

WALLACE COMMUNITY SERVICES DISTRICT

P.O. BOX 398
Wallace, CA 95254

MINUTES

Regular Meeting of Board of Directors

January 12, 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 7:05 PM. Directors present were Scotty Reiswig, Charles Cantoni, Mark Fusselman, Cathryn Jackson, and Bill Pugh. Also present were Gary DeJesus, Manager and Lisa Stuart, Board Clerk.

2. APPROVAL OF MINUTES

The minutes of the December 8, 2005 were reviewed and approved as corrected with minor grammatical changes. MSP (5-0)

3. COMMITTEE REPORTS

A. Gate Committee: Bill Pugh reported that the sail has been removed from the back gate and it stayed up through the last storm.

B. Lake Committee: Mark Fusselman will be responsible for putting together a new lake committee and is currently looking for volunteers.

4. MANAGER'S REPORT

Gary DeJesus reported that during the last storm there was a power failure and several resulting problems all of which are repaired or in the process of being repaired. He also reported on the status of the Department of Health Services (DHS) iron/manganese citation and the implementation schedule he supplied outlining the steps to be taken to solve the problems that resulted in the citation. He informed the board that expenses of at least \$3000 will be incurred as he starts the implementation process. After discussion about DHS's requirements and what current test levels show, Scotty Reiswig suggested that one or more board members go to Stockton to meet with the DHS representative to discuss the schedule and get more information. Chuck Cantoni stated that he would schedule that meeting and will follow up on this at the next meeting.

Gary DeJesus also reported on DHS's annual inspection last month and the report they submitted that mandated monthly flushing of the distribution system. Since there is no law or California code that enforces that mandate, Gary will continue with annual flushing and flushing as needed.

Cathryn Jackson asked about the recommendation in the annual report that the elevated water tank systems be cleaned. Gary DeJesus stated that his response to DHS was that it is the District's intention

to have them cleaned as soon the finances are available. He also feels it would be in the District's best interest to have them cleaned and inspected.

Gary will be sending letters to two property owners to inform them that they need to install backflow devices on their property and have them inspected by the District when the installation is completed.

Gary reported that there was also a problem with a lock at the effluent station that resulted in the laboratory not being able to collect a week's worth of water samples. A locksmith was called and the lock replaced.

Scotty Reiswig asked about having locks put on all the water valves not being used. Gary stated that he had enough locks to accomplish this.

5. ACTION ITEMS

- A. Approve Sterling Builders (John Boyd) Will Serve Agreement No. 2006-1.** Scotty Reiswig stated that the board had the attorney's approval on the will serve agreement and that it was very similar to other will serve agreements the District has in place with other builders. Chuck Cantoni pointed out that the LPG is going to be handled differently than before, with the District now providing a letter to Campora requesting that they provide service to the developer. Bill Pugh moved to accept the will serve agreement. Chuck Cantoni seconded. Motion passed (5-0).
- B. Proposal for Will Serve Agreement Letter of Intent (Draft Ordinance 2005-4).** Scotty Reiswig stated that the will serve ordinance is not necessary, per a meeting with the attorney. He suggested that rather than passing an ordinance, the District continue with the current process of a letter of intent from WCSD that confirms availability and gives the developer a stated amount of time to file the papers for the will serve agreement, at which time a fee is negotiated. Bill Pugh moved to remove the Draft Ordinance 2005-4 from the table and Cathryn Jackson amended the motion to adopt Chuck Cantoni's December 19th summary analysis of this will serve agreement as reference. Mark Fusselman seconded. Motion passed (5-0).
- C. EBMUD South Shore WTP: Joint letter to CCWD from WCSD and RB Homes.** Chuck Cantoni reported that Calaveras County Water District (CCWD) passed a resolution in December to partner with Amador Water Agency and East Bay Municipal Utility District (EBMUD) to build a water treatment plant at Camanche South Shore. He has been working with John Reynen, LLC and they've drafted a letter that basically agrees to enter into negotiations with CCWD and includes an application for an allotment of 500,000 gallons per day of treated water; the expected development costs being paid by John Reynen, LLC. There was also discussion about the possibility of using the District's wells as backup for the plant. Chuck Cantoni moved that the board authorize the joint letter with John Reynen, LLC and the application to CCWD. Bill Pugh seconded. Motion passed (5-0).
- D. Resolution to Adopt Developer's Deposit Funds method of payment.** There was general discussion on the process of paying invoices that involve developers' costs and getting reimbursed via developers' deposited funds and/or through accounts receivable invoicing of developers. Discussion also included methods of determining deposits required of developers. Scotty Reiswig suggested that Chuck Cantoni draft a resolution that the board can review and discuss at the next meeting. Cathryn Jackson moved that Chuck Cantoni draft this resolution. Bill Pugh seconded. Motion passed (5-0).

