

RESOLUTION NO. 2008-10-3

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE SALTON
COMMUNITY SERVICES DISTRICT MODIFYING ADMINISTRATION
FEE ON SEWER CONSTRUCTION AND SEWER MAINTENANCE
FUNDS**

WHEREAS, the Salton Community Services District Board of Directors realize that the administration fee charged against both the Sewer Construction and the Sewer Maintenance accounts of 33 & 1/3% is the reason that the sewer construction is now depleted and the sewer maintenance now has a negative budget and will continually worsen if that fee is not modified to a nominal average of 15% to 20% to stabilize both of those accounts.

NOW THEREFORE BE IT RESOLVED, that the Salton Community Service District Board of Directors do with approval of this Resolution adopt 20% as the new administration fee to be charged against those two accounts.

PASSED, APPROVE AND ADOPTED this ___ day of October 2008, by the Board of Directors of the Salton Community Services District.

Ayes:

Noes:

Absent:

Abstaining:

Attest:

Rosa Reagles, Assistant General Manager
Secretary to the Board of Directors

Shirley Palmer, President
Board of Directors

TO THE BOARD OF DIRECTORS OCTOBER OCT.6,2008

As we all know the Sewer Department budget is in a negative phase and cannot continue that way without destroying the District.

A large part of the fault lies in the excessive administration fee of 33 1/3 % charged to it by the general fund which is the maximum allowed by law.

The sewer construction account will be nearly depleted when the new plant and pump stations are completed this month. If the administration had used an nominal 20% administration fee over the last 15 years there would still be about \$ 2,500,000.00 in that account ,more than enough to sewer out the 2,200 vacant lots.


The same thing is true with the sewer maintenance budget. We have an assessment income of around \$ 400,000.00 per year.

The present administration fee is \$133,200.00 leaving us only \$266,800.00 For actual operation of the whole sewer system.

To keep the district afloat this has to change. If the administration fee is reduced to 20% that would enhance sewer department income by \$80,000.00 for a total operating capital of \$346,800.00

The District Residents must understand that you have to pay for all services that you require, nothing is free. Robbing Peter to pay Paul is the quickest way into bankruptcy. If they want a fire Department, Streetlights and Parks and recreation they must support an assessment to pay for that service.

The Sewer Department is the life blood of the District and without it there will be no District.


TOM CANNELL GENERAL MANAGER