

WALLACE COMMUNITY SERVICES DISTRICT

P.O. BOX 398
Wallace, CA 95254

MINUTES

Regular Meeting of the Board of Directors

March 18, 2010

7:00 PM

Historic Wallace School House, 799 Ward Ave. Wallace

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

President Patsy Bailey called the meeting to order at 7:00 PM. Also present were Bill Perley and Teresa Tanaka.

NEW BUSINESS

Board Vacancy

Board President, Patsy Bailey, announced there were 4 people who had filled out the form showing interest in filling the Board Vacancy. Three of the applicants were in attendance and she asked them each to speak to the Board with some personal background and their reasons for wanting to be on the WCSD Board.

David Brooks stated he had been in Wallace since Christmas. He told the Board he had been part of British Special Forces and trained SWAT teams, Mr. Brooks stated his desire to serve in any capacity he could to keep Wallace the way it was.

Cathryn Jackson stated she had been in attendance at almost all Board meetings for the past seven years. She expressed interest in finance and planning and told the Board she was a member of LAFCO Municipal Service Review team. She expressed her belief that by returning to the Board at this time she would be able to make the kinds of contributions she had meant to make when she last served as a Board member.

Mike Jones told the Board he has lived in Wallace for the last 6 years. He has worked for a winery for 26 years and has 42 employees reporting to him and a \$5.4M budget. Mr. Jones told the Board he really liked the direction they were taking and stated he would like to help in any way he could.

Bernadette Melvin, the other applicant, was not in attendance.

Director Zedlitz asked the candidates what they thought were the current needs and or challenges of the District.

Mr. Brooks stated that wherever the District put him he would serve.

Ms Jackson stated the immediate need was to stabilize the drain on the finances, prioritize, and regain the public trust.

Mr. Jones stated he felt that education was a priority and that he was willing to take over the District web-site. He also stated that he had valuable resources with knowledge of asphalt and water treatment plants.

Director Zedlitz also asked the applicants if they had any, known conflict of interest. All applicants said, "No"

President Bailey then told the applicants that the District was very fortunate to have three interested, qualified applicants for the Board vacancy. She encouraged all applicants to continue to attend Board meetings and to serve on committees.

The applicants all agreed they would be willing to assist the District and Mr. Jones reported that he had recently been appointed to fill a vacancy on the Wallace Lake Architectural Committee.

President Bailey then asked the applicants to step out of the room. After they left there was a discussion about the procedure needed to fill the Board vacancy.

Director Reyner nominated Cathryn Jackson stating she has lived here for awhile and is familiar with Board issues.

Director Howen nominated Mr. Jones stating he knew Mr. Jones wanted to be active in the community and had management qualifications.

The Board voted by secret ballot and the ballots were counted by GM Bill Perley.

Cathryn Jackson was appointed to fill the vacancy and President Bailey welcomed her to the Board with a Director's binder and the draft minutes and agenda. Ms Jackson was then given the oath of office and joined the rest of the Board at the Director's table.

Presentation by David Wood

David Wood reported that he had installed the pumps in the monitoring wells and taken the required samples. Mr. Wood returned all the documents he had borrowed from the District and provided two digital copies of those documents. Mr. Wood provided three copies of the report sent to the State. He said he spent a lot of time recreating historic data because the previous consultant did not forward the information. Mr. Wood gave some background information about water levels and said the next report was due in mid-May. He also stated he was working with Ed Pattison on ground water monitoring and that it would be beneficial to have transducers installed in our producing wells to get a better picture of water availability.

WCSD General Manager (Teresa Tanaka)

1. The operators have a good handle on the District and its facilities. We are working well with the District's California Department of Public (CDPH) engineer, Mr. Dave Remick.

Water treated for the month of January was 544,100 gallons. Water treated for February was 479,100. Usage was down 12%.