- E. Open Space Encroachment Permit: Resolution to require security deposits and formal permits.** Scotty Reiswig explained the need for Open Space Encroachment Permits and there was discussion of the difficulty in enforcing a permit requirement since there is not a foolproof way of notifying everyone of the need to apply for the permit and there is nowhere to direct them to in order to obtain the permit. After further discussion, it was determined that Bill Pugh would take over responsibility of handling encroachment permits and anyone needing a permit would be directed to him. Scotty Reiswig moved to accept Resolution 2006-01, Form of Temporary Open Space Encroachment Permit. Cathryn Jackson seconded. Motion passed (5-0).
- F. Public Safety Plan.** Scotty Reiswig explained his concerns regarding public safety when problems occur with propane, electrical, water and/or sewer lines. In one instance a necessary retaining wall was not constructed, allowing rain to wash out enough dirt to expose an active propane line. He felt this item needed more discussion as it ties into SB135. (See next item.)
- G. SB135 Compliance Items.** Scotty Reiswig explained that SB135 gives the District the authority necessary to deal with the types of public safety issues discussed in the previous item, but only by having an ordinance in place can the District utilize that authority. The need for an active “Phone Tree” was discussed, to be used in emergencies. Scotty Reiswig will draft a resolution or ordinance, as appropriate, regarding dealing with unsafe situations, to be discussed at the next meeting.
- H. Propane Service for subdivisions within the WCSD Sphere of Influence.** Chuck Cantoni stated that the District’s contract with Campora gives Campora the right to serve anyone within the District, but was very specific in that it excluded servicing those outside the premises. He stated that the District needed to give Campora permission to serve Tres Lagos and the Boyd property. After further discussion it was determined that following past practice, the District will request that Campora dedicate the propane lines put in to service the four Sterling lots to the district, that the Remainder Parcel will be able to hook up to the currently stubbed main line with Campora owning the lines from that point on, and that Tres Lagos lines will be owned by Campora. Scotty Reiswig will contact Campora to find out what they require in a letter from the District in order to serve the Tres Lagos and Boyd properties and bring the information back to the next meeting.

6. APPROVAL OF BILLS FOR PAYMENT

Check #'s 3325-3347 totaling \$14,199.14 were presented for payment. Bill Pugh moved to approve these for payment. Chuck Cantoni seconded. MSP (5-0)

7. MID-YEAR FINANCIAL REVIEW.

Cathryn Jackson gave a mid-year financial review that showed \$39,000 in income and expenses of \$79,472.00 and explained some of the expenses. There was discussion of what income and expected expenses are still outstanding and which items need further researching to determine why the costs are high.

8. PUBLIC COMMENT

Chuck Cantoni repeated a question he received from an audience member asking why a builder isn't charged up front for an encroachment deposit which covers easements and open space, and which is refundable based on leaving the worksite clean and undamaged. Further comments included checking to see if part of the deposit should be non-refundable based on the administrative expense the District incurs in accepting, tracking and refunding the deposits. Cathryn Jackson will check into the legality and feasibility of the suggestions.

9. DIRECTOR'S COMMENTS

There was some discussion of depositing District funds where there may be a better interest rate. Cathryn Jackson and Bill Pugh will check into other options. Also, it was clarified that Cathryn is the Director in charge of Finance Committee. There was some discussion about the option of having the county take over the accounts payable and Cathryn will check into and provide information for the next meeting.

Scotty Reiswig clarified the new responsibilities of each of the directors:

- Mark Fusselman is the director in charge of lake and open spaces.
- Bill Pugh is responsible for gates and roads.
- Chuck Cantoni's responsibility is water and sewer.
- Cathryn Jackson is responsible for finance.
- Scotty Reiswig will be responsible for development and other items as they arise.

10. CORRESPONDENCE

The Department of Water Resources has sent a notification that the dam fees are being raised.

Cathryn Jackson reported that under SB90, Larry Howen had asked for reimbursement that is based on the number of action items a district acts on. Based on the minutes Cathryn supplied for fiscal year 2003-2004 and 2004-2005, she received notification that the District will be reimbursed approximately \$7,200.00, less Centration's consultation fee.

11. ADJOURNMENT TO THE NEXT REGULAR MEETING THURSDAY, FEBRUARY 9, 2006.

The meeting was adjourned at 10:04 PM

FINAL MINUTES

Respectfully submitted,

Charles Cantoni

Scotty Reiswig, President, WCSD