

WALLACE COMMUNITY SERVICES DISTRICT

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

REGULAR MEETING, Board of Directors

Minutes

Thursday, June 12, 2008

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

Last minute documents were available at the meeting room entrance at 6:30 PM to allow members of the public to review.

CALL TO ORDER AND ROLL CALL

President Charles Cantoni called the meeting to order at 7:05 PM. Present were Directors Charles Cantoni, Rick Guantone, Mark Fusselman, Floran Schneider and Bill Pugh.

Also present were General manager David Edwards, Legal Counsel Michael McGrew and his associate; Jennifer Alves.

CONSENT AGENDA

1. APPROVAL OF MINUTES

The minutes of the Regular Meeting of May 8, 2008 were approved with two corrections.

Motion: Pugh

Second: Guantone

Passed: 5-0-0-0

2. APPROVAL OF BILLS FOR PAYMENT

After discussion and questions, check numbers 3953 through 3983 were approved for payment as recommended by the General Manager. It was suggested that Engineering invoices be identified as to amounts for each category and that DAE payments be identified in the ledger.

Motion: Pugh

Second: Guantone

Passed: 5-0-0-0

REGULAR AGENDA

3. PUBLIC COMMENTS

Mrs. Bailey commented that public postings at the Post Office are often taken down. She would prefer that dissenting opinions be posted.

Mr. Al Ruosan noted that the Board has not reported any success with getting Campora to lower propane rates. He stated that if no action is forthcoming, he would launch an initiative petition.

4. GENERAL MANAGER'S REPORT

Mr. Edwards gave his report for May. He noted that he had received two reports of pink water, one a day or two after the fact (on a weekend). He urged residents to report water problems when they occur, so that he can take appropriate action. Taking a sample of the problem water in a clean mason jar would also help in tracking down problems.

Mr. Edwards reported that he had fixed the main gate problem (outgoing side staying open). The problem was traced to a corroded wiring connection.

After lengthy discussion, it was concluded that the drafts should be updated to allow funds to be deposited at the County or at other institutions of the District's choosing. Further work also should be done setting an appropriate threshold for capitalizing purchases and providing better definition of the Special Assessment and the required approval process under Proposition 218. The discussion for policies 7020 through 7050 was continued to the next regular meeting.

Policy 7010, Emergency Reserve, was approved by the board.

Motion: Pugh

Second: Guantone

Passed: 5-0-0-0

8. PUBLIC HEARING, ADOPTION OF A BUDGET FOR FISCAL YEAR 2009

The Hearing was opened regarding approval of the Budget for FY 2009. Mr. Cantoni announced that hearing notices had been posted as required. The budget was reviewed. Comments from the public included the following.

- Cathryn Jackson queried as to what policies were behind the budget.
- Jackie Neill commented that legal cost estimates may be low, and that total wages are deceptive in that they are spread over the operational budget and capital improvements.

After further discussion, a motion was made to approve Resolution 2008-02, Adoption of Operating Budget and Fees for Fiscal Year July 1, 2008 through June 30, 2009. The Resolution was approved and is attached as Exhibit A.

Motion: Pugh

Second: Schneider

Passed: 5-0-0-0

9. PUBLIC HEARING, ADOPTION OF A CAPITAL IMPROVEMENTS PLAN FOR FY 2009

The Hearing was opened regarding the approval of the Capital Improvements Program for FY 2009. Mr. Cantoni provided an overview of the program. After discussion, a motion was made to approve Resolution 2008-04, Adoption of Capital Improvements Plan for Fiscal Year July 1, 2008 through June 30, 2009. The Resolution was approved and is attached as Exhibit B.

Motion: Pugh

Second: Schneider

Passed: 5-0-0-0

10. EMERGENCY DISASTER RESPONSE PLAN

Next Mr. Cantoni presented a draft of the proposed Emergency/Disaster Response Plan, a document the District is required to have and to keep current. After discussion and upon motion made and approved, the plan was adopted with the proviso that Appendix H be revised and updated, and that any temporary arrangements for emergency water sources and hauling be formalized.

Motion: Cantoni

Second: Fusselman

Passed: 5-0-0-0

11. INITIATIVE FOR CONSOLIDATED UTILITY RATE REDUCTION ORDINANCE

Mr. Cantoni reported that the Board had received a communication from the County Elections Department (letter dated May 15, 2008) stating the Consolidated Utility Rate Reduction Ordinance had qualified per the Signature Verification Certificate which has been received. Asked if the petition is valid, Legal counsel Michael McGrew reviewed the petition and ordinance for the Board and recommended that the Board neither adopt the Ordinance nor submit the ordinance to the voters, on the basis that the Ordinance is not valid. After further discussion, a motion was made to neither adopt the ordinance nor submit the ordinance to the voters, with the understanding that legal counsel will provide a written letter to the Board documenting the reasoning.

Public discussion ensued. Mr. Howen offered his opinion that if the Board did not adopt the ordinance, it would go to ballot. He offered the opinion that Neumiller & Beardslee are in a conflict position because they represents the board and past board members who are proponents. Mr. McGrew explained that there

is no conflict, because his firm represents only the Board, not individual members. Cathryn Jackson commented that County Counsel had passed on it. Mr. Al Ruosan offered the view that the approval of the Board in the community is nil. Mr. Howen asked that he be able to poll the Board. He request was denied under the Brown Act rules.

