

WALLACE COMMUNITY SERVICES DISTRICT

P.O. Box 398, Wallace, CA 95254 209 763-2882

REGULAR MEETING, Board of Directors

Minutes

Thursday, February 21, 2008

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

The meeting room was opened at 6:30 PM to allow members of the public to review last minute documents.

CALL TO ORDER AND ROLL CALL

President Charles Cantoni called the meeting to order at 7:00 PM. Present were Directors Charles Cantoni, Mark Fusselman, Rick Guantone, Floran Schneider and Bill Pugh. General Manager David Edwards was present and took roll and the minutes.

CONSENT AGENDA

Items were considered separately due to questions regarding the minutes and bills for payment.

1. APPROVAL OF MINUTES

Minutes of the Regular Meeting of the Board of Directors of January 10, 2008 were approved with the correction of one spelling error.

Motion: Cantoni *Second:* Schneider *Passed:* 5-0-0-0

2. APPROVAL OF BILLS FOR PAYMENT

The General Manager presented the bills for payment. After a few questions the bills were approved.

Motion: Pugh *Second:* Guantone *Passed:* 5-0-0-0

REGULAR AGENDA

3. PUBLIC COMMENT

A member of the public reminded the Board that a dam report is due every four years.

Mr. Larry Howen submitted a letter to the Board again requesting discussion of the need for a full time general manager. Mr. Cantoni responded by stating that there is clearly a communication gap between the board and Mr. Howen on this matter, and that further discussion should take place.

Ahmad Al Ruosan suggested that the crack sealing method used on Cormorant Court has resulted in a layer of fine gravel being left in the repair areas.

Jackie Neill requested follow-up on the January General Managers report with respect to the Water Treatment Plant. Mr. Cantoni agreed that once a problem is pointed out, follow-up is important.

4. GENERAL MANAGER'S REPORT

Mr. Edwards reported on a number of subjects, summarized as follows.

- An on-line UPS has been installed at the WTP. This now prevents the system from going into the backwash mode every time there is a power surge.
- By next meeting, the new valving and flush point installation at the WTP will have been completed.
- Installation of a new flow meter will be next.
- He commented that ENGEO has recommended operating wells 2 and 3 simultaneously, using Variable Frequency Drives (VFD) on both wells. He recommended that this be considered once well 3 testing is completed.
- Levels controls in the equalization tank at the WWTP failed and have been replaced.
- There are over 10 downed oak trees around WLE. Mr. Edwards sought advice from the board as to whether he should collect the trees to a common location so that residents can cut them up for personal use. The Board recommended leaving the trees for now in light of higher priorities.

Mr. Edwards requested Board approval to purchase a new flow meter for the WTP, the current meter is erratic in its operation and is expensive to have re-built. Mr. Cantoni explained to the board that he approved a conditional purchase of the meter in order to expedite the overall replacement task. By motion and second, the Board approved the purchase of the meter in the amount of \$ 1731.18.

Motion: Cantoni *Second:* Guantone *Passed:* 5-0-0-0

5. PRESIDENT'S REPORT

Mr. Cantoni presented his report to the Board.

- The financial results for January were reviewed. Losses of \$1,136 and \$1,084 for water and sewer respectively were offset partially by a gain of \$1,986 for roads, resulting in a loss for the month (pro forma basis) of \$233. Mr. Cantoni noted that the losses were caused in part by the fact that January was a three pay period month. On the same pro forma basis, the Total Budgeted Income for the year (cumulative) is now \$11,687. Working cash at the end of January is up to \$142,173 as compared to \$109,243 at the end of December with the receipt of assessment income from the County.
- Mr. Cantoni reported that he spoke to the SDRMA people who stated that our treasurer and all employees and officials are covered by our present insurance policy under a "Employee and Officials Fidelity Blanket Bond." This coverage meets the requirements of the CSD state law that requires the treasurer to be bonded.
- Mr. Cantoni reported that the Crestview Estates people are still pursuing development of that parcel, and are evaluating the concept of receiving Water and Wastewater services from WCSD.
- Mr. Cantoni reported on attendance at the January LAFCO and LAFCO Water Forum meetings.
- He reported that corrections to the County General Plan Update Baseline report had been forwarded to the County.
- He also commented on the new valve and flushing point work being done at the WTP.
- Finally, he reported that the tower lease contract had been signed and forwarded to Eric Shippman (Wireless Internet Provider) for signature.

