

WALLACE COMMUNITY SERVICES DISTRICT

P.O. BOX 398
Wallace, CA 95254

MINUTES

Regular Meeting of the Board of Directors

April 15, 2010

7:00 PM

Historic Wallace School House, 799 Ward Ave. Wallace

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

President Patsy Bailey called the meeting to order at 7:00 PM. Also present were General Manager, Bill Perley and Teresa Tanaka, Deputy Director of Utilities.

New Business

Report, Field activities.

Deputy Director of Utilities, Teresa Tanaka presented the Field report (SEE ATTACHED).

Teresa will supply numbers of gallons treated at next month's meeting.

Teresa reported that blending of well 2 and 3 will be operational in May. She also discussed the upgrading of the potassium permanganate system and installation of emergency eye wash and showers to be installed at both plants to bring the District into compliance with State regulations. This will be completed this month.

General Manager's Report.

General Manager, Bill Perley quoted the Title 22 requirements for chlorination for the Fusselman water connection. This connection is now complete and billing began today (April 15, 2010).

Mr. Perley discussed the cost of a SCADA system to remotely monitor the water and sewer plant. Members of the Board questioned the cost effectiveness of the system. Mr. Perley stated that reliability was the benefit of the SCADA system. He will research a less expensive version for the District.

Director Howen asked for written Manager's report. Teresa will provide a copy of the attached report.

Public Comment.

Mr. Ahmad Al-Ruosan brought up Campora pricing and questioned the resolve of the Board to work on this issue for the residents. Director Howen, Chairman of the Roads and Utilities asked for customer bills and other related materials so he could begin his research.

Mr. Al Plessel discussed the past input on the Campora issue and expressed his concern that after four years the discussion seems to be going nowhere. He referred to the last meeting and the input from resident, Stan Holway and suggested the Board get further information from his investigation. President Bailey will get in touch with Mr. Holway.

Auditor

Director Zedlitz began the discussion by stating normal practice for an agency such as WCSD is every three years to seek proposals from the current Auditor and others. Mr. Zedlitz asked for Board authority to request proposals to cover June 30, 2010-June 30, 2012. Mr. Zedlitz will work on the specifications and with the help of Teresa Tanaka will have the audit proposals for the June Regular meeting.

Director Jackson made a motion to give Finance Committee Chairperson, Jerry Zedlitz, the authority to seek the audit proposals and present them to the Board. After discussion Director Zedlitz suggested a three year proposal for continuity. The motion was seconded by Director Howen.

Approved 5-0

Water/Sewer Rates

Director Howen supplied the Board with the construction cost index for the year. This index is tied to the allowable rate increase set by the previous Board. There was a discussion about the ability of the Board to raise the water/sewer rates 1.7%.

Director Howen suggested that the increase be put in place and stay enforcement to allow the Board flexibility if the rate increase is needed in the next few months.

Director Jackson stated she would not support a rate increase based on unstable income and inaccurate financial basis for projecting income and operating costs.

Director Reyner stated he did not believe it was a good time to raise rates.

Director Zedlitz explained that what the Board faced was approximately \$2800 in unrecoverable funds however, in terms of community communication he did not feel rates should be raised.

President Bailey stated that the slate of Directors ran a campaign to rein in expenses and she feels that the Board cannot raise rates.

This item will be agendized for the next meeting.

Report on the status of Delinquent accounts.

Director Jackson presented a prepared report to the Board on her efforts to collect past-due sewer/water accounts. She stated that according to the aging report 28 accounts were more than 90 days past due. She reported on the effort, in the last month to collect from these customers

and also provided the Board with sample letters notifying the customers of the delinquency, including the notice of intent to disconnect service.

Director Howen questioned the ability of the District to stop billing the monthly charge to disconnected customers. Director Jackson stated she believed that it was unethical to continue to bill unrecoverable charges to disconnected customers and also that it created false amounts in the accounts receivable that skewed the amount of income.

Director Jackson presented **Resolution 2010-01** for approval. This resolution allowed the District, as written in the Water Code, to file the amount of uncollected water/sewer charges with the County for collection with yearly tax assessment.

Director Zedlitz made a motion to adopt Resolution 2010-01 as prepared by Director Jackson. The motion was seconded by Director Reyner.

Approved 5-0

Committee Reports

Finance Director Zedlitz reported that the March 31st balance sheets will be available at the next Regular meeting. Some adjustments have been made to the Balance sheets and income statements. Capital works in progress dollars that were undocumented have been expensed.

The CCWD invoices are being shown in 3 categories (1) Contract operators (2) Compliance work (3) Fusselman water connection.

By the end of April the monthly Financials will be available and we will be able to see the actual costs of operating the plants. Director Zedlitz expressed his desire to have the water/sewer income totally support the plant operations and not use the assessment money which distorts income categories.

