

**WALLACE COMMUNITY SERVICES DISTRICT**

P.O. BOX 398  
Wallace, CA 95254

MINUTES

Regular Meeting of the Board of Directors

November 14, 2006

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 Gary DeJesus, General Manager and Jackie Neill, Administrative Assistant. Dave Edwards, a candidate for the Facilities Manager job was in the audience.
  
2. **APPROVAL OF MINUTES.** The Minutes of the 10/12/06 Regular Meeting were approved as corrected.  
Motion: Rick Guantone      Second: Bill Pugh      Unanimous  
  
The Minutes of the 11/2/2006 Special Meeting were approved as written.  
Motion: Rick Guantone      Second: Bill Pugh      Unanimous
  
3. **CLOSED SESSION.** Mr. Cantoni announced that the Board would go into closed session to discuss the hiring of replacements for Mr. DeJesus and Ms. Hoag. When the open session was resumed, director Cantoni reported on the closed session. The Board is offering employment to David Edwards as the Facilities and Operations Manager.
  
4. **PUBLIC COMMENT.** Mr. Ahmad Al-Ruosan stated that he was making his third request for a letter explaining why his application for Will-Serve was put off for so long. He also discussed the news story of sewer problems in Nevada County, and asked for clarification on some of his bills.  
  
Mr. Howen asked when the board would get back to a regular meeting night. Mr. Cantoni replied that the normal schedule will be followed beginning with the January meeting, the changes being caused by the bookkeeping transition.
  
5. **GENERAL MANAGERS REPORT.** Mr. DeJesus gave the Board 3 copies of his files on CD. He reported that the tank cleaning by Aqua Video is now complete. Mr. DeJesus reported on the installation of a new PLC rack at the WWTP. He told the Board that he has had no response from DHS to the Permit Amendment he submitted. Mr. DeJesus said the interlock system that prevents an overdose of potassium permanganate from entering the system has been installed. He pointed out that the change, and others, need to be documented. Mr. DeJesus then discussed his concern with the new pump on well #3, stating that he believed the flow control valve and flow meter were not properly installed. Mr. DeJesus pointed out that the District's Vendors and the Regulatory agencies would need to be informed that he would no longer be working for the District, and the name and contact numbers for the new employee would need to be provided.

**6. COMMITTEE REPORTS.**

**A. Gate/Roads Committee.** There was a discussion and several suggestions regarding gate hours and rules. Director Cantoni asked Director Pugh to present a draft set of gate rules at the next regular meeting.

The Directors passed a resolution accepting road repairs made as part of the 2006 Street Improvement Project.

Motion: Rick Guantone      Second: Bill Pugh      Unanimous

**B. Lake/Open Space Committee.** There was a discussion regarding the ongoing dam repair. It was noted that both Kleinfelder Engineering and the State were overseeing the project and that the State inspector again mentioned the pipe through the dam that has never been located. A motion was made to declare the continuing emergency to have the dam repaired.

Motion: Chuck Cantoni      Second: Rick Guantone      Unanimous

Director Cantoni stated that checks for some of the work have been issued by the escrow account.

**C. Finance Committee.** Director Jackson suggested issuing bonus checks to both of the District's long term employees. After discussion the Directors decided to research the issue before proceeding. A refund of an Open-Space encroachment to Pine Garden Investors had been prepared but there were questions about incomplete repairs to the walking trails. This will be researched before the check is mailed.

Motion: Fusselman      Second: Rick Guantone      Unanimous

Director Jackson reviewed the qualifications of the perspective bookkeeper. Barbara Kascht has 4 ½ years experience with utility billing. The Directors passed a motion to hire Ms. Kascht on an at-will employment basis with a maximum of 25 hours per month.

Motion: Bill Pugh      Second: Rick Guantone      Unanimous

**D. Ad-Hoc Negotiation Committee.** Directors Cantoni and Fusselman and the District's legal and engineering advisors met with the Remainder Parcel Developer's agents to discuss changes requested by the Developer to conditions imposed by WCSD for the Tentative Subdivision Tract Map. There was a detailed explanation of the requests from the Developer and changes proposed. After discussion the Directors approved the changes.

Motion: Mark Fusselman      Second: Rick Guantone      Unanimous

**7. PRESIDENT'S REPORT.** Director Cantoni reported on the ongoing dam repair with thanks to Scotty Reiswig, Walt McQueen and Bill Pugh. A letter will be sent to John Reynen thanking him for the financial contribution. Director Cantoni reported that Dennis McCord, John Reynen's advisor on surface water, suggested WCSD might want to consider going directly to the EBMUD for surface water, as he felt CCWD was not actively pursuing the surface water allocations.