CLOSED SESSION

6. CLOSED SESSION – POSSIBLE LEGAL ACTION AGAINST WCSD

A closed session was held pursuant to Government Code section 54956.9(b)(1); conference with legal counsel; anticipated litigation - significant exposure to litigation (one case); Board Counsel; Board action.

Report on Closed Session:

At the conclusion of the closed session, Mr. Cantoni reported that the Confidential, Subject to Attorney-Client Privilege document provided by District legal counsel had been reviewed and discussed. No action was taken.

OPEN SESSION

7. COMMUNITY PLANNING EFFORT (Continued)

This item, continued discussion, possible action on the topic of having the WCSD Board take a lead role in Community Planning efforts associated with the Calaveras County General Plan Update process, was continued to a future meeting.

8. DISCUSSION OF THE REQUEST FROM AHMAD AL-RUOSAN FOR A NEW “WILL-SERVE”.

The Board received a letter from Mr. Ahmad Al Ruosan dated January 30, 2008 requesting 32 connections for lot 24. Discussion ensued as to the appropriate form of will serve agreement that would govern the request. During the discussion, Mr. Al Ruosan stated that he was not requesting that the board undertake any legal or engineering expense at this time, but was re-iterating his request for service for 32 connections, in accordance with the Lot 24 zoning of R-3. The Board made note of the request.

9. COMMITTEE REPORTS

- a. **Finance** – Nothing to report.
- b. **Open Space** – Nothing to report.
- c. **Gates & Roads** – Mr. Pugh reported that several residents have suggested that the District establish a parking area for vehicles, boats, etc. The matter was discussed at length, including consideration of availability of land, insurance requirements, and other matters. The consensus of the Board was that the matter should be further studied.
- d. **Ad hoc Fire Station** – Mr. Pugh gave a status report on discussions with Foothill Fire Prevention District board members regarding locating a fire station in Wallace. Discussions focused on a location near the back gate to WLE. It was suggested that the firehouse location should be studied in conjunction with overall community planning, which may include consideration of a community center.

10. CIP REVISION

Director Cantoni presented a discussion on revising the Capital Improvements Plan for the District in light of the current housing slow-down. He reported that he is currently working on a form of water “Master Plan” in light of the apparent deceleration of development of the Remainder Parcel. Mr. Cantoni presented two sections of the plan, one dealing with Worst-Case Demand Analysis and the other dealing with a revised, more detailed Water System Capital Improvement Program.

Worst Case Demand. The Worst Case Demand Analysis derives from concerns by some residents and DHS that WLE water usage is higher than engineers project because low-use homes were included in historical data analysis. The worst-case analysis presented therefore eliminated about 30% of the homes from the historical analysis, which has the effect of increasing Average Day Demand and Maximum Day Demand by about 30%. This results in a very conservative projection of needs.

Relying on the Engeo Aquifer study, the worst case analysis shows that the critical Maximum Day Demand can be met with the planned 5 wells operational, and the demand can be met with redundancy if a six well is drilled. (The Engeo report concluded that the Aquifer would support 400 EDU's with four wells operational, and concluded that the aquifer would support an additional two wells on the WCSD property, each producing 150 gpm).

Revised CIP. The revised CIP was discussed. The new approach examines all needs for repairs, maintenance and improvements that are needed as the District grows. This document, now in draft form, will serve as a roadmap for the future. Growth is examined in five stages, from "stabilizing" the current plant to adding additional storage, wells and treatment facilities.

A similar plan will need to be drawn up for the Wastewater Treatment Plant.

11. SEWER PLANT INPUT BUFFER TANK (Continued)

This item was continued to a future meeting.

12. CAMPORA LPG CONTRACT

A discussion was held on Propane (LPG) pricing, led by Director Guantone. He reported that he has had difficulty in ascertaining competitive pricing, but has comparative pricing for the Greenhorn Creek development, which is also serviced by Campora (the LPG pricing is similar to ours). Discussion centered on the idea of purchasing LPG for WLE in the summer months, to achieve a lower price, and then holding this price throughout the year. It was concluded that further discussions will need to be held with Campora.

13. BOARD OF DIRECTORS SELF EVALUATION (Continued)

This item, a review of results of evaluation of the board performance by board members, was continued to a future meeting.

14. DIRECTOR'S COMMENTS

None

15. AJOURNMENT TO REGULAR MEETING OF MARCH 13, 2008

Motion: Guantone *Second:* Pugh *Passed:* 5-0-0-0

Respectfully Submitted:

David Edwards, Secretary

Charles Cantoni, President