

# Wallace Community Services District

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

Historic Wallace School House

7999 Ward Avenue, Wallace

Thursday, May 20, 2010

Minutes of the Regular Meeting of the Board of Directors

7:00 PM

## CALL TO ORDER AND ROLL CALL

President Patsy Bailey called the meeting to order at 7:00PM. Directors present were Patsy Bailey, Larry Howen, Cathryn Jackson, David Reyner, and Jerry Zedlitz

### 1. Report Field Activities

Teresa Tanaka, Deputy Director of Utilities supplied the Board with her written report. The report was discussed,

President Bailey reported on her conversation with Teresa Tanaka regarding the VFD at well 2. Teresa said the VFD was working properly and she was waiting for confirmation from Moorman Wells on their repair.

### 2. Report General Manager

General Manager, Bill Perley, reported he is working on a cost cutting measure with Foothill Sanitary to bring down the cost of the necessary septic tank inspections.

Mr. Perley reported he had been contacted by CCWWTAT to review the Water Element for the General Plan Update, however CCWD will not be participating.

Mr. Perley reported he will be contacting Foothill Sanitary for septic tank pumping at the water plant that is long overdue.

Mr. Perley also reported CCWD now has a new General Manager and stated he would like to bring her to Wallace to meet the WCSD Board.

Mr. Perley reported that the Fusselman connection is complete. The Board questioned the number of homes being served by the connection and whether the second home is paying the assessment charge. Mr. Perley will research this for the next meeting. The water meter installed last year on Mr. Fusselman's connection is not the correct meter and measures in gallons not cubic feet. This meter will be changed soon.

### 3. Public Comment

Mr. Sant with Foothill Fire said he and his wife attended the meeting to introduce themselves to the District. Director Howen asked about fire requirements for a meeting building for WCSD. There was a discussion about how to reach Foothill Fire for this information.

Mike Jones discussed the problems with the gate and talked about several steps he was taking to resolve the issue of the gate being open after hours. He said there are other fixes he was going to attempt. He also told the Board that changing the operating times for the gate is easy and if the Board wished to change the operating times he would be able to accommodate the request. Mr. Jones was asked about research he was asked to do on a

website for the District. He will bring this information to the next meeting as an agenda item

#### 4. Auditor RFP

Director Zedlitz led the discussion of the RFP he prepared. The RFP is for Fiscal Years, 2010-2012. Mr. Zedlitz told the Board that it is normal practice to send out proposals every three years. He stated that he had 5 or 6 firms may submit a proposal. The deadline for response is June 15, 2010 and Mr. Zedlitz will provide a recommendation at the next meeting.

Director Howen made a motion to approve the RFP as written. The motion was seconded by Director Reyner.

Approved 5-0

#### 5. Budget FY 2010-2011

By consensus the Board agreed to discuss this Budget item before the Water/Sewer Rate item.

Chairman of the Finance Committee, Jerry Zedlitz, led the discussion highlighting the savings reflected by the change in the operational period from January through March related to the contracting of CCWD. Mr. Zedlitz expressed his desire to have the water and sewer components of the budget stand on their own and save the Assessment money for Roads and Open-Space. The direction the District is now going indicates the water/sewer operations are near the breakeven point. Once the District is finished with the compliance and other extraordinary expense it may be reasonable to assume that the water and sewer operations will stand on their own but more data is needed.

Mr. Zedlitz went on to explain that the \$245,000 expenditure for the input buffer and equalization basin has severely limited the flexibility of the District. Although we are moving in the right direction, we need to look at rebuilding reserves independent of the Roads and Open-Space reserve.

There was a discussion about uncollectible customer receivables and establishing a bad debt reserve. Director Howen will assist in doing the County Assessment input data for unpaid water/sewer amounts additions to the county tax roles in an effort to collect unpaid customer receivables.

Director Howen made a motion to approve the draft 2011 Budget. The motion was seconded by Director Jackson.

Approved 5-0

Director Jackson will have the public notice published in the Calaveras Enterprise, and the hearing will be June 17, 2010 at the next Regular meeting of the WCSD Board of Directors.

#### 6. Water/Sewer Rates

The Board discussed District finances and the construction index (1.7%) that is already in place to raise the rates. Director Reyner stated he would not support an increase. Director Jackson stated she believes in conservation rates but she knows the District does not have the financial data necessary to take that step. Director Jackson stated she would not support a rate increase. Director Zedlitz expressed concern about the fairness of using assessment money to support water and sewer operations as some water/sewer customers do not pay the assessment. Director Zedlitz stated he did not

support automatic increases. Director Howen felt the other Directors were basing their statements on feelings not facts and stated that the District should approve the permissible FY2011 rate increase and suspend it indefinitely. Director Howen stated that the automatic rate increase matches the construction index that was in place and the District can raise the rates without customer notification. The rates should be raised as a place holder in the event the money is needed. President Bailey stated she felt there is a big difference between can and should. She stated that we need to educate the community on conservation and consumption, however she would not support a rate increase at this time.

Director Howen made a motion to increase the water/sewer rates to match the construction index and suspend implementation. The motion failed for lack of second.

Director Zedlitz made a motion to maintain the current water/sewer rates for Fiscal Year 2011. Director Jackson seconded the motion.

