

WALLACE COMMUNITY SERVICES DISTRICT

P.O. BOX 398
Wallace, CA 95254

MINUTES

Regular Meeting of the Board of Directors

February 18, 2010

7:00 PM

Historic Wallace School House, 799 Ward Ave. Wallace

Board Members present, Patsy Bailey, Larry Howen, David Reyner, and Gerald Zedlitz.

President Patsy Bailey called the meeting to order at 7:01 PM. Director Zedlitz announced that a volunteer from the community, Jackie Neill, will be taking WCSD Board minutes.

NEW BUSINESS

WCSD General Manager

Teresa Tanaka gave the General Manager's report. She reported operators were coming in every day to monitor the plants and are working very well with State regulators. For the month of February we used 69,888 gallons of treated water. Teresa has contacted the Water Quality Control Board and they granted an extension for our annual report. The report is now complete but does not look good. The wastewater nitrate levels are too high and the monthly coliform tests are over the limit 3 of the last 12 months. Audience member, Cathryn Jackson question how the District could be out of compliance when there had been no mention in previous meetings about trouble with the wastewater plant. Teresa provided the Board with WCSD Annual Summary of Compliance Data for 2009. Teresa said the nitrate problem is due to poor maintenance of the septic tanks. She talked about the WCSD ordinance that requires septic tanks to be inspected every three years and expressed satisfaction with the Foothill Sanitary letter that was mailed to WCSD customers to begin the process of full inspection/pumping of septic tanks. Director Zedlitz asked about previous reporting practice and Teresa said the reporting is out of compliance.

The good news is that the District is in compliance with all requirements for January and February of this year. California Department of Public Health will need a check for \$270.00 to pay for the permit amendment for the use of sodium hypochlorite instead of Chlorine gas which will bring the District into compliance with county Department of Public Health requirements. Teresa stated that the District will require instrumentation that allows us to see and measure the chlorine residuals.

Teresa reported on the Fusselman water connection. His request for water has been delayed because of a leak in the system that will require the line to be chlorinated and additional work must be done to keep the chlorination from the main water system. Teresa will provide a cost estimate early next week.

Director Howen asked about the back-up generator and Teresa stated the Board will be provided a list of the work done. Audience member, Bill Pugh, stated that the generator does a self test every week and Teresa said she will check with the workers.

Presentation by David Wood

David Wood, a certified hydro-geologist, gave an overview of his experience and involvement in monitoring water issues in Calaveras County and discussed the slow steady decline of the water levels in western Calaveras County. He then discussed his proposal to do the monitoring work now being done by BSK. His presentation included the purchase of two dedicated pumps for use on the existing monitoring wells. Mr. Wood said he would do the State required monitoring for \$10,000 which is the same price as the three year price negotiated with CCWD. Teresa Tanaka spoke about the problems she was having getting the required reports from our current vendor and said she works with Mr. Wood and is very satisfied with his company.. Teresa recommended the Board contract with Mr. Wood to streamline the process of reporting and compliance. David Wood also suggested that long term the District should consider installing transducers in our production wells to monitor water levels. Director Zedlitz moved the District hire Mr. Wood, Director Reyner seconded the motion.

Approved 4-0

Presentation by District Auditor, John Blomberg

Auditor, John Blomberg presented 6 copies of the Districts Audit for Fiscal Year 2009 to the members of the Board. He reminded the Board that one copy must be mailed to the State Controller. Mr. Blomberg stated he was still waiting for a copy of the report sent to the Controller by the previous Board. Mr. Blomberg said the Audit was a joint effort of his office, the District's Bookkeeper and Mr. Zedlitz, plus input from the prior Board. He stated that a few changes had been made at the request of Director Zedlitz

The audit presented a 2 year comparison which Mr. Blomberg reviewed for the Board. He stated that our records are in good order and added that electronic transfer of documents would speed up the audit process. Director Zedlitz asked about the timing of the FY 2010 audit and requested the audit be completed by November as the data would be of more value if it was received in a timely manner. Mr. Blomberg said it was possible to get the audit completed by November if the records were available earlier. Finance Chair, Jerry Zedlitz stated given the size of the data traffic, the District should be able to provide the data by mid August. Mr. Zedlitz stated he would prepare a recommendation to the board for an End of the Year closing.

Director Zedlitz discussed the accounts receivable and noted customer accounts in arrears that were doubtful for collection. He recommended the Board take a more conservative approach and set up a Loss Reserve Account. Director Zedlitz also mentioned the WLE Architectural Committee Fund as being a fund that the District is the custodian for appears as an asset but not listed as a liability.

After Mr. Blomberg finished his presentation Director Zedlitz stated he would provide a financial report at the next meeting that will reflect operating costs. Director Zedlitz made a motion to approve the 2009 Independent Auditors Report, June 30, 2008 and 2009 as presented, the motion was seconded by Director Reyner.

Approved 4-0

Public Comment

Bill Pugh handed documents to the Board he also requested a copy of WCSD Annual Summary of Compliance Data for 2009

Mike Jones asked about the use of Rid-X in the Septic system. General Manager, Teresa Tanaka responded that the key to keeping the system operating properly and in compliance was pumping and inspection of individual septic tanks.

