

WALLACE COMMUNITY SERVICES DISTRICT

P.O. BOX 398
Wallace, CA 95254

MINUTES
Regular Meeting of the Board of Directors
January 11, 2007

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

1. **ROLL CALL.** President, Charles Cantoni called the meeting to order at 7:00 PM. Directors present were Charles Cantoni, Mark Fusselman, Rick Guantone, Cathryn Jackson, and Bill Pugh. Also present were Jackie Neill, Administrative Assistant and David Edwards, the Facilities Manager.
2. **APPROVAL OF MINUTES.** The Minutes of the December 19, 2006 Regular Meeting were approved as corrected.
Motion: Rick Guantone Second: Bill Pugh Unanimous
3. **PUBLIC COMMENT.** Ahmad Al-Ruosan discussed his development of Lot 24. He reminded the Board that he had asked to be put on the agenda, asked again for a letter from the Board explaining the delay to his project, and asked for 31 hook-ups for his R-3 zoning which, he believes, he is entitled to. Director Cantoni suggested that he apply for the change in writing, as the Board can take no action at the time topics are brought up in the Public Comment Session.

Larry Howen pointed out what he perceived to be confusion on agendas published by WCSD with regard to schedule dates. Mr. Howen also suggested that now that the dam repair is finished, the debt by Mr. James Johnston should be removed from the books.
4. **FACILITIES MANAGERS REPORT.** Facilities Manager, David Edwards, discussed the rebuilding of the sand filters at the WWTP. Director Cantoni stated that the District has commissioned the District's Engineers to look into the capacity issues and within that scope of research the District Engineer will be recommending hiring an outside contractor to rebuild the sand filters. Mr. Edwards further stated that some of the problem at the WWTP had been corrected by the removal of a faulty flow restrictor.

Mr. Edwards reported that Dave Remick of DHS conducted an inspection of the Water Treatment Plant and that his complete report was expected in a few days.

Director Cantoni reported on a meeting attended by Director Cantoni, Mr. Edwards, the District's Engineer Gary Ghio and Harold Wellman, held at the Reynen & Bardis Communities facilities, concerning capacity improvement of the WWTP. Director Cantoni reported that R&B Communities had retained West Yost

Associates to develop a master plan for the WWTP facility as part of the Remainder Parcel Will Serve Agreement requirements.

Director Jackson stated the capacity should not be paid for by the current residents and should be billed to the developers in a capacity charge. A motion was made to authorize a study to design a way to increase the capacity of the WWTP, with an initial funding limit of \$10,000 for the study and design.

Motion: Chuck Cantoni Second: Bill Pugh Unanimous

There was a discussion about the re-installation of the septic tanks on lots 44 & 45 and a motion was made to authorize the charge to re-inspect the tanks when replaced.

Motion: Bill Pugh Second: Cathryn Jackson Unanimous

5. COMMITTEE REPORTS.

A. Gate/Roads Committee. Director Pugh reported replacing the phone system with one that would handle the 24/7 closing of the front gate with time-of-day codes for contractors and others would cost \$4998.00 and that the installation of that system would not guarantee clear transmission on the phone lines. Mr. Pugh stated that the results of the gate survey would be ready at the next meeting.

B. Lake/Open Space Committee. Director Fusselman reported there had been no meeting of the Lake/Open Space Committee but he expects there will be a meeting soon.

C. Finance Committee. Director Jackson reported that the entire Finance Committee had not met. Ms. Jackson reported the bills for payment were check numbers 3596-3618 in the amount of \$14,018.47. Director Jackson pointed out the CPA bill which has increased significantly. A motion to approve bills for payment was made.

Motion: Bill Pugh Second: Rick Guantone Unanimous

D. Ad-Hoc LPG Committee. Director Guantone reported that the Committee had met to discuss talking points and that the meeting with Campora will be set soon.

5. PRESIDENT'S REPORT. Director Cantoni reviewed the Pro Forma Financials for the month of December 2006. Pro forma income for the month was \$3,391. Pro forma income year-to-date is \$13,174, but it was pointed out that budgeted expenses for lake and open space of \$13,000 have not been incurred. Working cash on hand at the end of December was \$103,000.

Director Cantoni reported that the office has been moved and is now sitting at the sewer plant. He thanked the volunteers who dismantled the ramp prior to moving. He stated that the move cost under \$1000 and utilities still need to be hooked up, to include phone and high speed internet service.

7. ACTION ITEMS.

A. Election of Officers. Mr. Cantoni opened nominations for officers of the Board for the coming year. Director Pugh nominated Mr. Cantoni for president and Director Guantone seconded the motion. Director Guantone moved the nominations be closed; the motion was seconded by Director Pugh. There were no other nominations and Director Cantoni was unanimously elected president. Director Fusselman nominated Mr. Guantone for Vice-President; the motion was seconded by Director Pugh. There were no other nominations and Director Guantone was unanimously elected Vice-President. Director Cantoni will reappoint committee chairs at the next regular meeting.

B. Adoption of, and amendment to, WCSD Policies.

The Directors reviewed and discussed the presented policies and a motion was made to approve adoption of the following policies as amended.

2115	Volunteer Personnel Worker's Compensation Insurance
2130	Pay Periods
2140	Advancement of wages
2155	Gifts
2170	Performance Evaluation
2205	"HIPPA" Compliance
2210	Sexual Harassment
3005	Emergency Preparedness
3012	Environmental, Health & Safety Program

Motion: Bill Pugh Second: Cathryn Jackson Unanimous

C. Report of CCWD Meeting, Water Studies CONTINUED

D. WCSD Board Self-Assessment.

There was a discussion and reaffirmation of the conclusions made at the Special Workshop with regard to Board self-assessment.

8. DISCUSSION ITEMS

A. Water and Sewer Rate Calculations.

Director Cantoni stated that the Finance Committee reported previously that the 5-month re-calibration projects a deficit for the fiscal year. Director Jackson reported that the Finance Committee had not yet had a chance to meet. In lieu of work by the Committee, Mr. Cantoni presented a report of water and sewer rates, examining the effects of various methods of setting rates. He reported that RCAC provided links to web sites that contained material on how small water districts set their rates. He stated that they generally set them by separating the costs into fixed and variable; then setting the base rate to cover fixed costs, volumetric charges to cover the variable costs. The spread sheets showed the effect of changing the amount of free water that is included in the base rate, and the effect of differing ratios of fixed to variable costs. In the report presented, the effect of escalating rates with

increased usage was also discussed as a means for encouraging water conservation. It was the Board's consensus that the Finance Committee should study the options and report at the next Board meeting.

9 CORRESPONDENCE.

An invitation from John Benoit, Executive Director of Calaveras LAFCO, to a water/wastewater forum hosted by LAFCO and CCWD was received. Director Jackson expressed an interest in attending, however it was decided that the President, Vice-President, and Dave Edwards should attend.

Resident, Chris Madil wrote to the District expressing his concern about the drainage easement between lots 3 & 4. David Edwards will investigate.

10. DIRECTOR'S COMMENTS. The Directors that wished to commented on other items of interest within the District

11. ADJOURNMENT TO THE NEXT REGULAR MEETING ON THURSDAY, February 8, 2007. There meeting was adjourned at 10:30 PM.

Respectfully submitted,
FINAL MINUTES

Jackie Neill, Administrative Assistant

Charles Cantoni, President, WCSD