Director Cantoni had provided board self assessment forms to the Board Members. After discussion, it was agreed that the forms will be used for self-assessment, results to be discussed at the next regular meeting.

Director Cantoni went over the Pro Forma financials and pointed out to the Directors that by spreading the road repairs and other expenses over the appropriate time period the District has a \$13,000.00 positive cash flow, year to date. Mr. Cantoni discussed the outlook with the switchover of personnel and expected less than budgeted revenue for the year. Director Jackson suggested a midyear financial calibration at the next regular meeting would be in order.

- 8. CONSENT TO APPROVE BILLS FOR PAYMENT.** Director Jackson requested approval to transfer \$3,747.81 from the Water CICF and \$2,176.41 from the Sewer CICF to fund the safety interlock equipment and the new PLC rack and Software respectively. Motion: Bill Pugh Second: Rick Guantone Unanimous

There was a discussion about various bills and the need to control spending tightly for the remainder of the year, after which, checks #3549-3576 (excluding the check #3558 to Pine Garden Investors and the road repair check #3575) were approved for payment. The check for road repair will be mailed as soon as the Notice of Completion is on file and the check to Pine Gardens will be mailed after investigation (SEE Item 6C)  
Motion: Cathryn Jackson Second: Bill Pugh Unanimous

**9. ACTION ITEMS.**

**A. Report from District Engineer, Water & Sewer Allocation Standards.** Gary Ghio, the District's engineer, reported on the water system capabilities, stating with the storage tanks and 2 wells in operation the system has a capacity for approximately 180 EDU's. Mr. Ghio then discussed the Waste Water Treatment Plant's capabilities, referring to the original design, which was designed to accommodate one half the original planned build-out of Wallace Lake Estates. Mr. Ghio discussed the ECO:LOGIC studies based on actual daily flows, stating that based on that study, and taking into account peak flows instead of just average flows, the WWTP can serve 85 EDU's. Mr. Ghio discussed ways to increase the number of EDU's the plant could serve. Director Cantoni stated that the District has a legal report due in January when the calculations must go to the RWQCB. The Engineers were authorized to look into at least two solutions to the WWTP shortfall and the associated costs.  
Motion: Cathryn Jackson Second: Rick Guantone Unanimous

The District will also address the condition of the septic system at Rosetti's Restaurant.

**B. Adoption of, and amendment to, WCSSD Policies and Governance Guidelines.** This item will be continued to the next regular meeting of the Board of Directors

**C. Facility/Operations Manager.** SEE ITEM 3

**D. Office Rental.** There was a discussion of the steps that would be necessary to get the sales trailer ready to use as office space now that the owner has agreed to let the District use it for a limited period of time with no purchase or rental costs. The Directors

agreed to ask Mr. Cantoni to follow through with all necessary arrangements, holding the cost to less than \$1000.00.

Motion: Rick Guantone      Second: Mark Fusselman      Unanimous

**E. Complying with Groundwater Rule / LT2 / DBP2.** The Board approved up to two attendees to the class with reimbursement of expenses.

Motion: Rick Guantone      Second: Bill Pugh      Unanimous

**10. DISCUSSION ITEM**

**A. Baseline Assessment, Water System, per Requirements of the Will Serve Agreement 2005-01.** Director Cantoni stated that the Draft of the Baseline Assessment of the Water System, conducted by West Yost Consultants and funded by Reynen & Bardin per terms of the Remainder Parcel Will Serve Agreement, has been received and sent to the District Engineer for review. Their recommendation is to treat the document as a working document which will assist the District in establishing a plan of action for the Water Treatment Plant. DHS has previously indicated it would like to see the document once our comments and plans are in place.

**11. DIRECTOR'S COMMENTS.** None

**12. CORRESPONDENCE.** Director Cantoni reported that the letter from John Boyd of Sterling Builders has been answered.

**13. ADJOURNMENT TO THE NEXT REGULAR MEETING ON TUESDAY, DECEMBER 19, 2006.** A motion to adjourn at 10:30 PM.

Respectfully submitted,  
FINAL MINUTES

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Jackie Neill, Administrative Assistant

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Charles Cantoni, President, WCSD