

WALLACE COMMUNITY SERVICES DISTRICT

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

REGULAR MEETING, Board of Directors

Minutes

Thursday, September 17, 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 Acting General Manager Reid Johnson.

REGULAR AGENDA

1. APPROVAL OF MINUTES

The board voted to approve the minutes of the Special Meeting of August 17, 2009. The board also voted to approve the minutes of the Regular Meeting of August 20, 2009 with some changes made to the wording in item #7.

Motion: M. Fussleman

Second: C. Cantoni

Passed: 5-0-0-0

2. APPROVAL OF BILLS FOR PAYMENT

The Board voted to approve payment on checks 4330-4349 for a total amount of \$28,571.38. The board also approved the transfer of funds to checking as follows \$8,000.00 from the General account, \$8,370.00 from the Water Capital account and \$120.00 from the Architectural account for a total of \$16,490.00

Motion: C. Cantoni

Second: B. Pugh

Passed: 5-0-0-0

3. PUBLIC COMMENTS

Catherine Jackson expressed her concern about not putting a sand separator on well #3 due to the problems in the past with that well drawing sand. Mark Fussleman stated that because we were going to be running both well #2 and well #3 at the same time the draw would be decreased and there would be less of an issue with sand and debris. Mr. Cantoni said that after the video and scrubbing of the casing on well #3 was completed, it was determined that there are some slots in the casing that are corroded enough for gravel to get through. He also said the biggest concern is to not allow sand and debris to get into the pump and motor, because once that happens the damage is done. With the contractor Moorman's recommendation it was decided to install a shield over the pump and motor on well #3.

Jackie Neill stated that a hose was left connected to the fire hydrant outside the gates by someone purchasing water from us, with nobody around to monitor it.

4. GROUND WATER MONITORING

Chuck Cantoni took a moment to give some background and introduce David Woods of Aperio Inc. Mr.

Woods then presented his proposal for ground water monitoring. He said that his costs were fairly comparable to BSK, but that one of the benefits to using him is that he is very familiar with Calaveras County. He suggested in his presentation that we should install two permanent sampling pumps, one on each well. The cost of installation for the sampling pumps would be approximately \$ 1,400.00. This would cut down the possibility of cross contamination that could occur by using a single sampling system, as is now done. David's bid is \$11,000.00 for a year of sampling and reporting, not to include the permanent pumps.

5. PUBLIC EMPLOYEE APPOINTMENT: GENERAL MANAGER (Government Code Section 94957(b)(1))

Mr. McGrew advised that we hold this discussion in closed session. It was decided that all discussions would be held on open session.

6. GENERAL MANAGER, FACILITIES & OPERATIONS MANAGER POSITION

Mr. Cantoni stated that in a prior discussion the Board expressed a preference that they would like to hire the new GM on a contract basis instead of as a direct hire. Through a meeting that Chuck Cantoni and Reid Johnson had with SDMRA, our insurance carrier, it was brought to light that if we contract his LLC, JOL Enterprises, for all services, he would have to provide his own liability insurance. He also would be in control of all other employees hired and all decisions made.

Another option would be to hire Mr. Johnson under a personal services contract which would allow the board control over all decision making and our SDMRA insurance would cover him.

Mr. Cantoni said that if the district wants Mr. Johnson's company to take over all personnel operations for the district he has to provide his own liability insurance. He also went on to say that Mr. Johnson is looking into insurance to cover that, and the costs would be reflected in what he charges the district. Mark Fussleman asked Reid if he had time to determine how many hours per week he feels it will take to do the job. Mr. Johnson replied that he hasn't had enough time to really determine that.

After much discussion it was decided that Mr. Reid would be hired for his personal services, contracting with JOL Enterprises, LLC for his services.

Mr. Cantoni brought up the question of who is responsible to pay if Mr. Johnson goes on vacation or is ill. He also suggested that any temporary personnel used in lieu of Mr. Johnson need to be covered by the District's insurance. After discussion it was determined that Mr. Johnson would be responsible to cover any temporary employees or substitute costs. The temporary costs will be paid by the District and offset from JOL Enterprises monthly billing. The board voted to approve a contract agreement with Reid Johnson for \$5,500.00 per month with defined duties, payable to JOL Enterprises. The board also approved appointing Reid Johnson as Secretary/Treasurer.

