Capital Assets Policy requires that physical inventory be taken every two years. Physical inventory involves locating the item, making sure the written record of its location, condition, serial number, etc. is correct, and removing the item if it no longer exists. Physical inventory gives management assurance that assets are still in the place of record, that they haven't been moved, disposed of, or stolen, and that they are still in working condition.

Proper Bidding Procedures are Not Followed

The university's bidding procedures were established to ensure that the university receives competitive pricing on goods and services. It also ensures that purchases are not subject to favoritism, and can protect against fraud in the purchasing process. In addition, individuals who use State and Federal funds to purchase items may be required, as a condition of accepting those funds, to bid out their purchases.

Lack of Supervisor Review of Travel

The purpose of University Policy No. 3.2, *University Travel*, is to ensure that travel charged to university accounts is for legitimate business purposes. Failure to comply with this policy increases the risk of loss due to errors and irregularities. Policy No. 3.2 states that "supervisors must review all travel." This review must be performed by the traveler's supervisor as they are likely to be in the best position to assess the legitimacy of the business purpose for travel. Supervisory review can take many forms, such as pre-transaction review or a periodic scan of transactions with detailed review of unusual or questionable items. Delegation of this responsibility should only be on a short term, emergency basis.

Lack of Certification and Documented Review of Accrued Leave Balances

Certification and confirmation of accrued leave balances is essential to ensure accurate records are maintained. Requiring employees to regularly certify their leave balances and requiring the employee's supervisor to review and approve these certifications provides a strong control over the tracking of leave balances and reduces the possibility of errors or abuse of university leave benefits. Certification and supervisory review and approval also reduce the likelihood of disputes between the employee and the university at the time of separation from the university.