

WALLACE COMMUNITY SERVICES DISTRICT

P.O. BOX 398
Wallace, CA 95254

MINUTES

Regular Meeting of the Board of Directors

June 12, 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 7:02 PM. Directors present were Charles Cantoni, Mark Fusselman, Rick Guantone, Cathryn Jackson, and William Pugh. Also present was Administrative Assistant Jackie Neill.

2. APPROVAL OF MINUTES.

The Minutes of the May 11, 2006 Regular Meeting were approved as corrected.

Moved: Rick Guantone Second: Bill Pugh Unanimous

3. PUBLIC COMMENT.

There was a lengthy discussion about the chatter on the internet regarding eyesores in the community i.e. slabs of cement by the gate, construction materials on the corner of Cormorant and Verdin, and trash on construction sites.

Director Cantoni stated that the District is talking to the Contractor on Lot 108 about the drainage issues. Mr. Cantoni went on to say that lot grading and people who build houses without plans are completely under the purview of the Architectural Committee.

4. GENERAL MANAGERS REPORT.

General Manager Gary DeJesus was unable to attend the rescheduled meeting because of a prior commitment therefore Director Cantoni gave the General Managers Report. Director Cantoni stated that the Consumer Confidence Report had been mailed today. The Report contained information about the pink water caused by fluctuating levels of potassium permanganate. The General manager is in the process of bringing this chemical on line in order to improve water quality. Mr. DeJesus is still looking at different methods to deploy chlorine gas, further research is needed. A back-flow device will be installed at Calaveras Grill as the owner has not responded to the letters.

In anticipation of the Remainder Parcel the Developer is looking at our water system. They are now in the process of testing wells.

Wastewater Treatment Plant problems are being addressed and the new stop signs have been installed.

In the process of inspecting the water tower a problem with a screen on the top of the tank was discovered and repaired.

The Administrative Assistant was hired with a 50 hour per month cap on hours worked. Director Cantoni requested a modification to compensate for extra hours spent assisting the Developer as those hours are billed to the Developer. Total hours are not to exceed 35 hours per week.

Moved: Rick Guantone Second: Bill Pugh Unanimous

5. COMMITTEE REPORTS.

A. Lake and Open Space

Director Fusselman reported on issues with the State approving the permit to repair the dam. The repair method was not correct on the application. Mr. Fusselman was asked to correct the application, which he did. "Then we can proceed to get bids", he said. When the water goes down the dam repairs can start. Director Cantoni stated that RB Homes is looking into bids. Jim Johnston said that those bids were for materials only and at this point the District should just go ahead and get bids.

B. Gate and Roads

Director Pugh reported that the front exit gate is not working properly and a trouble shooter will be asked to find the problem. Mr. Pugh stated that before the Remainder Parcel starts he wants to close the front gate 24/7 and reprogram all the remotes.

C. Finance Committee

Director Jackson reported there had been two meetings of the Finance Committee and it was decided that the projected amounts for sewer plant repairs need to be raised.

Director Cantoni distributed Financial Results and reminded everyone that we are still taking road repair money to prop up the water and sewer systems.

D. Ad-hoc Security Committee.

No report until next meeting.

6. BILLS FOR PAYMENT;

Director Cathryn Jackson reported the monthly bills totaled \$16,255.88 and asked for approval to pay checks 3406-3428. Ms. Jackson reported that the monthly expense appeared high because of the payments for the signs and problems at the Sewer Plant.

Moved: Rick Guantone Second: Bill Pugh Unanimous

There was a discussion about the need for a District Credit card to assist the General Manager and prevent delays because of the need to fill out Credit Applications. A motion was made to investigate this with a \$2500.00 per purchase limit.

Moved: Cathryn Jackson Second: Bill Pugh Unanimous

7. ACTION ITEMS

A. Adopt FY 2007 Budget

Resolution 2006-08 to adopt the budget presented for the Fiscal Year 2007 was presented. The total amount of the budget is \$228,768. Included in the budget presentation was the plan to change the allocations from the Assessment Fee, which had been 50% to water and sewer and 50% to roads, gates, and open-space, to 25% for water and sewer and 75% for roads and open-space. This change is necessary to begin to finance much needed road repairs.

Included is a statement about mid year recalibration if needed. A discussion about the need for some type of office for WCSD needs ensued. The FY 2007 Budget was adopted.

Director Cantoni stated we are anticipating being able to use 100% of the assessment going to roads with the additional homes and increased fees. We also need a Master Plan, an Emergency Plan and more.