2. The equipment for the sodium hypochlorite system has been installed. The only thing left is to install a receptacle and apply for the permit amendment, which requires a check for \$258.00. Once the amendment has been approved by CDPH, we can put the sodium hypochlorite online. We will then disassemble the gas chlorination system and return the empty and unused gas cylinders to the proper entity. Calaveras County Environmental Health has been notified of this work which may help the District avoid fines for being out of compliance.
3. We are having problems with the VFD at Well 2. The VFD has been tripping sporadically on both high and low feeds. Moorman Water Systems has been contacted. The VFD's may be under warranty and if that is the case CCWD wants Moorman to do the work.
4. Update on blending Well 2 and Well 3. CDPH has the report and, as of today, has not reviewed it. Mr. Remick said he would try to get to it before the end of the month.
5. Collicut (formerly Kohler) will be contacting us to come out and perform an inspection on the generators. The last time Collicut performed any inspection/maintenance on the generator was 2003. The generator at the water plant is set up to run every week but not under a load. The generator at the WWTP will start but will not run under a load. This generator also has a cracked radiator and the battery charger has been disconnected from it so new batteries had to be purchased. Also the District has no back-up generator at the well(s).
6. Pat Ashworth is working on getting CDF to clear brush and weeds. (Director Howen and Director Reyner will develop a scope of work document and President Bailey will do the necessary research on interaction with the CDF crews.)
7. The bookkeeper is still looking into the \$10,187.00 that has been on the books.
8. Teresa is researching the culvert signage and will contact SDRMA for the signage requirements.

After the Operations report by Teresa Tanaka, Bill Perley clarified other items CCWD was working on for the District. He advised the Board that an on-call contract with Collicut was more cost effective than a service contract as CCWD had employees to do regular maintenance on the generators.

Discussion/Action individual septic tank inspection.

Mr. Perley, in response to President Baileys report on rate-payers letters approving septic tank inspection/pumping reminded the Board that the contract with La Contenta for septage disposal was good "forever" and would save money for individual rate-payers. The mandatory septic tank inspection resolution was passed in January of 2009 but no action had been taken therefore Director Zedlitz made a motion for the Board President to work with CCWD to implement an inspection schedule effective April 1, 2010. The motion was seconded by Director Reyner.

Approved 5-0

Mr. Perley suggested screens for the septic tanks as a way to prevent solids from entering the sewer system and stated he would get cost estimates for the Board.

Discussion/Action Fusselman water connection.

General Manager, Bill Perley, reported on the Department of Health services requirement for chlorination of water pipes. He stated that CCWD and WCSD would be subject to civil and criminal penalties if the connection was done wrong.

Mr. Fusselman spoke to the Board stating that David Edwards and Reid Johnson were there when the pipe was cut and the pipe was completely full of water. Mr. Fusselman said he did not believe that the chlorination was necessary. When he was asked why the connection was not completed at that point he said he was at fault for that because his pipes were not in and connected at that time. Mr. Perley reiterated that the super chlorination was necessary and the work could begin next week. Director Howen made a motion to authorize CCWD to do what they need to do to get Fusselman his water connection and if there is any recourse we will follow through later. The motion was seconded by Director Jackson.

Approved 5-0

Closed Session (Brown Act 54956.9) Possible litigation

After the audience returned and the meeting reconvened, GM Bill Perley reported that he had been given direction by the Board.

Surplus WCSD equipment

President Bailey reported only one bid had been submitted for the surplus WCSD equipment. David Reyner bid \$20.00 on the camper shell. Director Zedlitz made a motion to accept the sole bidder at the minimum bid price of \$20.00 on the surplus camper shell. Director Howen seconded the motion.

Approved 4-0-1 Director Reyner abstained.

Director Howen asked audience member Mike Jones for help in listing the remaining surplus items on Craig's List and Mr. Jones agreed to help. The rack will be included with the truck and listed for sale.

Public Comment

Mike Jones once again advised the Board that he would volunteer his time and expertise to run a web-site for the District. The Board asked Mr. Jones to research the cost and make a presentation at a subsequent Board meeting.

Stan Holway's comment was in regard to Campora propane charges. He told the Board he was concerned about the Campora pricing and stated he felt the residents were paying about \$1.00 more per gallon than the going price. Director Howen gave Mr. Holway some of the history of the Campora contract that states they have the exclusive right to serve until such time as PG&E is available. Director Zedlitz stated the Board should not be advising people to get their own tanks and suggested research. Director Zedlitz asked that any significant information be brought to a subsequent meeting. Mr. Holway stated he would have his lawyer look at the contract.