There was a discussion about tiered conservation rates applied to both the water and sewer charges.

Gates and Open-space Director Reyner reported that Mike Jones was now taking care of the gates. President Bailey stated she had discussed the operation and wear and tear on the gates with Mr. Jones. Mr. Jones believes that based on the age of the gates we need to minimize gate opening and closing. President Bailey stated that this course of action would also save money in phone bills and power bills.

Director Jackson made a motion to leave the gates open from 5AM to 9PM during daylight savings time. Director Howen asked to amend the motion to be all year round as resident's work schedules do not change. Director Jackson approved the amendment to the motion and Director Howen seconded the motion.

Approved 5-0

Director Reyner discussed community activities and asked about budgets for the committees.

Roads and Utilities Director Howen presented maps of the lake and open-space and also the street map with the District easements marked for weed abatement. The Directors and Teresa were given copies for discussion. President Bailey will attend the Cal-Fire training class to allow WCSD access to workers, who will work on weed abatement in the District's open-space area,

Director Howen also discussed a larger meeting place and the District's possible purchase of a portable building. Director Howen estimated the cost at \$10,000. There was a lot of input about safety, placement, lighting, and paving. Director Howen will research these issues.

Director's Comments

Director Reyner thanked the Board for being so efficient with special thanks to President Bailey. He added he would work with Director Zedlitz on a budget for his community activities,

Director Jackson stated she was pleased with the direction of the Board and also thanked President Bailey.

President Bailey reported that the surplus camper shell and truck had been sold and the paperwork and insurance notification was complete. President Bailey said she had been notified by Director Howen of possible safety issues regarding vegetation to close to the street. Director Reyner will send a letter to the resident.

President Bailey said she had received a letter addressed to WCSD President, Personal and Confidential. She said that in the spirit of open, honest and transparent governance she now faced a dilemma regarding the disclosure of the contents and author of the letter. Director Howen stated he had written the letter and after some discussion outlined for the rest of the Board his demands with regard to the closed session at last month's meeting. There was a long discussion that ended with Director Zedlitz proposing President Bailey contact GM Perley for clarification on the exact wording of advice given to Director Howen.

Bills for Payment

Director Zedlitz made a motion to approve of checks numbered 4496 through 4516 in the amount of \$15,028.79. Director Howen asked for a breakdown of the check to CCWD which was provided for him. Director Howen seconded the motion.

Approved 5-0

Approval of Minutes

After discussion and correction Director Reyner made a motion to approve the minutes as corrected. Director Jackson seconded the motion.

Approved 5-0

**ADJOURNED TO THE NEXT REGULAR MEETING ON THURSDAY, MAY 20,
2010.**

Respectfully submitted,
FINAL MINUTES

Jackie Neill, Acting Recording Secretary

Patsy Bailey, President, WCSD

1. Water treated for the month of March was 603,700 gallons Water treated for the month February was 479,100 gallons. Usage was up 21 percent from last month and up 11 percent from the same time last year. This is due to all the rains that we have had in March.
2. The sodium hypochlorite installation including electrical should be completed by the end of the month. The California Department of Health has received our amended permit and fees to switch from chlorine gas to sodium hypochlorite, so everything is a go and we can get rid of the gas chlorine cylinders. I will notify the County Environmental Health.
3. We are still having problems with the VFD at Well #2. The VFD has been tripping sporadically on both high and low feed. We have calls into Greg Moorman with Moorman Water Services. This could be a warranty issue.
4. Still no update on the blending of Well #2 and #3. CDPH has our report and is still in the process of being reviewed, they have stated that we should hear back from them by the end of the month.
5. Collicut (formerly Kohler) has come out and performed inspections on the generators. The maintenance person made these comments:
 - a. Wallace Fresh Water Generator: Inspected Unit, oil and oil filters have been changed (by CCWD) and also checked coolant. Tested ATS (Automatic Transfer Switch), load transferred – no problems to report.
 - b. Wallace Waste Water Generator: Recommend having radiator pulled and repaired, (seeping coolant), replace all hoses and coolant. Tested system using test switch on ATS.
6. Pat Ashworth working on getting CDF out to clear brush and weeds. As WCSD is considered volunteers/sponsors in the CDF program, it is mandatory that such individuals attend the yearly mandatory training and information update training program. It is being held Wednesday, April 21, 2010 at 10 a.m. until 1:00 p.m. at the Vallecito Conservation Camp in Angels Camp. The District will need to complete a security clearance (CII) and to review and sign an information sheet.
7. The emergency eye wash and shower is being installed at the Water Treatment Plant. I need to order an emergency eye wash and shower for the Waste Water Treatment Plant.

8. Working on a cost estimate to purchase a storage container.