

WALLACE COMMUNITY SERVICES DISTRICT

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

REGULAR MEETING, Board of Directors

Minutes

Thursday, October 11, 2007

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

The meeting room was opened at 6:36 PM to allow members of the public to review last minute documents.

CALL TO ORDER AND ROLL CALL

President Charles Cantoni called the meeting to order at 7:00 PM. Present were Directors Mark Fusselman and Floran Schneider. Absent were Directors Rick Guantone and William Pugh. General Manager David Edwards was present and took the minutes.

CONSENT AGENDA.

1. APPROVAL OF MINUTES

Approval of the minutes of the Regular Meeting of September 13, 2007. After some discussion the minutes were approved as written.

Motion: Schneider *Second:* Fusselman *Passed:* 3-0-0-2

Approval of the minutes of the Special Meeting of Aug, 28 2007. The minutes were approved as written.

Motion: Fusselman *Second:* Schneider *Passed:* 3-0-0-2

2. APPROVAL OF BILLS FOR PAYMENT

After discussion and clarification of a few items, bills were approved for payment, check numbers 3788 through 3804.

Motion: Fusselman *Second:* Schneider *Passed:* 3-0-0-2

REGULAR AGENDA

3. PUBLIC COMMENT

Cathryn Jackson requested a different method of presenting the General manager's report, asking for more details. Amahd Al Ruosan brought up the question of propane charges again. President Cantoni agreed that this subject has been very difficult to resolve, with little cooperation from Campora. Mr. Cantoni stated that he will put the subject on the next meeting agenda, and that he will request Director Guantone to attempt to gather competitive data. Mr. Al Ruosan and Director Fusselman volunteered to try to gather competitive information. Larry Howen requested a financial review of the impact of employing a fulltime GM by the District.

4. GENERAL MANAGER'S REPORT

Report by GM David Edwards. Mr. Edwards summarized his written report for the Board, emphasizing the need for systematic inspections of the septic tanks. Discussion followed by board

members and members of the public. Director Cantoni stated that the subject should be addressed, with full input from the community, since making inspections mandatory has potential financial impact on the home owners. The topic will be placed on future agendas.

5. PRESIDENT'S REPORT

Director Cantoni presented the pro forma financial data to the Board. Discussion included the observation that revenues will start to decline now that we are past the summer season. He noted that we incurred a loss for the month of September, caused by higher expenses for BSK monitoring (two months included in the September billing), a one-time purchase of oil for road repairs, CSDA convention expenses, and a one-time expense for improvement in the street entrance to Wallace Lake Estates.

In spite of the loss for the month, the pro forma's show a year to date surplus of \$10,163 while reserving \$7,500 from operations for a reserve for Repairs and Maintenance. Working cash for the District was \$121,785 at the end of September.

Mr. Cantoni stated that the revised budget data, approved at the September 13, 2007 Board meeting, are now incorporated in the pro forma financials and in the District Budget for FY 2008.

Mr. Cantoni reported that the audit for FY 2007 is under way, and should be completed in about one month.

Mr. Cantoni announced that GM David Edwards has been elected to the CSDA Board of Directors. Congratulations to Mr. Edwards.

Mr. Cantoni addressed the Tirnitas golf course proposal and the "32 problem wells" in Wallace, mentioned at the September 13, 2007 board meeting. He presented a paper describing the golf course, its distance from Wallace, and facts about the Eastern San Joaquin County Groundwater Basin, from which WCSD and the golf course draw water. The observation was made that golf course water use accounts for a very small portion of the outflow from the basin – less than 0.05 % of the total (data from Groundwater Bulletin 118). It was also observed that the table listing the 32 problem wells that was provided to the County in comments to the Draft EIR, actually appears to be a listing of well activities in the area of the golf course over the past few years, which may or may not be related to any golf course activity. The paper concludes that the data should be analyzed by professionals if one were to base any decisions on the listing.

6. COMMITTEE REPORTS

- a. Finance no report**
- b. Open Space no report**
- c. Gates & Roads no report**

7. BULK WATER SALES (Continued)

Discussion and possible action on bulk water sales. Development of rules and regulations, development of purchase contract. (This item will be continued to a later date, to be determined)

8. FOOTHILL FIRE DISTRICT – EQUIPMENT AT WALLACE

GM Edwards advised the Board that he had contacted Foothill Fire District and that we have an opportunity to have Foothill station fire apparatus in Wallace. Upon recommendation by Mr.

