

WALLACE COMMUNITY SERVICES DISTRICT

P.O. BOX 398
Wallace, CA 95254

MINUTES

Regular Meeting of the Board of Directors

February 9, 2006

Meeting Place:

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

1. ROLL CALL.

Scotty Reiswig called the meeting to order at 7:00 PM. Directors present were Scotty Reiswig, Charles Cantoni, Mark Fusselman, Cathryn Jackson, and Bill Pugh. Also present was Gary DeJesus, General Manager. Audience member, Jackie Neill, agreed to act as Board Clerk because of Lisa Stuart's resignation.

2. APPROVAL OF MINUTES.

The minutes of January 12, 2006 were reviewed and approved as corrected. Director Cathryn Jackson corrected item 10 to reflect the correct Fiscal Years. MSP (5-0)

3. MANAGER'S REPORT.

Gary DeJesus reported that he installed 11 water meters, mostly on owner/builder lots, and locked out water on 3 lots. He reported that Cooper Controls had replaced 3 float meters to fix the problem reported at the last meeting, caused by the storm. The cross connection control survey is completed and two commercial users must install backflow devices on their septic systems. Gary has written letters to both owners notifying them of this requirement and will follow up.

A motion was made to rescind the \$2000 allocated to the Lake Committee to rent a pump and to instead allocate this money to cover the cost of purchasing additional equipment for the water treatment system. MSP (5-0)

Mr. DeJesus reported on his trip to the Blue Lake Springs facility as part of his efforts to continue to implement the schedule, supplied by Pureflow, to comply with DHS requests.

He also discussed the director training materials he had supplied for the Director's packets.

4. COMMITTEE REPORTS

A. Gate and Road Committees: Bill Pugh reported that he knew of no problem with the gates. An audience member, however, said the static problem still exists especially after dark. More testing will be done.

Bill Pugh talked to Harry Neeley with regard to the roads. A surface seal will no longer work to repair the damage to the roads by cement trucks and other large equipment. The cost to repair the roads correctly is illustrated by his estimate that it would take approximately \$25k just to repair 11,000 sq. ft. (Willit Ct.) There was a discussion of other possible short term remedies.

B. Lake Committee: Mark Fusselman reported that Larry Ford (CA State inspector) had called to say he needed to inspect the dam, however Mark had not been able to contact him. James Johnston said that he had heard from the State regarding the proposed dam repair and had referred them to Kleinfelder. The employee who had done the Kleinfelder Engineering Study on the dam no longer works for Kleinfelder and Mr. Johnston will contact the firm on Friday February 10, 2006 to clarify who now represents the body of work done on behalf of WCSD, so that the questions asked by the State can be answered.

C. Finance Committee: Cathryn Jackson reported that she has two citizen volunteers to assist on the finance committee.

5. ACTION ITEMS

A. Iron and Manganese Citation/Resolution. Chuck Cantoni reported on the visit by Scotty Reiswig and Chuck Cantoni to Joe Spano of DHS to clarify the reason for the strict goal of 10% of the MCL requirements for iron and manganese removal. Mr. Cantoni reported that Mr. Spano is pleased with the Districts' response and commitment to follow the recommendations of Pureflow to correct the problems that resulted in the citation.

B. Developers Funds - Revised Ordinance on Will Serve Agreements. Chuck Cantoni rescinded a draft ordinance on Will Serve Agreements that he had provided in the Directors' packet. There was a discussion regarding methods of invoicing developers. A Resolution was presented based on Director Jackson's suggested method to invoice developers for expenses incurred, to handle Reimbursement Deposits, and to simplify the bookkeeping procedures involved. Upon motion made the resolution passed and is attached to these minutes as Exhibit A. MSP (5-0)

C. Public Safety Plan. Scotty Reiswig presented a safety resolution and spoke of the need to be able to take action to protect the community, if necessary, within the Directors scope of responsibility. The resolution was adopted and is attached as Exhibit B. MSP (5-0)

D. Builders initial fees and deposits. This item will be rewritten for next meeting, as part of this issue must be approved by legal.

E. Propane Service. Scotty Reiswig stated Campora needs a letter from the District giving permission to Campora to negotiate with Tres Lagos and Mr. Boyd for propane service to their subdivisions. As the Board concurred, Scotty Reiswig will write the letters.