Motion: C. Cantoni

Second: D.Reyner

Passed: 5-0-0-0

7. GENERAL MANAGER'S REPORT

Mr. Johnson started out by thanking everyone for the opportunity to work for the district. Due to some recent complaints on the lack of water pressure that occurs when hydrants are opened to load water trucks, Mr. Johnson said he come out and check residences to make sure the system is operating properly.

Mr. Johnson said that Aqua Video inspected both water tanks at the beginning of September. He also stated that the water tanks are on a three year inspection cycle. Aqua Video suggested that the ground water tank be re-coated in ten years, Mr. Johnson expressed his personal opinion that he would like to see it done sooner than that, but that overall our water tanks are sound.

Mr. Johnson reported that the VFD's and magnetic flow meters were installed on wells 2 and 3 and a 50/50 blend test was done for three days. All this was done in coordination with the CaDPH and a report is being completed to send to them.

Mr. Johnson suggested that this is the time of year to have the cracks in the roads sealed. He said he would get proposals, to be discussed at the next meeting.

Mr. Cantoni pointed out that the projected cost of the VFD's was \$18,000.00 and the completed cost came in at a little over \$16,000.00.

8. PRESIDENT'S REPORT

Mark Fussleman started by saying he already welcomed the new candidates for the board. He also said that hopefully there is someone in the new group that would like to be President. He thinks it would be beneficial to the district to have someone that doesn't work long hours and has more availability.

9. COMMITTEE REPORTS

a. Finance - R. Guantone/C. Cantoni

Review of finances for the period ending August 31, 2009.

Chuck Cantoni stated that we took a real hit to the profitability picture when we had to repair well # 3. We spent reserve funds, so the cash was there, but it is an expense. Mr. Cantoni explained that when you look at the profit and loss, we projected at this point to be at a certain spot. We are roughly \$18,000.00 worse off because we spent the repair money. Mr. Cantoni also stated the reason we have the reserve fund is to cover things like this that occur. We were able to get the well repaired and it doesn't affect any of our operational cash.

Mr. Cantoni said that otherwise the revenues and expenses are basically running pretty close to budget. From the water viewpoint we are \$147.00 ahead, so we are about break even and on plan. The sewer area has a net cash position of -\$1,800.00 due to the fact that we expected part of David Edwards time would be spent working on the capitol items in the sewer plant associated with the trickling filters.

Mr. Cantoni reported that we are under-spending in the Roads & Other area; we are about \$3,300.00 to the good because we haven't done any recent spraying or work around the lake.

District Revenues to date are running slightly above plan, expenses are high because of the repair on well #3 and our net cash position is about \$1,600 positive. Cash balances are in good shape, our working cash balance is \$112,000.00 and we are ahead of last year by about \$7,000.00.

The water reserve had a balance of \$9,300.00 but we just spent \$16,000.00 on the VFD's which brings the balance to zero and we will need to borrow \$8,000.00 from the general fund. The sewer reserve stands at about \$137,000.00

b. Lake & Open Space – D. Reyner

David Reyner said he is going to put together a short presentation. He also said the culverts and the weeds need to be taken care of and that we have a poison oak problem on the back side of the lake that needs to be addressed.

c. Gates & Roads - W. Pugh

Bill Pugh said he had upgraded the gates to the latest software . He also said he will get together with Reid to turn over the responsibility for the gates to him.

d. Special Report on Fusselman Service Request – R. Guantone

Rick Guantone was given the task of researching the history on the Fussleman property in regards to the original infrastructure and connection to the district. He said the property was originally owned by Jimmy Winchell who initially put in the entire infrastructure for the subdivision and with that had a connection to the district for well water to his property. That connection continued with the property when Mark Fussleman purchased it. The connection was removed when Reynen & Bardis installed a new pump and flow meter. The connection was originally for raw water and it was also un-metered. Mark Fussleman has requested that he be connected back to the district for treated water. After a lengthy discussion, it was decided that Reid Johnson will get together with Mr. Fussleman to determine the best way to implement the connection for treated water. The cost will be discussed based on those findings.

10. ANNUAL SERVICES PLAN (Continued from the August 20, 2009 Meeting)

The board will hold a special meeting on September 22, 2009 for the discussion and possible action on adoption of the FY 2010 Annual Services Plan,

11. PROPOSED WCSD POLICY 7060, ACCOUNTING PROCEDURES (Continued from the August 20, 2009 meeting).

The board will hold a special meeting on September 22, 2009 for the discussion and possible adoption of proposed WCSD Policy 7060, Accounting Procedures.

