

WALLACE COMMUNITY SERVICES DISTRICT

P.O. BOX 398
Wallace, CA 95254

MINUTES

Regular Meeting of the Board of Directors

April 13, 2006

Meeting Place:

Mark Fusselman's Barn, 9500 Wallace Lake Drive, Wallace, Ca 95254

1. ROLL CALL.

Interim President, Charles Cantoni called the meeting to order at 7:00PM. Directors present were Charles Cantoni, Mark Fusselman, Cathryn Jackson, and William Pugh. Also present were Facilities Manager Gary DeJesus and Administrative Assistant Jackie Neill.

2. APPROVAL OF MINUTES.

The Minutes of the March 9, 2006 Regular Meeting were approved as corrected. MSP (4-0) The Minutes of the March 22, 2006 were approved as corrected. MSP (4-0)

3. PUBLIC COMMENT.

None

4. GENERAL MANAGERS REPORT.

General Manager Gary DeJesus reviewed several items from the monthly report given to the Board Members prior to the Regular Meeting. These items included the Annual Report to the Regional Water Quality Control Board, implementation of the Pure Flow recommendations and Back-flow devices on commercial sewer units.

Mr. DeJesus reported on a courtesy inspection of chlorine handling made by Pioneer America. He stressed the need for a task order to the WCSD engineering firm directing them to study the Chlorine alternatives and recommend to the District the best course forward. Mr. DeJesus advised the Board that the engineering costs associated with this study would be less than the cost of developing the risk management plan that is required for the chlorine system we now use.

Mr. DeJesus also commented on the input he had given the Directors for a Capital Improvement Plan. He noted PG&E is changing their service agreement for street lights, and that this change will impact future development. He also advised the Directors of the back-up that occurred at the Waste Water Treatment Plant during

the storms.

5. COMMITTEE REPORTS.

A. Gate and Road Committee

Director William Pugh reported on the replacement of lights on the back gate and the washout at the corner of Turnstone and Wallace Lake Dr. Several possible solutions were discussed. Mr. DeJesus will remove the gravel that has washed onto the road.

B. Lake and Open Space

Director Mark Fusselman reported he had responded to a concern about the lake overrunning the spillway and the large amount of water leaking out of the lake. There was discussion about the proposed “fix” to the problem of the leak. Director Fusselman reported that he had spoken to the State dam office and to Kleinfelder Engineering. We will soon have an approved plan for the dam. The next step will be to determine costs, and who will pay for repairs. Mr. Fusselman then made a request for volunteers to form a work party. Director William Pugh said he and his wife would like to donate a new picnic table but would need help transporting it.

C. Finance

Director Cathryn Jackson gave a report on finances for the District. March financials were discussed and a new reporting format was presented. The forecast for FY 2006 has been revised, based on YTD performance..

6. ACTION ITEMS.

A. Security Patrol.

A discussion was held concerning enforcement of regulations and ordinances within the District. Director Cantoni provided a breakout of areas of concern, separated into vehicular code, ordinances, and private property trespass. He reported that it was Mr. McGrew’s opinion that if we are to start enforcement we will need LAFCO approval. Director Pugh has communicated with the Sheriff’s office and has the required wording needed for a letter from private property owners that will allow the Sheriff to enforce posted no-trespassing signs. Director Cantoni reported that it was his understanding that neither the Sheriff nor the CHP will issue vehicle code citations in the District on private roads. He reported that it may be possible to get the County Board of Supervisors to pass a resolution authorizing the CHP to enforce. He will communicate with the Board of Supervisors to explore this option.

Enforcement of the District Ordinances within WLE was discussed, with the possibility of using a private security patrol. It was concluded that more information is needed on what the patrol can do. The topic was continued to the next regular meeting of the Board.

B. Signs

Pricing and design of signs for Wallace Lake Estates was discussed and Director William Pugh was directed to get a firm bid on the total job. The bid will be presented at the next meeting. There was also a discussion of moving the gates to the other side of the dams to provide access to the walking trails.