F. Status of South Shore Water Treatment Plant. Mr. Cantoni reported on a meeting of the CCWD Engineering Committee concerning the Camanche South Shore Water Treatment Plant, and WCSD's application for water from that facility. He reported that it would appear that the allocation of surface water would not be enough to sustain the 1000 homes envisioned by the developer. The developer's engineer, John Barsotti stated that in this conceptual plan, the WCSD would be using a mixture of surface and well water to cover pipeline maintenance, drought years and peak flow issues. Part of the area to be served by this water source is outside the WCSD Sphere of Influence, and WCSD will therefore have to apply to LAFCO for an extension of its Sphere of Influence. CCWD states that it won't cover any of the costs associated with getting surface water to WCSD or building the water treatment plant. The developer has indicated he is willing to pay the costs. Mr. Cantoni reported that the CCWD Engineering Committee voted to recommend approval of the application to the CCWD Board, and that a CCWD CIP be opened.

Scotty Reiswig requested a Special Meeting/Workshop for the Directors to familiarize themselves with all of the issues surrounding the South Shore Water Treatment Plant. The Special Meeting will be held on February 23, 2006, at 7 PM at Mark Fusselman's Barn. The only agenda item will be the South Shore Water Treatment Plant. An agenda will be posted. The District's Legal Representative and Engineer will be invited to attend, as well as representatives of the Developer. MSP (5-0)

G. District Personnel Requirements. An expansion of district personnel is required. A job description and salary for an Administration Assistant were presented to the Directors. Lisa Stuart, the Clerk of the Board, has resigned and therefore it is necessary to hire someone to record minutes and assist the Board and the General Manager in the performance of their duties. A resolution to create the Administration Assistant position passed and is attached as Exhibit C. MSP (5-0) The Directors also approved an increase in the salary of the Bookkeeper to \$450.00 per month plus postage and supplies. MSP (5-0)

6. CONSENT TO APPROVE BILLS FOR PAYMENT.

A motion was made to authorize payment of bills, check numbers 3465-3484 in the amount of \$15,975.85. MSP (5-0)

A Resolution authorizing Board members to sign checks was approved and is attached as Exhibit D. MSP (5-0)

Director Cathryn Jackson passed out copies of the auditor's report for the previous Fiscal Year to all Board members. It will be a discussion item at the next Regular Meeting.

7. PUBLIC COMMENT.

An audience member, Pat Bailey, stated that she had many concerns regarding the South Shore Water Treatment Plant, but would refrain from commenting until the Special Meeting called for that purpose.

8. DIRECTORS COMMENTS.

Mark Fusselman expressed the desire to have more participation from the community, and requested an informational flyer be sent with the water bills to inform the public of the need for participation. The flyer will be completed by the date of the Special Meeting and Cathryn Jackson will prepare it for insertion in the March bills.

Bill Pugh stated he believed the Directors needed more communication tools as well.

Chuck Cantoni presented the board with a chart detailing the sewer allocations. He also commented that Legal Counsel informed him that the Board is subject to AB 1234, passed last year, which among other requirements, requires that directors undergo formal Ethics Training before the calendar year end.

Cathryn Jackson thanked Chuck Cantoni for his efforts and asked that he keep the master file for sewer allocations

Scotty Reiswig said “I am thrilled that everyone is doing his job to serve the public“. Scotty then spoke about the need to investigate hiring a security guard to address some of the complaints in the community. “The District needs to start thinking about how we are going to fund security.”

9. CORRESPONDENCE.

A. Letter to WCSD from the Wallace Lake Architectural committee stating the Architectural Committee’s position with regard to CC&R’s and the remainder parcel. Chuck Cantoni prepared a response letter that was read to the Board and the board approved the letter to be sent to the Architectural Committee. MSP (5-0)

10. ADJOURNMENT TO THE SPECIAL MEETING FEBRUARY 23, 2006

The meeting was adjourned at 10:07 PM

Respectfully submitted,
FINAL MINUTES

Jackie Neill, Acting Secretary

Scotty Reiswig, President, WCSD

Exhibit A

WALLACE COMMUNITY SERVICES DISTRICT

RESOLUTION NO. 2006-04

**RESOLUTION APPROVING A STANDARD METHOD OF HANDLING WILL
SERVE REIMBURSEMENT DEPOSITS AND BILLING OF SERVICES
PROVIDED**

WHEREAS, the Wallace Community Services District (“District”) has signed Will Serve Agreements (“Agreements”) with certain Developers; and

WHEREAS, the Agreements generally require a Reimbursement Deposit and the payment for Services provided by the District.