12. SEWER PLANT BUILDING MODIFICATION

Reid Johnson suggested that he meet with Gary Ghio to discuss this issue and report back at the next regular meeting.

13. BUDGET REVISION, FY 2010 OPERATING BUDGET

The board will hold a special meeting on September 22, 2009 for the discussion and possible action on a modified operating budget for FY 2010.

14. CERTIFICATION OF ELECTION RESULTS

The district adopted Resolution 2009-10 accepting the candidates of the all mail district election. Shown as exhibit A. The new board members will be sworn in on December 4, 2009 at a Special Meeting of the Board, 7:00 PM.

Motion: R. Guantone

Second: B. Pugh

Passed: 5-0-0-0

15. WILL-SERVE APPLICATION FOR NEW OWNER – MOKELUMNE OAKS PROJECT.

Mr. Cantoni said he spoke to Mr. Andrew Kampe the new owner of Mokelumne Oaks, and that Mr. Kampe is interested in a reinstatement and extension of Mokelumne Oaks Will Serve Agreement. Mr. Cantoni suggested that the process would start with a letter of agreement with the District that would include a deposit to cover any legal or engineering cost the District incurs. Jackie Neill expressed her concern about making sure we do not guarantee anything, because the new board may not support annexation or a will serve agreement for Mokelumne Oaks. The status of the annexation of the land into the District was discussed. The subject was continued to the next Board meeting.

16. CORRESPONDENCE

Mr. Cantoni read a letter from the CSDA that stated that they are going to appoint a new person to the board to replace David Edwards. The CSDA must have a letter of intent from all interested parties by October 15, 2009.

17. DIRECTOR'S COMMENTS

There were no Director's comments.

18. AJOURNMENT TO THE SPECIAL MEETING OF SEPTEMBER 22, 2009

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

Motion: M. Fussleman

Second: D. Reyner

Passed: 5-0-0-0

Respectfully Submitted,

Tammy Jones, Admin. Assistant

Mark Fussleman, President

1 WALLACE COMMUNITY SERVICE DISTRICT

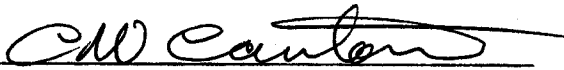
2
3 RESOLUTION RESOLUTION ACCEPTING THE CANVASS OF THE ALL-MAIL SPECIAL
NO. 2009-10 CONSOLIDATED DISTRICT ELECTION HELD ON AUGUST 25, 2009
4 PURSUANT TO DIVISION 15 CHAPTER 4 OF THE ELECTIONS CODE

5 WHEREAS, the election results for the All-Mail Special Consolidated
6 District Election, held on August 25, 2009, have been presented to the Board
7 of Wallace Community Service District by the County Clerk, following the
8 canvass of said election.

9 NOW, THEREFORE, BE IT RESOLVED, that the Board of the Wallace
10 Community Service District of the County of Calaveras hereby accepts the
11 canvass of the returns of the Special Consolidated District Election, held
12 on August 25, 2009, as delineated in Exhibits "A" and "B" and attached
13 hereto and made a part hereof, is hereby accepted;

14 ON A MOTION by Director Guantanamo, seconded by Director
15 Pugh, the foregoing Resolution was duly passed and adopted by
16 the Board of the Wallace Community Service District of the County of
17 Calaveras, State of California this 17th day of Sept. 2009, by the
18 following vote:

19 AYES: 5
20 NOES: 0
21 ABSENT: 0
22 ABSTAINED: 0

23 
24 Director

25 ATTEST:

Secretary

Resolution No. 2009-10

EXHIBIT A

STATEMENT OF VOTES CAST AT THE
ALL-MAIL SPECIAL CONSOLIDATED DISTRICT ELECTION
HELD AUGUST 25, 2009
THE TWENTY-FIFTH ASSEMBLY DISTRICT IN
CALAVERAS COUNTY
STATE OF CALIFORNIA

SUMMARY REPORT

CALAVERAS COUNTY, CALIFOR
SPECIAL DISTRICT ELECTION
AUGUST 25, 2009

OFFICIAL RESULTS

RUN DATE:08/28/09 03:40 PM

REPORT-EL45

PAGE 001

VOTES PERCENT

| | | |
|---------------------------|--------|--------|
| PRECINCTS COUNTED (OF 29) | 29 | 100.00 |
| REGISTERED VOTERS - TOTAL | 22,601 | |
| BALLOTS CAST - TOTAL | 7,227 | |
| VOTER TURNOUT - TOTAL | | 31.98 |