Approved 4-1

## 7 Clean-Up by Cal-Fire crews.

President Bailey reported the Cal-Fire crews came to Wallace Monday, Wednesday, and Thursday. She told the Board that most of the compliance work has been completed as the weeds at the wells, monitoring wells, sewer plant, office, and pump station had been removed. In addition at the direction of the Cal-Fire inspectors the trees that been trimmed up to the required 6 feet in those areas. President Bailey stated she will call to reschedule more days for weed removal in the recreation areas of the District.

President Bailey said the District needed a plan to finish the clean up removing the rest of the weeds and tree limbs. After discussion Director Jackson made a motion to contract the removal not to exceed \$1000. The most cost effective method will be researched by President Bailey.

Director Reyner seconded the motion.

Approved 5-0

## 8. Committee Reports

### A. Finance Committee (Jerry Zedlitz)

Director Zedlitz submitted a funds transfer the interest already paid to the Mokelumne Oakes Developer and the Tres Lagos Developer and for the interest earned on the previously transferred funds from the R&M account.

Director Howen made a motion to approve the funds transfer. Director Jackson seconded the motion.

Approved 5-0

Director Zedlitz stated he is working with Quickbooks reporting and the reports should be available monthly starting next month.

### B. Gates and Open Space (David Reyner)

Director Reyner expressed gratitude for Mike Jones work with the operations of the gate. There was a discussion about the postings on the gate as the gates are district property. The Board agreed that nothing should be left posted on the gates.

Director Reyner asked if the additional work expected to be done by the Cal-Fire crews would include the picnic area at the lake. President Bailey said the picnic area is part of the additional work to be requested. There was also a discussion about mosquito abatement in the Open-Space.

### C. Roads and Utilities (Larry Howen)

Director Howen stated he was in favor of building reserves so the District could do what is needed to repair the roads.

Regarding Utilities Director Howen stated he had nothing to report as no one had supplied him with the information he has requested. President Bailey reported on a discussion with Stan Holway. Mr. Holway is working on a spreadsheet of propane information which he has said will be ready for the June meeting.

D. Inter-Agency and Collections (Cathryn Jackson)

Director Jackson reported on delinquent accounts with some progress being made as the delinquent amount is down to \$8,379.75.

## 9. Letter of thanks to CCWD

The Board discussed President Bailey's suggestion of a Thank You letter to the CCWD Board of Directors for voting to allow WCSD to contract with them for plant operators and our General Manager. Director Howen made a motion to approve of a letter, to be written by President Bailey. The motion was seconded by Director Jackson.

Approved 5-0

## 10. Storage Bin

President Bailey supplied information forwarded by Teresa Tanaka regarding purchase of an 8 x 20 storage bin to replace the rented bin we now have. The purchase price is \$3800 plus delivery and tax. The District is now paying \$97.00 a month to rent a bin. Director Howen stated he is researching the construction of a metal building and said the District could purchase a 30 x 30 metal building constructed on the cement pad over the equalization basin. Director Howen said the difference in cost for the much larger building, that could supply storage as well as a meeting place made the choice obvious. After much discussion regarding the need for complete costs to bring electricity and plumbing, as well as heating and air conditioning to the building, plus the cost of parking and lighting, the Board asked Director Howen to bring the needed information to the next meeting.

## 11. Director's Comments

Director Jackson stated she hoped the Board could practice decorum, professionalism, and sensitivity in the way they address one another. Ms. Jackson also addressed the "bare bones" budget and the need for additional staff in the future.

President Bailey reported that she has surrendered the plates from the surplus WCSD truck to the DMV, therefore that item is completed. She stated that the District needed to think about ways to address the issue of mosquito abatement. President Bailey then provided the internet link to the required ethics course to the two Board members who have not taken the course. Director Howen stated he has taken the course and President Bailey asked him to provide the certificate for the District records. Director Reyner stated he would take the course before the next meeting.

## 12. Bills for Payment

Checks numbered 4517-4538 in the amount of \$17,523.29 were presented for payment. A check to be numbered 4538 in the amount of \$1015 payable to Aperio for the testing well report was added because it had been mistakenly submitted to CCWD instead of WCSD. The Board discussed a suggestion for a firm cutoff date for submitting

bills. Director Howen asked for more break down on the CCWD bill to separate regular plant operations from other tasks. Director Zedlitz made a motion to approve payment of checks. The motion was seconded by Director Howen.

Approved 5-0

### 13. Approval of Minutes

The Board discussed and corrected the minutes from the April 15, 2010 Regular meeting. Motion to approve as corrected was made by Director Howen and seconded by Director Jackson.

Approved 5-0

### 14. Correspondence

President Bailey discussed two inquiries from residents which she had responded to, answering their questions and inviting them to attend the WCSD Board meetings. Ms Bailey also stated she received an unsigned letter cautioning the Board about discussing delinquent accounts however she could not respond because the letter writer declined to identify him/herself.

### 15. Adjournment

To the next regular meeting, June 17, 2010.

Respectfully submitted,  
FINAL MINUTES

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Jackie Neill, Acting Recording Secretary

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Patsy Bailey, President, WCSD