NOW THEREFORE, BE IT RESOLVED AS FOLLOWS:

That the District adopt a standard policy for billing Developers for associated expenses.

- a. Establish a Reimbursement Deposit account for each Will Serve Agreement. The amount of the Reimbursement Deposit will be as set forth in the Will Serve Agreement, or, if not in the Will Serve Agreement, as may be mutually agreed between the Developer and the Board. Deposit the funds with the county in an interest-bearing account.
- b. As bills for services are received, invoices are sent to the Developer for payment to the district.
- c. Bills for services are paid by the District from its general fund.
- d. Invoice receipts are deposited to the District general fund.
- e. The Reimbursement Deposit remains in the county account, interest being accrued to the Developer’s credit.
- f. Should a developer fail to pay an invoice within 30 days, funds may be transferred to the general fund from the corresponding Developer’s Reimbursement Account. Services will no longer be provided for the Developer until the Reimbursement Deposit is brought back to the required original value.
- g. At the conclusion of the Project, the Reimbursement Deposit is returned to the Developer, with accrued interest, less any outstanding invoices for services provided.

PASSED AND ADOPTED by the Board of Directors of the Wallace Community Services District, at their regular meeting thereof, held on February 9, 2006, by the following vote:

AYES: ___5__

NOES: ___0__

ABSTENSIONS: ___0_

ABSENT: __0__

Lowell Reiswig
President, Board of Directors

ATTEST:

Jackie Neill, Acting Secretary

Exhibit B

WALLACE COMMUNITY SERVICES DISTRICT

RESOLUTION NO. 2006-03

**RESOLUTION CONCERNING PUBLIC HEALTH AND SAFETY IN WALLACE
LAKE ESTATES**

NOW THEREFORE BE IT RESOLVED THAT:

Wallace Community Services District may take actions deemed necessary to provide and protect the health and safety of the general public within its sphere of influence.

Actions may include, but are not limited to, disconnecting services without notice.

PASSED AND ADOPTED by the Board of Directors of the Wallace Community Services District, at their regular meeting thereof, held on February 9, 2006, by the following vote:

AYES: ___5__

NOES: ___0__

ABSTENSIONS: ___0__

ABSENT: ___0__

Lowell Reiswig
President, Board of Directors

ATTEST:

Jackie Neill, Acting Secretary

Exhibit C

WALLACE COMMUNITY SERVICES DISTRICT

RESOLUTION NO. 2006-02

RESOLUTION AUTHORIZING BOARD MEMBERS TO SIGN CHECKS

WHEREAS, the District bylaws require two signatures on each check;

NOW THEREFORE BE IT RESOLVED, that two signatures are required on each check drawn on the District's accounts from Board Members: Lowell Reiswig, President, Charles Cantoni, Vice-President, and Cathryn Jackson, Director of Finance.

District Bookkeeper; Judy Hoag is authorized to sign for all transactions and District's Payroll Account.

PASSED AND ADOPTED by the Board of Directors of the Wallace Community Services District, at the regular meeting held on February 9, 2006, by the following vote:

AYES: __5__

NOES: __0__

ABSTENSIONS: __0__

ABSENT: __0__

William Pugh, Director

ATTEST:

Jackie Neill, Secretary

Exhibit D

WALLACE COMMUNITY SERVICES DISTRICT

RESOLUTION NO. 2006-05

RESOLUTION TO EMPLOY AN ADMINISTRATIVE ASSISTANT

WHEREAS, the District provides adequate staffing to cover its services, and;

WHEREAS, the Wallace Community Services District (WCSD) Board of Directors hereby finds and determines as follows:

1. Directors are currently carrying approximately 50 hours monthly of administrative time.
2. WCSD Board can gain effectiveness and efficiency by utilizing this time in consultations, research and activities that support its policy-making function.
3. The WCSD Final Operating Budget does not allow an increase of \$60 Per hour to cover expanding the General Manager functions.

NOW THEREFORE BE IT RESOLVED, that a new part-time employee position of Administrative Assistant shall be created, at a wage rate of \$20 per hour, with an expected workload of up to 50 hours monthly, in order to provide local on-site duties as defined in the attached Job Description.

PASSED AND ADOPTED by the Board of Directors of the Wallace Community Services District, at their regular meeting thereof, held on February 9, 2006, by the following vote:

AYES: __5__

NOES: __0__

ABSTENSIONS: __0__

ABSENT: __0__

Lowell Reiswig
President, Board of Directors

ATTEST:

Jackie Neill, Acting Secretary