MIDDLE RIVER COMMUNITY SERVICE DISTRICT
Vote for No More Than 2
(WITH 2 OF 2 PRECINCTS COUNTED)

| | | |
|------------------------|----|-------|
| CHARMAINE GYORKOS | 22 | 39.29 |
| DAWN RENEE ZEHMS-YOUNG | 21 | 37.50 |
| CARLOS CLEO YOUNG | 11 | 19.64 |
| WRITE-IN | 2 | 3.57 |
| Total | 56 | |

SADDLE CREEK COMMUNITY SERVICE DISTRICT
Vote for No More Than 3
(WITH 2 OF 2 PRECINCTS COUNTED)

| | | |
|------------------|-----|-------|
| SUE RUSS | 109 | 29.14 |
| DARLENE DEBALDO | 89 | 23.80 |
| STEPHEN MARSDEN | 73 | 19.52 |
| EVA GRESS | 59 | 15.78 |
| PHYLLIS RICHARDS | 42 | 11.23 |
| WRITE-IN | 2 | .53 |
| Total | 374 | |

WALLACE COMMUNITY SERVICE DISTRICT 4 YEAR TERM
Vote for No More Than 3
(WITH 2 OF 2 PRECINCTS COUNTED)

| | | |
|-------------------|-----|-------|
| GERALD O. ZEDLITZ | 79 | 30.38 |
| PATSY L. BAILEY | 59 | 22.69 |
| LARRY HOWEN | 56 | 21.54 |
| WILLIAM PUGH | 32 | 12.31 |
| CHARLES CANTONI | 31 | 11.92 |
| WRITE-IN | 3 | 1.15 |
| Total | 260 | |

WALLACE COMMUNITY SERVICE DISTRICT 2 YEAR TERM
Vote for No More Than 1
(WITH 2 OF 2 PRECINCTS COUNTED)

| | | |
|------------------|----|-------|
| DAVID REYNER | 48 | 54.55 |
| RICHARD GUANTONE | 40 | 45.45 |
| WRITE-IN | 0 | |
| Total | 88 | |

FOOTHILL FIRE PROTECTION DISTRICT
Vote for No More Than 2
(WITH 11 OF 11 PRECINCTS COUNTED)

| | | |
|------------------|-------|-------|
| DAVID SANT | 546 | 32.79 |
| RONNY SPRADLIN | 445 | 26.73 |
| GARY WEST | 369 | 22.16 |
| ROBERT WAYNE FRY | 289 | 17.36 |
| WRITE-IN | 16 | .96 |
| Total | 1,665 | |

SUMMARY REPORT

CALAVERAS COUNTY, CALIFOR
SPECIAL DISTRICT ELECTION
AUGUST 25, 2009

OFFICIAL RESULTS

RUN DATE:08/28/09 03:40 PM

REPORT-EL45

PAGE 002

VOTES PERCENT

CALAVERAS PUBLIC UTILITY DISTRICT
Vote for No More Than 3
(WITH 5 OF 5 PRECINCTS COUNTED)

| | | |
|----------------------------|-------|-------|
| JOHN LAVARONI | 521 | 30.81 |
| DAVE ORTEGEL | 453 | 26.79 |
| CHARLES C. MOORE | 446 | 26.37 |
| BILL PERLEY | 259 | 15.32 |
| WRITE-IN | 12 | .71 |
| Total | 1,691 | |

UNION PUBLIC UTILITY DISTRICT
Vote for No More Than 3
(WITH 4 OF 4 PRECINCTS COUNTED)

| | | |
|-----------------------------|-------|-------|
| GREG RASMUSSEN | 522 | 29.05 |
| BILL AIROLA | 462 | 25.71 |
| WILLIAM J. RIEDEL | 414 | 23.04 |
| GORDON SADLER SR. | 380 | 21.15 |
| WRITE-IN | 19 | 1.06 |
| Total | 1,797 | |

CALAVERAS COUNTY WATER DISTRICT DIVISION 2
Vote for No More Than 1
(WITH 11 OF 11 PRECINCTS COUNTED)

| | | |
|------------------------------|-------|-------|
| ROBERT DEAN | 834 | 67.26 |
| JORGE A. CONTRERAS | 375 | 30.24 |
| WRITE-IN | 31 | 2.50 |
| Total | 1,240 | |