Committee Reports

Open-space and Gates (David Reyner)

Director Reyner handed out a packet of information about ongoing open-space maintenance. He reported he was working on a community outreach program to teach residents about open-space habitat and hazards. Director Reyner expressed concern about weed abatement Teresa Tanaka and President Bailey will work on a comprehensive plan to clear weeds, brush, and debris.

Director Reyner also announced Mike Jones has been appointed to the Gate Committee and will now be operating the gates for the District.

Director Howen expressed concern about the weeds growing in the streets and curbs. CCWD can provide someone to spray the roads. Director Howen made a motion to have the streets sprayed as soon as possible. The motion was seconded by Director Jackson.

Approved 4-0-1 Director Reyner abstained

Director Reyner's plan will be implemented with the help of Teresa Tanaka.

Roads and Utilities (Larry Howen)

Director Howen stated that Campora is a "hot button" issue. He asked again for more input and said he would work on the issue. Director Zedlitz asked Director Howen to contact PG&E however Director Howen said there was no point in that past directors had done that research to no avail.

Director Howen also reminded the Board that rate increases should be on the agenda in April as a discussion item.

Finance Committee (Jerry Zedlitz)

1. Discussion/Action transfer of Repair & Maintenance Account funds to the WCSD General Reserve Account. Director Zedlitz recommended this action to better reflect the actual cost of each operation of the District.
2. Discussion/Action transfer of Developer Funds (a) John Reynen – Mokelumne Oaks (b) Lynn Smith – Foundation Homes.
3. Discussion/Action transfer of funds to Bank of the West for current obligations.

After discussion Director Jackson made a motion to approve items 1,2, and 3. The motion was seconded by Director Howen

Approved 5-0

4. Report by Finance Chairman. Financial reports for January 31, 2010 and February, 28, 2010.
Director Zedlitz provided, for the Board and the audience, copies of the WCSD Balance Sheet Summary, the WCSD Balance Sheet, the Profit & Loss by class (December 2009 January 2010, and February 2010) as well as the Profit & Loss by class for the Fiscal Year July 2009 through February 2010.
Director Zedlitz reported working with the bookkeeper to make the Balance sheet more descriptive. Mr. Zedlitz asked the Directors to study the Balance Sheet and make suggestions of changes to make it easier to understand.

5. Discussion/Action approval of letter to residents regarding collection of past-due water/sewer bills. After discussion Director Zedlitz made a motion to establish a procedure and direct the Board President to send letters in conformance with State law and Board policy regarding collection of past-due bills. The motion was amended to include unpaid amounts on tax roles. The motion was seconded by Director Reyner,
Approved 5-0
6. Establish a Bad Debt Reserve for utility customers. Director Zedlitz will work with the bookkeeper to establish this reserve.

Correspondence

1. CSDA Board opening.
2. Cal-Fire notification
3. Calaveras County notice of Tax-lien sale (not in WCSD sphere of influence)

Director's Comments

Director Howen and Director Zedlitz had no comments.

Director Reyner mentioned the fee for the storage shed and expressed a desire to find another solution to the storage problem. He also stated we need to curtail excess consultant fees for lawyers and engineers.

Director Jackson offered to assist in past due bill collection.

President Bailey reported she has a new water/sewer application from a new resident. She also reminded the Board this was the last complimentary meeting and starting in April we will be paying \$30.00 per meeting for rental of the Wallace Historic School House.

Bills for Payment

After discussion checks # 4480-4495 in the amount of \$18,979.62, plus a check in the amount of \$258.00 made out to CDPH for the permit amendment were approved for payment. Motion made by Director Howen and seconded by Director Reyner,
Approved 5-0

Approval of Minutes for the Regular meeting of February 18, 2010 and December 17, 2009

After discussion and correction the Minutes of December 17, 2009 were approved as corrected. Motion by Director Howen, seconded by Director Zedlitz

Approved 5-0

After discussion and correction the Minutes of February 18, 2010 were approved as corrected. Motion by Director Reyner, seconded by Director Jackson.

Approved 5-0

**ADJOURNED TO THE NEXT REGULAR MEETING ON THURSDAY, APRIL
15, 2010.**

Respectfully submitted,
FINAL MINUTES

Jackie Neill, Acting Recording Secretary

Patsy Bailey, President, WCSD