

WALLACE COMMUNITY SERVICES DISTRICT

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

REGULAR MEETING, Board of Directors

Minutes

Thursday, May 10, 2007

7:00 PM

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

CALL TO ORDER AND ROLL CALL

President Charles Cantoni called the meeting to order at 7:04 PM. Present were Directors: Charles Cantoni, Bill Pugh, Mark Fusselman, Rick Guantone and Floran Schneider. General Manager David Edwards was absent due to a personal emergency. Director Cantoni requested that Mr. Pugh take the minutes.

CONSENT AGENDA

1. **CONSENT ITEMS.** Director Cantoni opened the Consent Agenda discussion. There was a request to remove Bill Payments and the Minutes. There was a request by Mr. Larry Howen to expand the Public Comments section in future minutes. Director Cantoni agreed to provide additional information in the future. Motion was made to approve the Minutes of the meeting of April 12, 2007.

Moved: Guantone

Second: Fusselman

Passed: 5-0-0-0

2. **APPROVAL OF BILLS FOR PAYMENT**

After discussion, a motion was made to approve Bills for Payment, check numbers 3683 through 3704.

Moved: Pugh

Second: Guantone

Passed: 5-0-0-0

REGULAR AGENDA

3. **PUBLIC COMMENT**

Mr. Howen commented and had questions on the gas leak repair just completed near his home. Ms. Cathryn Jackson commented on the District office as depository for information available to the public as relates to public access to the facility.

4. **GENERAL MANAGER'S REPORT**

Director Cantoni gave the General Manager's report since Mr. Edwards was absent due to a personal emergency.

Mr. Edwards recently attended the California Rural Water Association Education and Exhibitor Expo at Lake Tahoe. His report included reference to two new regulatory requirements that are

coming up – regulations on Sanitary System Master Plan / Sanitary System Overflow and Disinfection byproducts reporting. This is adding to the administrative burden for the District. Mr. Edwards also reported on the state of the water and sewer plants, commenting that many of the components of the systems are near the end of their expected life span. In the past month, there were problems at both plants that required repair and replacement. Of particular concern was a timer failure at the water plant that caused excess water flow to the sewer plant. The problem was corrected by timer replacement, but illustrated a risk that must be studied. The failure potentially could have caused a sewer overflow.

Finally, Mr. Edwards reported that we are back in compliance with the BOD (biological oxygen demand) requirements at the WWTP, after completing needed repairs.

5. PRESIDENT'S REPORT

Director Cantoni gave the President's report.

- a) **Financial.** Mr. Cantoni summarized financial performance for April. Surpluses for the month were \$887 for Water, \$828 for Sewer and \$2,295 for Roads, creating an overall surplus of \$ 4,010 for the month, calculated on a pro forma basis. Year to date the overall surplus for the District on the same pro forma basis is \$16, 463 vs. a budgeted surplus for the fiscal year of \$14,565. Year to date, the Water system and Roads show surpluses of \$4,369 and \$21,265, respectively, while the Sewer system shows a deficit of \$9,318.
- b) **Sewer Plant Problems.** Mr. Cantoni commented on the repairs that have been made at the sewer plant, and explained that he authorized purchase in April of filter columns for the sand filter pumps, with costs totaling approximately \$1,000.
- c) **Water Plant Problems.** . Mr. Cantoni commented on the repairs that have been made at the water plant. The timer failure for the purge cycle reveals the vulnerability of the system design to forcing a sewer plant overflow in this failure mode. Steps need to be taken to mitigate this risk.
- d) **Gas Leak.** GM Edwards discovered a gas leak at Turnstone Court while reading the water meters. Campora was called in to fix the leak, which was found at the connection point to the gas main line. Costs to repair are estimated at \$4,000, the first \$500 of which is covered by Campora, the remainder the responsibility of the District.
- e) **Temporary Water Services.** A builder has raised the question as to when water service should shift from temporary to the basic monthly charge. The ordinances do not define this clearly. It was the sense of the Board that the Mr. Cantoni should proceed to draft changes to clarify the process.
- f) **Double Lot Taxation.** A resident has requested reduced property tax assessment based on one home on a double lot. Directors Guantone and Schneider will research the situation and recommend resolution.
- g) **Financial Planning.** Director Cantoni discussed the process to finalize financial planning for FY 2008.

6. COMMITTEE REPORTS

a) Finance

Chair Guantone deferred his report until the CIP and Budget for FY 2008 were discussed (Agenda items 10, 11 and 12).

b) Open Space

Chair Fusselman had nothing to report.

c) Gates & Roads

Chair Pugh reported that the audio wiring at the gate has been re-done, and the noise problem still exists. He will continue to work on the problem.

Director Cantoni suggested, in view of the difficulty in fixing the problem, which holds up changing gate hours, that the Board change the weekend gate open hours to allow better access for potential home buyers. A motion was made to keep the gate open on weekends from 10:00 am until 6:00 pm.

Moved: Pugh

Second: Fusselman

Passed: 5-0-0-0

d) Ad hoc LPG

Director Guantone reported on progress in revising the Campora contract. He listed a number of changes that the committee is suggesting in revising the contract. The changes included consideration of charging Campora for use of the LPG distribution system. He reported that Campora is open to this change, but would want to include the charge on customer billings. It was the consensus of the Board that the committee should continue the process, including evaluation of the fairness of Campora pricing.

7. DESIGN STUDY FOR SEWER PLANT ADDITION

Director Cantoni proposed that a design study for the sewer plant input buffer tank be initiated, per the District Engineer's recommendations, at a funding level of \$11,000. In light of the May 17, 2007 scheduled hearing for the Remainder Parcel at the County Planning Commission, it was concluded that action should be delayed pending the outcome of that hearing. It was further agreed that the Board should consider the costs of doing these improvements and repairs vs. the cost of building a new plant.