C. Lot 24

A clarification of the legal opinion about unit allocations was discussed. Since Mokelumne Oaks reserve units will be provided by the developer under the Remainder Parcel Will Serve Agreement, the District has allocated 151 units for water and wastewater services. Based on this fact and all current studies the District has sufficient capacity to enter into a Will Serve Agreement with Mr. Al-Ruosan for 11 units.

Motion made authorizing Director Cantoni to begin Will Serve Agreement process with Mr. Al-Ruosan.

Moved: Pugh Second: Jackson Approval: Unanimous

Engineering firm Eco-Logic will make a proposal to supply the District with a definitive document addressing capacity.

Mr. DeJesus reminded the Board and Mr. Al-Ruosan of the need for a Mainline Extension Agreement in conjunction with this project.

D. Self Assessment of Rain Damage

The Board discussed several possible problems that occurred during the storms, including damage to the gravel roads and infiltration of water into the wastewater infrastructure.

Motion made to have Director Cantoni draft an Emergency Declaration Resolution, reviewed by email with other Board members and forward to the County.

Moved: Jackson Second: Pugh Approval: Unanimous

E. Proposed Connection Fee Increases

Mr. Cantoni provided a memo to the Board advising that Connection Fees should be increased, per recommendation of the District Engineer. The issue was discussed in 2005, then tabled for future action.

Larry Howen presented documents based on Engineering Studies of a reasonable cost analysis. Director Cantoni will study this information and other information gathered by the Finance Committee in order to propose a draft Connection Fee Increase in time for the FY 2007 Budget.

F. Legal Services Hourly Rates.

Mr. Cantoni reported on correspondence received from McFall, Burnett & Brinton concerning new legal rates proposed by Neumiller and Beardslee A discussion

ensued. The Directors agreed to accept the new rates proposed by the Law Firm based on the knowledge Neumiller and Beardslee has concerning the history of WCSD.

Moved: Pugh

Second: Fusselman

Approval: Unanimous

7. DISCUSSION ITEMS.

A. FY 2007 Financial Budget Discussion

This FY, WCSD spending is close to the Budgeted Figures, however there is not enough money going to roads or reserve funds. Early this summer the District Engineer will be asked to assess recommended road repair costs. The Budget process will need to address road damage and a fund will be established to begin repairs across the next few years.

Larry Howen, a member of the Lake Committee requested \$15,000 be budget for the Lake Committee for weed and algae control.

8. CONSENT TO APPROVE BILLS FOR PAYMENT.

Checks #3364-3389 were approved for payment.

Moved: Pugh

Second: Jackson

Approval: Unanimous

9. DIRECTORS COMMENTS.

Director William Pugh addressed the issue of driving around the back gate and Mark Fusselman said he would build a mound that would stop the gate bypass. Director Mark Fusselman stated that he has seen the RB Homes development in Elk Grove and is pleased with the quality.

Director Cathryn Jackson welcomed Mr. Rick Guantone to the meeting and acknowledged his intention to volunteer to serve as a Director.

Director Cantoni commented on previous correspondence with the Architectural Committee regarding access to the Remainder Parcel through WLE Unit 1 roads. Research at county records shows that the grant deed from Farrell to Reynen includes a non-exclusive easement on Unit 1 roads for ingress and egress for the Remainder Parcel. Larry Howen commented, "The Architectural Committee cannot hold everyone hostage.

10. CORRESPONDENCE.

Walt McQueen requested permission to build a fence through the easement to the street. Permission was granted, General Manager Gary DeJesus will inspect the project. MSP (4-0)

Rick Engineering has asked the District for the amount of the Submittal Fee that will be required as they are doing preliminary work on the Remainder Parcel preparing for the OK from the Calaveras County Planning Commission. The Directors discussed the possible Engineering and Legal expenditures involved and a motion was made to request a \$50,000 Deposit.

Moved: Jackson Second: Pugh Approval: Unanimous

11. ADJOURNMENT TO THE NEXT REGULAR MEETING MAY 11, 2006.

The meeting was adjourned at 10:37 PM.

Respectfully submitted,
FINAL MINUTES

Jackie Neill, Administrative Assistant

Charles Cantoni, Interim President, WCSD

