

WALLACE COMMUNITY SERVICES DISTRICT

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

REGULAR MEETING, Board of Directors

Minutes

Thursday, April 10, 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, Rick Guantone, Mark Fusselman and Bill Pugh. Director Schnieder was absent.

General Manager David Edwards was present and took roll and the minutes. Director Cantoni introduced guest Zerrall McDaniel, candidate for Supervisor for District 1, who gave a brief talk.

CONSENT AGENDA

1. APPROVAL OF MINUTES

The minutes of the Regular Meeting of March 13, 2008 were approved with two corrections.

Motion: Guantone

Second: Pugh

Passed: 4-0-0-1

The minutes of the Special meeting of March 26, 2008 were approved as written.

Motion: Guantone

Second: Fusselman

Passed: 4-0-0-1

2. APPROVAL OF BILLS FOR PAYMENT

After discussion and questions, check numbers 3917 through 3935 were approved for payment as recommended by the General Manager.

Motion: Pugh

Second: Fusselman

Passed: 4-0-0-1

REGULAR AGENDA

Board President Cantoni announced that there were two items to be added to the agenda for the meeting, being added at the last moment because of information received by the Board. The first was a verbal request from the Architectural committee regarding fire protection (relayed to the Board President on April 8, 2008.) The second was concerned with the District's need to approve the first phase of its SSMP, the requirement arising on April 10, 2008.

3. GENERAL MANAGER'S REPORT

GM Edwards reported on activities for March. They included completion of the installation of a new water flow meter for the Water Treatment Plant. The plant is now ready for final qualification testing of Well #3. He reported that power to the water tower had been installed, per the requirements of the contract with Communications/Advantage. As of this date, installation of the Wireless Internet station has not been started.

Mr. Edwards reported on completion of the installation of a storage facility at the WWTP. It is installed on a temporary basis, with monthly rent of \$89.00.

Mr. Edwards then reported on his completion of a flushing device that will be used to flush the water mains, starting the week of April 14, 2008. Finally, the GM discussed priorities for work in April.

4. FLUSHING PROGRAM

State regulations require the District to periodically flush the water mains to remove sediment. GM Edwards discussed a Technical Memorandum from West Yost & associates provided to the District by Reynen and Bardis. The Technical memorandum describes the computer modeling done on the WCSD water system, which calculates flows required to achieve flushing velocities of 250 feet per second, as required by California State standards.

5. PRESIDENT'S REPORT

Mr. Cantoni presented the monthly financial review. Bar charts were provided which showed the financial situation as of the end of March, 2008. In summary, revenues are running just slightly below budget. Expenses are also running slightly below budget, all resulting in a budgeted surplus of approximately \$9,800 year-to-date, on a pro forma basis. Working cash at the end of the month was \$107,618 vs. last month's \$122,511. The end of March working cash of \$107,618 compares to 2007 working cash at the same time period of \$119,365 (less the \$12,000 loan from the sewer reserves) or \$107,365.

Mr. Cantoni then discussed his report to the board. He pointed out that the District needs to finish its water emergency/disaster response plan, which should be completed by the next regular board meeting.

He reported that Lynn Smith of Tres Lagos stated in a phone call that legal details are being completed with respect to the Tres Lagos Development and Campora.

Mr. Cantoni gave a progress report on the WWTP Equalization/overflow tank design. The design task is on schedule. He also discussed financial factors and a possible scenario on how funding will eventually come from the collection of Connection fees on new homes within the District.

Director Cantoni next discussed the Sanitary System Overflow and Wastewater Discharge Requirements class which attended in Sacramento on April 10, 2008. The class provided clarification on state requirements in this area. An offshoot of the program was the conclusion that the District needs to have the first elements of a Sanitary Sewer Management Plan in place by May 2, 2008. This plan must be approved by the Board of Directors since there are cost and schedule implications.

The board agreed that Mr. Cantoni should schedule a Special Meeting of the Board at the end of April to approve the plan elements.

Mr. Cantoni then discussed the legal situation, and the criteria by which the District retains the services of legal counsel. Of concern was recent efforts put forth by counsel on the basis of a letter received from a third party, but without approval by the Board. A motion was made and approved requesting that the President send a letter of guidance to legal counsel, directing that they confirm with the Board President before commencing work on behalf of the board that may be triggered by third party correspondence or requests.

Motion: Fusselman

Second: Pugh

Passed: 4-0-0-1

Mr. Cantoni gave an update on LAFCO, and discussed that he would likely be giving LAFCO an update on the Wallace CSD, in light of the housing slow-down and delays in county approval of the Remainder Parcel development.

He Cantoni also indicated to the Board that it appeared to him that the leak in the dam has been greatly reduced, qualified by the fact that the lake level is still relatively low.

Finally, Mr. Cantoni outlined the time schedule in the coming months for approval of the annual Budget and the annual Capital Improvements Plan. Both documents need to be reviewed and approved in preliminary form by the board at the next Regular meeting, to then be presented at hearings at the June Board meeting.

6. COMMITTEE REPORTS

a. Finance

Committee chair Rick Guantone indicated that the committee has started work on the budget and capital improvement plan and that both documents would be presented for review at the next Regular meeting of the Board.

b. Open Space

No report as Director Schneider was absent from the meeting.

c. Gates & Roads

Director Pugh stated that paving companies are being contacted on recommendations for maintenance of the Wallace Lake Estates Streets.

d. Ad hoc Fire Station

Director Cantoni stated that had attended the Foothill Fire Board meeting on April 9, 2008 and that the Fire Chief recommended to their board that their "Firehouse for Wallace" committee move forward with more discussions with the WCSD.

7. COMMUNITY PLANNING – AD HOC COMMITTEE

Board members have previously indicated a willingness to lead a Wallace community planning effort. Director Cantoni reported that legal counsel is recommending that the Board appoint an ad hoc committee to lead this effort – that having the 5 board members meet outside of District meetings and such a related subject should only be done under Brown Act requirements.

After discussion, a motion was made and approved requiring the President to appoint such a committee, understanding that funding of planning activities will not come from the WCSD.

Motion: Pugh

Second: Fusselman

Passed: 4-0-0-1

Director Cantoni appointed the committee, to consist of Directors Cantoni and Pugh.

8. AUDITOR'S REPORT, FY 2007

Director Cantoni led a discussion of the Auditor's report for FY 2007, now completed. He commented on the District financial performance as documented in the report, comparing 2006 results to 2007 results. No action was taken.

9. STATE ADOPTION OF REVISED WATERWORKS STANDARDS

The State of California has adopted revised waterworks standards. A discussion on the staff's preliminary assessment of the impact on WCSD. It was noted that most significant changes included in the new standards were already in place at the WCSD as "good engineering practice."

**17. AJOURNMENT TO S SPECIAL MEETING, DATE TO BE DETERMINED, BUT PRIOR TO
MAY 1, 2008.**

The meeting was adjourned at 10:02 PM.

Motion: Guantone

Second: Pugh

Passed: 4-0-0-1

Respectfully Submitted:

David Edwards, Secretary

Charles Cantoni, President