Edwards, the Board authorized the President to write a letter to the Foothill district inviting them to place a fire fighting apparatus at Wallace, provided that any costs associated with this program in excess of \$500.00 must be brought to the Board for approval.

Motion: Fusselman

Second: Schneider

Passed: 3-0-0-2

9. WCSO VEHICLE

Director Cantoni presented a proposal to have the District procure a vehicle to be used by District personnel in conducting District business. After discussion, it was concluded that the proposal is premature, and discussion of the concept should be postponed to a later time..

10. CRESTVIEW ESTATES SERVICE / MEETING WITH PLANNING DEPARTMENT

Director Cantoni relayed the content of a meeting he had with Stephanie Moreno of County Planning. Items discussed included the peer review of the Engeo aquifer report, which will be done by Quad Knoph for the County, funded by the developer. Surface water and the WCSO policy to seriously pursue this source were discussed.

Finally, Crestview Estates was discussed, with Ms. Moreno stating that County Planning would be requesting that Crestview obtain water and sewer services from WCSO for their planned development, utilizing smaller lots. The alternative would be to do an EIR for the current plan which involves 33 wells and 33 septic tanks and leach fields. Ms. Moreno asked for confirmation that the District would provide the services. Mr. Cantoni replied that the WCSO Board had already suggested that the development be serviced by WCSO in their comments to the County regarding the Crestview Estates Initial Study.

11. SURFACE WATER FOR WALLACE – LAFCO ACTIVITIES

Mr. Cantoni reported on LAFCO activities for last month. The GM and Directors Guantone and Cantoni attended the LAFCO meeting of September 17, 2007. A summary report was presented to the Board. LAFCO Executive Officer John Benoit gave insight into upcoming state legislation which will affect LAFCO.

The meeting was followed by a meeting of the Water/Wastewater Treatment Forum. Ed Pattison of the CCWD gave a talk on the state of water resources in California. Fundamentally, the state is in a water crisis. The change in the Tracy pumping station will have a huge impact in California. He discussed the need for the County to secure their water rights, or they will lose them. CCWD Director Ed Rich also talked about the need to preserve water rights.

The Forum set up three committees as follows. WCSO personnel volunteered to join the committees.

- Water Management and Conservation – Cantoni
- Agricultural and non-potable water – Guantone
- Groundwater, Conjunctive use and Safe Yield – Edwards.

The President and GM discussed possibilities of surface water procurement, use and treatment. No action was taken.

12. ADVANCE PAYMENT OF CICF (Continued)

This item, continued from the July 17, 2007 meeting, was continued to a later date, to be determined.

13. REVISED BUDGET

The final copy of the revised budget for FY 2008 (revised at the September 13, 2007 Board meeting) was presented to the Board.

14. COMMITMENT TO CCWD ON GROUNDWATER STUDY GRANT APPLICATION

CCWD will be submitting a Local Assistance Grant proposal to the State to seek funding for improving groundwater management activities. CCWD has invited WCSD to join in the grant effort. The Board directed the President to send a letter to CCWD, indicating WCSD support for the effort. The agreement to join in the grant effort is qualified in that any monetary commitment will need to be brought back to the board for approval.

Motion: Cantoni *Second:* Fusselman *Passed:* 3-0-0-

15. CURB AREA MAINTENANCE

Clean up of the curb areas within Wallace Lake Estates was discussed, including consideration of hiring an individual or firm to do cleanup and maintenance. After discussion, Director Schneider volunteered to work with Director Pugh to attempt to get community volunteers to accomplish this task.

16. CORRESPONDENCE

- Brown Act Correspondence from L. Howen
Mr. Howen’s letter and Mr. Cantoni’s response were discussed. Mr. Cantoni stated that the matter has been reviewed by District Counsel and no further action is needed. Mr. Howen expressed further concern over the Brown act.
- Letter, State Water Resources Control Board
The State Water Resources Control Board has cancelled the water diversion ruling which was the subject of the letter. No further action is required.

17. DIRECTOR’S COMMENTS

President Cantoni stated he would be attending a drought workshop in Sacramento on November 1, 2007.

18. AJOURNMENT TO NEXT MEETING ON THURSDAY, NOVEMBER 8, 2007.

Upon motion made, the meeting was adjourned at 10:15 pm.

Motion: Fusselman *Second:* Schneider *Passed:* 3-0-0-2

DRAFT MINUTES

Respectfully Submitted:

s / David Edwards

David Edwards, Secretary

s / Charles Cantoni

Charles Cantoni, President