8. TRES LAGOS & CAMPORA PROPANE SITE ACCESS ROAD

Mr. Brian McGuire of Foundation Homes MSC presented a request to the Board to grant an easement for a new access road to the Campora tank site since the current access road runs through the proposed Tres Lagos development.

Mr. Cantoni reported that Mr. McGrew has advised that Government Code 61060 is broad enough for the District to grant such an easement. The Board will need to adopt a resolution approving an attached easement deed. A motion was made to approve the concept in principle, pending final details being made available to the Board.

Moved: Pugh

Second: Fusselman

Passed: 5-0-0-0

In public comment, Mrs. Margaret Haney suggested that Wallace Lake Estates should have a substantial sign installed at the corner of Highway 12 and South Camanche Parkway, as a way of establishing recognition of the community. The sign would be on Tres Lagos land. Upon further discussion, Mr. McGuire agreed to the sign concept. Mr. Murray Lind of Reynen & Bardis Communities stated that they have designed a sign for the rear gate, and they would contribute the design to the District.

A motion was to direct the President to draw up a resolution with attached Easement Deed for consideration for approval at a subsequent meeting of the Board.

Moved: Cantoni

Second: Schneider

Passed: 5-0-0-0

It was pointed out by members of the Architectural Committee that such an easement must be authorized by the District and the Architectural Committee. Mr. Cantoni apologized for the oversight and stated that the Architectural Committee will be included in the process.

9. REMAINDER PARCEL REVIEW

Mr. Cantoni pointed out that the Remainder Parcel hearing at the County Planning Commission is scheduled for May 17, 2007. Because he may be called upon to comment at that hearing, he reviewed the District position on the proposed development.

Salient points included; WCSD stands ready to serve the project with a signed will serve agreement, the developer has performed an aquifer study and there is sufficient capacity for 400 or more homes, WCSD believes they have addressed DHS concerns previously expressed, WCSD has submitted comments regarding the Initial Study, WCSD has a positive interest in the project since it will result in developer deeding the water treatment plant, wells and access roads, the remaining portion of the dam, and more open space to the District, and WCSD has a positive interest in the project in that it will more than double the number of customers, providing an improved revenue stream, as recommended by LAFCO..

The consensus of the Board was that the above points are valid and should be expressed to the Commission.

10. PROPOSED CAPITAL IMPROVEMENTS PLAN FOR FY 2008

Directors Guantone and Cantoni presented the proposed Capital improvements Plan for the District for FY 2008. The explained that the plan looks ahead 15 years to project capital improvements needs of the District, mainly for the water and sewer plants, but also for roads and other District needs. It was pointed out that in order to establish reasonable reserves, the plan requires that the water and sewer Capital Improvement Connection Fees (CICF) each be increased from the current \$3,000 to \$9,000.

A motion was made to approve the Proposed Capital Improvements Plan for FY 2008, for presentation for approval at a suitably notified Hearing on June 14, 2007.

Moved: Pugh

Second: Guantone

Passed: 5-0-0-0

11. PROPOSED ORDINANCE TO INCREASE WCSD FEES

Directors Cantoni and Guantone presented a proposed Ordinance to increase Capital Improvement Connection Fees to \$9,000.00 for water and \$9,000.00 for sewer. This proposal is made to bring the CICF fees up to the level as needed in the FY 2008 Capital Improvements Plan.

After extensive discussion a motion was made to approve the Proposed Ordinance 2007-07 amending the WCSD water and sewer codes to increase CICF fees to \$9,000.00 for water and \$9,000.00 for sewer, for presentation for approval at a suitably notified Hearing on June 14, 2007.

Moved: Cantoni

Second: Fusselman

Passed: 5-0-0-0

12. PROPOSED BUDGET FOR FY 2008

Directors Guantone and Cantoni presented to the Board a proposed Budget for the District for FY 2008. It was noted that the budget assumes that approximately twenty percent of Mr. Edwards's time will be spent on capital improvement projects in the coming year. It was also noted that budget includes setting aside from operating revenues \$30,000 as reserves for water and sewer repairs and maintenance.

After extensive discussion, a motion was made to approve the Proposed FY 2008 Budget, for presentation for approval at a suitably notified Hearing on June 14, 2007.

Moved: Pugh

Second: Fusselman

Passed: 5-0-0-0

13. FIRE PREVENTION GRASS CONTROL IN THE OPEN SPACE

A discussion was held regarding fire prevention, and the need for defensible space around homes. At issues was what should be done when a 100-foot defensible space goes into the District Open Space. It was observed that the District Ordinances do not provide guidance on the issue.

After lengthy discussion, it was concluded by the Board that the issue should be further studied, and in particular that CalFire should be contacted for advice on clearing defensible areas. Director Pugh volunteered to meet with CalFire.

14. FUTURE MEETING DATES

Upon motion made, the Board cancelled the Regular Meeting of the Board of Directors scheduled for July 12, 2007 and re-scheduled that meeting for July 19, 2007.

Moved: Pugh

Second: Fusselman

Passed: 5-0-0-0

15. CORRESPONDENCE

Most correspondence discussion was continued in view of the lateness of the hour. The Architectural committee request for help in enforcement of CC&R's on street parking was discussed and Director Pugh agreed to assist on this issue.

16. AJOURNMENT TO NEXT REGULAR MEETING ON THURSDAY, JUNE 14, 2007

The meeting was adjourned at 10:30 pm.

Respectfully Submitted:

Bill Pugh, Acting Secretary

Charles Cantoni, President