CALAVERAS COUNTY WATER DISTRICT DIVISION 3
Vote for No More Than 1
(WITH 7 OF 7 PRECINCTS COUNTED)

| | | |
|-----------------------|-------|-------|
| DON STUMP | 1,230 | 55.73 |
| DAN EMERSON | 943 | 42.73 |
| WRITE-IN | 34 | 1.54 |
| Total | 2,207 | |

CALAVERAS COUNTY WATER DISTRICT DIVISION 4
Vote for No More Than 1
(WITH 8 OF 8 PRECINCTS COUNTED)

| | | |
|-------------------------|-------|-------|
| DENNIS DOOLEY | 1,048 | 48.43 |
| EDWARD RICH | 645 | 29.81 |
| DIANE GRAY | 462 | 21.35 |
| WRITE-IN | 9 | .42 |
| Total | 2,164 | |

EXHIBIT B

As a result of the canvass of the Election held on August 25, 2009, the following candidates, having received a plurality of the votes cast for their respective county office, are declared elected for a term of two (2) years:

Wallace Community Service District – 1 seat
David Reyner

Middle River Community Service District – 2 seats
Charmaine Gyorkos
Dawn Renee Zehms-Young

As a result of the canvass of the Election held on August 25, 2009, the following candidates, having received a plurality of the votes cast for their respective county offices, are declared elected for a term of four (4) years:

Saddle Creek Community Service District – 3 seats
Sue Russ
Darlene DeBaldo
Stephen Marsden

Wallace Community Service District – 3 seats
Gerald O. Zedlitz
Patsy L. Bailey
Larry Howen

Foothill Fire Protection District – 2 seats
David Sant
Ronny Spradlin

Calaveras Public Utility District – 3 seats
John Lavaroni
Dave Ortegel
Charles C. Moore

Union Public District – 3 seats
Greg Rasmussen
Bill Airola
William J. Riedel

Calaveras County Water District, Division 2 – 1 seat
Robert Dean

Calaveras County Water District, Division 3 – 1 seat
Don Stump

Calaveras County Water District, Division 4 – 1 seat
Dennis Dooley

As a result of having no opposition and therefore it not being required to be on the ballot, the following persons are declared elected for a term of two (2) years:

West Point Fire Protection District – 1 seat
Carl Mills

Circle XX Community Service District – 2 seats
Marilyn Elwood
Elizabeth Vargas

As a result of having no opposition and therefore it not being required to be on the ballot, the following persons are declared elected for a term of four (4) years:

Appaloosa Road Community Service District – 3 seats
Nicholas Meyer
Constance Pitta

Circle XX Community Service District – 3 seats
Rick Hill

John Munn
Michael Fritz

Mountain Ranch Community Service District – 3 seats

John Holleman
M. Fred Hoover
Roark T. Weber

Three Cent Flat Community Service District – 2 seats

Pat McGreevy

Altaville-Melones Fire Protection District – 2 seats

Donald L. Peirano
Mike Fullaway

Ebbetts Pass Fire Protection District – 2 seats

J. Scott McKinney
Dan Leary

Mokelumne Hill Fire Protection District – 3 seats

Suzanne Coe

Murphys Fire Protection District – 3 seats

Robert Loeffler
Vicky Mills
Michael Schwartz

San Andreas Fire Protection District – 3 seats

Larry Buswell
William Wennhold
Kenneth "Ken" P. Snyder

West Point Fire Protection District – 3 seats

Albert Arieta
Greg Pryor
Stephen Schoenthaler

Valley Springs Public Utility District – 3 seats

Connie Gleason
Mary DeWitt
Rob Robertson

San Andreas Recreation & Park District – 3 seats

Nicki Stevens

Mokelumne Hill Sanitary District – 3 seats

Marcy Hosford

Murphys Sanitary District – 3 seats

Frederick W. Kett
Patricia Davies
Jesse Hampton

Angels Camp Veterans Memorial District – 3 (veteran) seats

Donald Fletcher
Tony Tyrrell
Dan Darby

Jenny Lind Veterans Memorial District – 3 (veteran) seats

Michael Wietrick
Gail Belmont
Hugo S. Scotto

San Andreas Veterans Memorial District – 2 (veteran) seats

Larry Ruthrauff
Marshall Moffitt