

# WALLACE COMMUNITY SERVICES DISTRICT

P.O. Box 398, Wallace, CA 95254 209 763-2699

REGULAR MEETING, Board of Directors

## Minutes

Thursday, May 21, 2009

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

### CALL TO ORDER AND ROLL CALL

The meeting was called to order at 7:00 PM by Board President Mark Fusselman. Present were Directors Mark Fusselman, Bill Pugh, David Reyner and Chuck Cantoni. Director Guantone was absent. Also present was General Manager and Secretary/Treasurer David Edwards.

### REGULAR AGENDA

#### 1. APPROVAL OF MINUTES

The minutes of the Regular Meeting of April 23, 2009 were approved with minor corrections for spelling errors.

*Motion:* Reyner

*Second:* Cantoni

*Passed:* 4-0-0-1

The minutes of the Special Meeting of May 11, 2009 were approved as written.

*Motion:* Pugh

*Second:* Cantoni

*Passed:* 4-0-0-1

#### 2. APPROVAL OF BILLS FOR PAYMENT

After discussion, payment of bills by check numbers 4226 through 4249, in the total amount of \$23,536.07 was approved by the board.

*Motion:* Cantoni

*Second:* Reyner

*Passed:* 4-0-0-1

The board then approved a transfer of funds from the County General account to the Bank of the West account, in the amount of \$20,000 from the general fund and appropriate amounts from the developer account(s) and the Architectural committee.

*Motion:* Cantoni

*Second:* Pugh

*Passed:* 4-0-0-1

A member of the public inquired as to the nature of the "returned checks" listed in the ledger and asked for an explanation at the next meeting.

#### 3. PUBLIC COMMENTS

Ahmad Al Ruosan expressed concern over the letter of explanation received from the District regarding a clerical error in the developer account ledger of the March board meeting. Mr. Fusselman explained to Mr. Al Ruosan that it was a clerical error, that it had been corrected. Mr. Al Ruosan belabored the point, at which point Mr. Fusselman asked him to leave the meeting. Mr. Al Ruosan complied.

#### 4. GENERAL MANAGER'S REPORT

GM Edwards gave his Manager's report. He discussed the visit by the State Dam Inspector, the need to have service agreements for all customers, the California Rural Water Association meeting he attended and the need and estimated cost to pump sludge from the wastewater treatment plant soon.

Finally, Mr. Edwards and Mr. Cantoni discussed the need to extend the expenditure limit for document filing. The board has currently approved \$2,500 for this effort. A motion was made that the limit be increased by \$1,000 and that a 15 hour per week limit be placed on the hours worked by the filing person.

After discussion, the motion failed.

*Motion:* Cantoni

*Second:* Reyner

*Failed:* 2-2-0-1

## **5. PRESIDENT'S REPORT**

Report by M. Fusselman. Director Fusselman waived his report in favor of other agenda items.

## **6. COMMITTEE REPORTS**

### **Finance - C. Cantoni**

In the absence of Mr. Guantone, Mr. Cantoni gave the financial report for the period ending April 30, 2009. He reported that we continue to operate close to budget. As of the end of April, we show a net cash position of \$2,683. The performance in each segment varies – we are ahead in sewer, behind in water and ahead in roads & other. The working cash remains good at \$136,023, significantly ahead of last year. We are on track to place about \$30,000 in the Repair & Maintenance Reserve from the water and sewer segments and \$20,000 from the Roads & Other segment.

GM Edwards had suggested that the board should look at changing our Workman's Compensation Insurance coverage to SDRMA, our main insurance carrier. The discussion was postponed to a subsequent meeting.

### **Lake & Open Space – D. Reyner/C. Cantoni**

Nothing to report.

### **Ad Hoc Organizational Structure Committee - D. Reyner**

A final committee meeting will be held on June 4, 2009 and a report will be presented to the board at the June 18, 2009 meeting.

## **7. 2009 DISTRICT ELECTIONS**

Director Cantoni pointed out that District Elections will be held by mail on August 25, 2009. Three (3) directors will be elected for four-year terms, one (1) director for two years.

## **8. CSDA BYLAWS**

The CSDA has proposed some bylaw changes. GM Edwards explained the general nature of the changes – a summary was provided to board members in the board packet for this meeting. After discussion the board voted to approve the CSDA bylaw changes, and instructed GM Edwards to file the appropriate paperwork.

*Motion:* Cantoni

*Second:* Reyner

*Passed:* 4-0-0-1

## **9. PROPOSED BUDGET FOR FY 2010**

The proposed budget for FY 2010 was presented and discussed by Director Cantoni for the Finance Committee. He explained that a hearing on the budget will be held at the next regular board meeting, on June 18, 2009. After further discussion, the FY 2010 Preliminary Budget was approved.

*Motion:* Pugh

*Second:* Reyner

*Passed:* 4-0-0-1

## **10. PROPOSED CAPITAL IMPROVEMENTS PLAN FOR FY 2010**

The proposed Capital Improvements Plan (CIP) for FY 2010 was presented and discussed by Director Cantoni for the Finance Committee. He explained that a hearing on the plan will be held at the next regular board meeting, on June 18, 2009. He also explained that the budget and CIP have been made internally consistent. After further discussion, the FY 2010 Preliminary Capital Improvements Plan was

approved.

*Motion:* Reyner

*Second:* Pugh

*Passed:* 4-0-0-1

**11. SB 610 REQUIREMENTS FOR WATER AVAILABILITY DETERMINATION (Continued from March 19, 2009).**

Director Cantoni explained some of the SB 610 requirements with regard to showing that water is available for new developments. Previous discussions had included consideration that the law required districts to “prove” that there was a 20 year supply of water available before developments could be approved. Director Cantoni pointed out that for small districts, such as the WCSD, it is up to the city or county to prepare a water availability assessment. He pointed out that in the case of the Remainder Parcel Development, the County acted in accordance with the law, requiring engineering assessments as to the availability of water to support the development.

**12. STERLING BUILDERS – STATUS REPORT (Continued from April 23, 2009 Board Meeting).**

Mr. Cantoni reported on the Sterling Builders developer (4 lots on Wallace Lake Drive South). He reported that the engineering firm is proceeding to correct the as-built drawings, per the request of Engineer Ghio. He also reported that there has been further discussion with PG&E over their need to dig up the street to obtain electrical service. At issue is the justification for Sterling to provide \$12,000 to the district (already provided) for future street repair work. Also at issue is the need for Sterling to seal cracks in the pavement in the area of the development.

After further discussion, Mr. Cantoni suggested that the board should let the developer’s engineer complete the work. He stated that he would continue to work with Mr. Boyd to clarify the accounting record for past charges. The board took no further action.

**13. CORRESPONDENCE**

Mr. Cantoni noted that he had received notice that the Red Flags Rule regarding the identity theft program of the Federal Government had been delayed again, to August 1, 2009.

**14. DIRECTOR’S COMMENTS**

Mr. Pugh noted that the accusations regarding the clerical error in accounting for developer deposits, made by Mr. Al Ruosan, were, in his opinion, totally without merit.

**15. AJOURNMENT TO REGULAR MEETING OF JUNE 18, 2009**

Upon motion duly made and seconded, the meeting was adjourned at 10:20 PM.

*Motion:* Pugh

*Second:* Reyner

*Passed:* 4-0-0-1

Respectfully Submitted:

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David Edwards, Secretary

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Mark Fusselman, President