Director Jackson said that the risk involved in the operational budget is that the income reflected is dependent on an additional 25 homes and there is no money in this budget to expand staff.

Moved: Bill Pugh Second: Rick Guantone Unanimous

B. Adopt Capital Improvement Plan

In the discussion about the Capital Improvement Plan that was presented to the Board Members and passed out to the audience, Director Cantoni stated the Growth assumption is a combination of all the know developments that have been discussed. The plan shows Developer paid improvements. All new homes will have a Capacity Charge that will reimburse the Developer. There are also plans for water storage and spray fields that will be paid for by the Developer.

Mr. Cantoni stated the money to pay for capital improvements is money from connection fees. The Districts Water/Sewer Ordinance states that funds are to be used for replacements and improvements. Most of the items in the CIP are improvements. The amounts shown as Developer paid are based on input from the General Manager. An office for District business and a meeting building are budgeted for 2008.

Mr. Cantoni clarified that any house built after the new Connection Fees were adopted would be charged the new rate. As contracts were negotiated the issue of capacity charges would be addressed. The CIP was adopted.

Moved: Bill Pugh Second: Rick Guantone Unanimous

C. Draft Copy of the CICF Ordinance.

There was a discussion of the new Water and Sewer Connection Charges in the Ordinance as well as the proper procedure to approve and implement the Ordinance. A motion was made to proceed to process the ordinance.

Moved: Rick Guantone Second: Mark Fusselman Unanimous

D. Remainder Parcel, 2003-114 Zoning Amendment and Tentative Subdivision Map.

Director Cantoni stated that the period for comment ends June 26, 2006 and the District's Engineer Roark Weber informed the Board that WCSD must respond so that what is important to the District be discussed by the Planning Department. There was a lengthy discussion on several items including what the Will-Serve Agreement covered with regard to roads.

Director Cantoni said it would be much easier to have a plan in place for things like dust control and a source for water. The Will-Serve Agreement states the Developer must provide necessary Improvements to the water system.

11.05 acres are listed a R-1 but not included in the total house count.

Director Cantoni felt a statement to John Anderson of the Planning Department was necessary concerning a buffer zone to be negotiated around the water tower. There was discussion about sewer capacity and at what point the new sewer will be constructed.

A Statement to the Planning Department that the Developer shall not seek a final building occupancy for any house until we have a new sewer plant and the Water System improvements

Jim Johnston stated, "This hearing is for a tentative map, you can not sell houses until you have a final map."

Mr. Cantoni said RB Homes representative, Murray Lind has been invited to attend the July Regular Meeting.

"The approved tentative map has a set of conditions before a final map can be issued", Mr. Johnston said. He added "The Developer is worried about how long it will take to get a permit for the new sewer plant."

Information will be sent to the Calaveras County addressing WCSD concerns and questions.

E. Lot 24 Will-Serve Agreement

Mr. Al-Ruosan felt that the Will-Serve Agreement he had been given was too broad and was not specific to the needs of his project.

Director Cantoni explained that the District needs a signed agreement in order to serve the units Mr. Al-Ruosan intends to build. Mr. Al-Ruosan told the Board that he has been receiving legal bills and engineering bills and he still does not have his Will-Serve Agreement. It was decided that Mr. Al-Ruosan would supply the

District with a list of the points in the Agreement with which he disagreed and the District would go forward from there to attempt to draft a mutually approved agreement.

F. Continued to next meeting

G. Continued to next meeting

H. Director Cantoni advised the Board that an action taken at a previous meeting was in error. Mr. Cantoni provided the Board with copies of the Ordinance and asked for a vote to rescind the amount the Board had voted for a Plan Check Fee and approve an amount that was consistent with the Ordinance (\$8,000.00).

Moved: Bill Pugh Second: Cathryn Jackson Unanimous

I. Boyd Property—4 Lot Subdivision

There was a discussion about the recommendation from the District's Engineer that the Boyd property be required to enter into a road repair agreement with the District after completing the additions to the infrastructure.

11:35 P.M. A motion was made to adjourn the meeting due to the lateness of the hour and continue all additional items to the next regular meeting.

Moved: Cathryn Jackson Second: Bill Pugh Unanimous

9. ADJOURNMENT TO THE NEXT REGULAR MEETING JULY 13, 2006

Respectfully submitted,
FINAL MINUTES

Jackie Neill, Administrative Assistant

Charles Cantoni, Interim President, WCSD