Cathryn Jackson thanked CCWD for their efficiency and added that she appreciated Teresa educating us in the process.

Surplus District Equipment

Director Zedlitz asked if CCWD had any need for the District's truck. Teresa replied that CCWD had its own vehicles. After discussion Director Zedlitz made a motion to sell as separate items the truck, the rack, and the camper shell as is with no warranty. Further the Board President and Vice-President should set the minimum bid and the information should be included in the Presidents letter to the rate-payers. The motion was seconded by Director Howen. Further discussion with regard to the need to list these bid items in the newspaper ensued and Teresa Tanaka stated she would research the requirements.

Approved 3-1

Committee Reports

Finance Committee – Finance Chairperson, Jerry Zedlitz explained the need to move \$12,000 from the Maintenance and Repair Reserve to the General Fund to replace the money transferred last month from the General Fund for necessary repairs to bring the District into compliance. Director Zedlitz made the motion, Seconded by Director Reyner.

Approved 4-0

Tres Lagos Developer Fund discussion with regard to the new owner and the need for the District to refund the deposit to the previous owner. Director Zedlitz made the motion to Refund the Developer Deposit with interest. The motion was seconded by Director Howen,

Approved 4-0

Mokelumne Oaks Developer Fund discussion with regard to new ownership. Director Zedlitz made the motion to refund the deposit with interest. The motion was seconded by Director Howen.

Approved 4-0

Director Zedlitz discussed fund segregation and stated he would have a recommendation for the Board at the next meeting. He discussed the January financial results and the fact that we are starting to see benefits from the cost-cutting measures. Director Zedlitz will provide Financial Reports at the March Regular meeting. Director Reyner asked about money available for the various committees. Director Zedlitz stated it would be up to the Board to reflect money available.

Gate and Open-space Committee

Director Reyner had a prepared map of the culverts numbered and identified. There was a lengthy discussion about overgrown weeds and debris and standing water in the culverts. Director Reyner also discussed the need for signage at certain culverts and by the lake. In addition to the culverts the weeds surrounding the walking trails and growing in the cracks in the roads was discussed. Teresa Tanaka said she could investigate the availability of CCWD personnel and also check on the use of CDF workers for clean-up.

Roads and Utilities Committee

Director Howen asked for more information about the CDF crews and asked if CCWD had access to licensed weed-sprayers. Director Howen asked Teresa to find out the scope of work and CDF crews capability. Teresa said she would check with SDRMA, our insurance carrier, to ascertain the requirements for No Swimming signs. Director Howen also asked about sandbag availability to direct water to the storm drains. Director Howen gathered some information on the Canpora bills and stated he will start the investigation.

Correspondence

Ex-Director Bill Pugh sent an invoice to WCSD for a total of \$108.25, payable to WCP Consultants. This invoice is for “phone call software support” charged when the current Director in charge of the gate called with a question about gate operation. The General Manager was asked to send a W-9 to Mr. Pugh and also to confirm a Calaveras County Business License for WCP Consultants. This matter will come back to the Board for further discussion including a discussion regarding the Board Governance Guideline with regard to WCSD intellectual property.

Director’s Comments

President Bailey stated that in response to questions from the Board and the audience she has located the Rapid Link contract. She will contact the company for the status of the contract.

Director Zedlitz asked Teresa to check with Mr. Perley regarding his statement about problems with an antenna mounted on the water tank.

Director Howen asked about the ADA material that had been handed to the Board by Bill Pugh. David said that the building was an historical building and he would see about obtaining the certification.

Director Reyner complimented President Bailey on the job she was doing in the role of President of the Board. He added that he appreciates all the work she is doing. He referenced the gate repair invoice he had received on gate work that was done before this Board took office. He stated his opinion that the invoice was non-specific and his hope that in the future the Board would demand an itemized invoice. Director Reyner also spoke again about the District’s legal bills and his hope that the Board could find a way to get a handle on these costs.

Bills for payment

Checks numbered 4461-4479 in the amount of \$15,622.01 were presented for payment. Director Zedlitz moved payment of the checks and Director Reyner seconded the motion.

Approved 4-0

There was a discussion about specific bills that have been accruing late charges monthly. PG&E, AT&T and the Storage building bills are due and payable before the Regular meeting. Director Zedlitz moved that these bills be paid in a timely manner to avoid late fees and that the checks be signed by the President and Vice-President. The payment of these bills would be ratified at the following Board meeting. The motion was seconded by Director Reyner.

Approved 4-0

Approval of minutes

The minutes of 1/21/10 were approved as corrected. Motion made by Director Zedlitz and seconded by Director Reyner.

Approved 4-0

Approval of the minutes of 12-17-09 was deferred to the next meeting. The Directors were asked to send written corrections to the Acting Recording Secretary within the next 2 weeks. The minutes will be corrected and submitted for approval at the next Regular meeting.

ADJOURNED TO THE NEXT REGULAR MEETING ON THURSDAY, MARCH 18, 2010.

Respectfully submitted,
FINAL MINUTES

Jackie Neill, Acting Recording Secretary

Patsy Bailey, President, WCSD