

WALLACE COMMUNITY SERVICES DISTRICT

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

REGULAR MEETING, Board of Directors

Minutes

Thursday, August 20, 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 by Board President Mark Fussleman. Directors present were Mark Fusselman, Chuck Cantoni, Bill Pugh, Rick Guantone and David Reyner. Also present was General Manager and Secretary/Treasurer David Edwards.

REGULAR AGENDA

1. APPROVAL OF MINUTES

The minutes of the regular meeting on July 16, 2009 and the minutes for the special meeting on August 6, 2009 were approved as written.

Motion: B. Pugh

Second: R. Guantone

Passed: 5-0-0-0

2. APPROVAL OF BILLS FOR PAYMENT

The Board voted to approve payment on checks 4302-4329 for a total amount of \$35,541.02. The board also approved the transfer of funds to checking as follows, \$5,000.00 from the County general account, \$14,943.84 from the sewer capital account to pay the first installment on the equalization basin and \$720.00 from the architectural account for yard maintenance. The developer deposits were \$236.75 from Sterling Builders and \$100.00 from Reynen and Bardis for a total amount of \$21,027.59.

Motion: B.Pugh

Second: R. Guantone

Passed: 5-0-0-0

3. PUBLIC COMMENTS

Mr. Howen said that occasionally when he walks down at the lake in the evening he hears a humming noise coming from the large white box by well #3. He asked if that indicated that the pump was running. David Edwards said that the noise he heard was a cooling fan that kicked on when the temperature gets hot outside.

4. GENERAL MANAGER'S REPORT

David Edwards said this would be his last board meeting since he has taken a new position. The most recent project he spoke about is the pipeline from the well to the water plant, it goes through a deep saddle and Mr. Edwards said he is quite convinced that it is filled with sand. He said he is going to put in a clean out that will also be useful in the future as a truck filling station, where trucks can fill up with non chlorinated water. Mr. Edwards went on to say that in the last three years we've put in a bypass to the water treatment plant and basically finished the well #3 testing. The state has accepted what we've done, but we still have to file a final report. The next round of testing will be blended testing with both wells #2 and #3 running on VFD's. Mr.

Edwards also spoke about some of the other accomplishments that have happened over the last three years such as, rebuilding the air lines for the treatment system as well as rebuilding the potassium permanganate feed system and the backwash system.

He then went on to speak about some of the projects completed at the wastewater plant. The first thing he spoke about was installing the office with plumbing and electrical which is used by not only the WCSD employees, but also the residents and Architectural Committee, it also is used to house all our records. Mr. Edwards said that we've installed a fifty thousand gallon overflow tank with equalization capacity and an influent flow meter that is working quite well. Mr. Edwards concluded his report by saying he enjoyed his work here and the people he's gotten to know and he thanked everyone for his time spent here.

The next item opened for discussion was the possible re-connection of the water line to the Fussleman property. President Fussleman stated that originally he had a connection to well #3 through a four inch line, and that during some testing by an outside company the line was disconnected without permission. Director Fusselman expressed concern over interaction between his well and WCSD Well 3, stating that historically, he has had problems when Well 3 is running at full capacity. He is therefore requesting that he be allowed to connect to the District water system, most likely for treated water. Mr. Cantoni suggested that Mr. Guantone, as Vice President, research the matter to avoid any conflict of interest. The Board agreed.

5. PRESIDENT'S REPORT

President Fussleman said that he was elated on the interaction between the board and the public and he feels very encouraged by the thought process and the amount of time spent by all.

6. COMMITTEE REPORTS

- a. Finance** - Director Cantoni provided a brief overview of financial results for July 2009. Overall, expenses ran higher than planned due to needed repairs to Well 3 of \$19,120. These repairs were funded by the R&M Reserve. Working cash is at \$124,686, slightly ahead of last year. The water reserve is now down to \$9,312, and the sewer reserve is at \$151,290.