The question was put to the Board and the motion was approved.

Motion: Guantone

Second: Pugh

Passed: 5-0-0-0

12. POWER OUTAGE AND CONTINUATION.

In light of the fact that a complete power outage occurred at the meeting, the remainder of the agenda was continued to the next regular meeting, including:

- Water Shortage Contingency Plan
- Remainder Parcel Will Serve Agreement
- Correspondence
- Directors' Comments

13. AJOURNMENT TO REGULAR MEETING OF JULY 10, 2008.

The meeting was adjourned at 10:45 PM.

Motion: Pugh

Second: Guantone

Passed: 5-0-0-0

Respectfully Submitted:

David Edwards, Secretary

Charles Cantoni, President

EXHIBIT A

**WALLACE COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2008-02**

**ADOPTION OF OPERATING BUDGET AND FEES
FOR FISCAL YEAR JULY 1, 2008 THROUGH JUNE 30, 2009**

WHEREAS, the Board of Directors of WALLACE COMMUNITY SERVICES DISTRICT (“WCSD”) hereby finds and determines as follows:

1. During the Fiscal Year 2008-2009 the services provided by WCSD to the property owners located within Zone One of WCSD have and will include the provision and maintenance of streets, curb, gutter drains, street lighting, recreation area/open space and water and sewer services.
2. During the Fiscal Year 2008-2009, the services provided by WCSD to the Property owners located within Zone Two of WCSD have and will include the provision and maintenance of water and sewer services.
3. An operating budget (“Operating Budget”) for the provision of the above-referenced services (“Services”) has been prepared and presented to the Board of Directors of WCSD for approval.
4. The proposed Operating Budget is attached hereto as part of Exhibit: **WALLACE COMMUNITY SERVICES DISTRICT FY 2009 BUDGET** and incorporated herein by this reference.
5. The proposed Operating Budget reasonably and adequately reflects the anticipated and projected expenses of providing the Services within the boundaries of WCSD.
6. The proposed Budget reasonably reflects the actual and reasonably anticipated and projected income to be derived from monthly utility charges for water and sewer services and the monies collected from all property owners within Zone One of WCSD for Fiscal Year July 1, 2008 through June 30, 2009.
7. The distribution of income generated through WCSD special assessment on property owners shall be annually reviewed and proportionately allocated by percentage to Services with the most need as part of the Final Adopted Budget. Midyear recalibration is permitted by Board vote to cover unexpected expense. Fiscal Year 2009 will allocate 35% to water and sewer, and 65% to all other Expenses.

NOW THEREFORE, IT IS RESOLVED, that the District hereby adopts the Operating Budget attached hereto for Fiscal Year July 1, 2008, through June 30, 2009 with Revenues in the Total Amount of \$234,123, including the collection of the monies from property owners within Zone One of WCSD for Fiscal Year July 1, 2008, through June 30, 2009.

PASSED AND ADOPTED by the Board of Directors of the Wallace Community Services District, at their regular meeting thereof, held on June 12, 2008, by the following vote:

AYES: 5
NOES: 0
ABSTENTIONS: 0
ABSENT: 0

s / C. W. Cantoni
CHARLES CANTONI
President, Board of Directors

ATTEST:

s / D. E. Edwards
David Edwards, Secretary

EXHIBIT B

**WALLACE COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2008-04**

**ADOPTION OF CAPITAL IMPROVEMENTS PLAN
FOR FISCAL YEAR JULY 1, 2008 THROUGH JUNE 30, 2009**

WHEREAS, the Board of Directors of WALLACE COMMUNITY SERVICES DISTRICT (“WCSD”) hereby finds and determines as follows:

3. During the Fiscal Year 2008-2009 the services provided by WCSD to the property owners located within Zone One of WCSD have and will include the provision for making capital improvements and repairs to the Water and Sewer Plants; and
4. A Capital Improvements Plan (the “Plan”) for the provision of the above-referenced services has been prepared and presented to the Board of Directors of WCSD for approval; and
6. The proposed Capital Improvements Plan is attached hereto as part of Exhibit: **WALLACE COMMUNITY SERVICES DISTRICT CAPITAL IMPROVEMENTS PLAN** and incorporated herein by this reference; and
7. The Plan reasonably and adequately reflects the anticipated and projected expenses of providing capital improvements and major repairs within the boundaries of WCSD; and
8. The proposed Plan reasonably reflects the actual and reasonably anticipated and projected funding to be derived from Capital Improvement Connections Fees (CICF).

NOW THEREFORE, IT IS RESOLVED, that the District hereby adopts the Capital Improvements Plan attached hereto for Fiscal Year July 1, 2008, through June 30, 2009.

PASSED AND ADOPTED by the Board of Directors of the Wallace Community Services District, at their regular meeting thereof, held on June 12, 2008, by the following vote:

AYES:	5
NOES:	0
ABSTENTIONS:	0
ABSENT:	0

s / C. W. Cantoni
CHARLES CANTONI
President, Board of Directors

ATTEST:

s / D. E. Edwards
David Edwards, Secretary