Mr. Cantoni stated that there has been a lot of discussion about how to keep the expenses below the revenues. He said there are two factors that affect this. The one that always kills us is depreciation - if you take depreciation out our expenses will usually be below revenues. He also noted that with the new repair and maintenance reserve we've set up, when we have a problem like well #3 failing and we have to spend \$18,000 in repairs, these costs show up as expenses, even though they are funded by the reserve. This then can cause expenses to exceed revenues. That is why in the budget we have a quarter of a million in revenue and \$300,00+ worth of expenses figured in. Mr. Cantoni said that any time you spend money out of the repair and maintenance reserve it must be booked as expense.

- b. Lake & Open Space** – D. Reyner said he would like to present a video at the next meeting and do some more research on the lake weed problems.

7. REPORT BY THE SEARCH COMMITTEE AND ACTION TO FILL THE VOID LEFT BY THE DEPARTING GM.

Discussion was opened up on the possible action on the hiring of a replacement to fill the void left by the departing GM David Edwards. The board received a presentation from candidate

Reid Johnson, who was not able to submit his proposal at the meeting on August 17th. Mr. Johnson was given 30 minutes to present his proposal and answer questions from the board. The board then went into a lengthy discussion about the pros and cons of all five candidates using the matrix provided by Mr. Cantoni and Mr. Guantone as a means of equal comparison. After the board completed their discussion President Fussleman opened it up for public comment. Mr. Howen put together his own comparison of the candidates and talked about his view on the strengths and weaknesses of each party. Jackie Neill said that due to the election taking place, there may be a new board in place with different ideas about the hours needed to do the jobs in question. She asked that the board take the flexibility of hours into consideration in the hiring process. After the public comments the board took the time to voice their individual comments and concerns. The board then voted to hire Mr. Reid Johnson, through his company JOL Enterprises, LLC, as acting General Manager and Facilities/Operations Manager and to hire Mr. Johnson as General Manager and Facilities/Operations Manager contingent on satisfactory reference checks and negotiation of a contract that is agreeable with the board.

Motion: D. Reyner

Second: B. Pugh

Passed: 5-0-0-0

8. ANNUAL SERVICE PLAN

Discussion and possible action on adoption of the FY 2010 Annual Service Plan. To be continued at the next meeting.

9. PROPOSED WCSO POLICY 7060, ACCOUNTING PROCEDURES (Continued from the July 16, 2009 meeting).

Discussion and possible adoption of proposed WCSO Policy 7060, Accounting Procedures. To be continued at the next meeting.

10. TRES LAGOS DEVELOPMENT

Mr. Cantoni said that the Tres Lagos will-serve agreement is due to expire in December. He also said that they had called and expressed an interest in extending that agreement. Mr. Cantoni told them they needed to send a letter confirming their interest in writing, to date no letter has been received.

11. CSDA ELECTION OF DIRECTORS

David Edwards handed out the CSDA Committee and Volunteer Interest Form and said the forms can be turned into him when completed. The California Special Districts Association is holding an election to fill vacancies on its board. The WCSO board chose Ginger Root as the candidate they would vote for.

Motion: C. Cantoni

Second: R. Guantone

Passed: 5-0-0-0

12. GROUND WATER MONITORING

This item was continued to the next meeting. David Woods will attend the next meeting and present a proposal to conduct ground water monitoring for the WCSO.

13. RECOGNITION OF SERVICE BY GENERAL MANAGER DAVID EDWARDS

The Board of Directors recognized Mr. Edwards service for the last three years with a plaque presented by Mr. Cantoni. Board member Bill Pugh also presented Mr. Edwards personally with an original wood block print from Japan.

14. CORRESPONDENCE

No correspondence was discussed.

15. DIRECTOR'S COMMENTS

There were no Director comments.

16. AJOURNMENT TO REGULAR MEETING OF SEPTEMBER 17, 2009

Upon motion duly made and seconded, the board voted to adjourn the meeting.

Motion: W. Pugh

Second: R. Guantone

Passed: 5-0-0-0

Respectfully Submitted,

T. Jones, Admin. Assistant

Mark Fussleman, President