

WALLACE COMMUNITY SERVICES DISTRICT

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

REGULAR MEETING, Board of Directors

Minutes

Thursday, December 11, 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

Vice-President Rick Guantone called the meeting to order at 7:00 PM. Present were Directors Charles Cantoni, Rick Guantone, William Pugh and General Manager David Edwards. Absent were Directors Florin Schneider and Mark Fusselman.

CONSENT AGENDA

Cathryn Jackson asked that the bills be pulled from the consent agenda.

1. APPROVAL OF MINUTES

The Board approved the minutes of the Regular Meetings of October 9 and November 13, and the Special Meeting of October 23.

Motion: Chuck Cantoni

Second: Bill Pugh

Passed: 3-0-0-2

2. APPROVAL OF BILLS FOR PAYMENT

Director Cantoni explained details concerning the payments for Tiechert Construction and Jeffries Engineers, Inc. GM Edwards explained the two checks to the State Water Resources Control Board, stating that a new fee is due this year to cover the SSO program (\$1,265).

Cathryn Jackson asked for better tracking of deposits and payments and Mr. Cantoni showed where in the financial report the information was located.

Following further discussion, payment of check numbers 4109 through 4130 were approved for payment.

Motion: Chuck Cantoni

Second: Bill Pugh

Passed: 3-0-0-2

REGULAR AGENDA

3. GENERAL MANAGER'S REPORT

GM David Edwards gave his report to the board. He explained the reasoning behind operating Well #3 as part of the Well #3 testing program. Members of the public expressed concern over this operation.

Mr. Edwards reported that there is a runoff for the election of a director for the Calaveras Public Power Agency. The Board consensus was to have Mr. Edwards cast a vote for the Utica Power Authority.

Mr. Edwards presented his case for hiring a part time office person to set up and maintain District records (filing system). Mr. Cantoni moved that the GM should proceed to post the opening and hire a person, with spending limits as previously approved by the Board.

Motion: Chuck Cantoni *Second:* Bill Pugh *Passed:* 3-0-0-2

GM Edwards then discussed the request for culvert clean-out, made by Mr. Zedlitz at the November 13, 2008 meeting. Mr. Edwards pointed out that there were additional culverts that should be cleaned. A motion was made and approved for clearing culverts not to exceed a total cost of \$1,000.00

Motion: Chuck Cantoni *Second:* Bill Pugh *Passed:* 3-0-0-2

Mr. Edwards discussed the annual spraying of weeds along our roads and trails. He pointed out that the company that is usually used is always problematic and he has to spray again every year. He stated that he has several other options. Larry Howen stated that the district owns a spray rig. A motion was made to approve annual weed spraying, not to exceed \$1,500.

Motion: Bill Pugh *Second:* Chuck Cantoni *Passed:* 3-0-0-2

Both Director Chuck Cantoni and G M David Edwards discussed WCSD participation in the County General Plan Update, Water Element. A copy of the Draft Water Element was provided with the board agenda and will be available on line. Both Board Directors and the public are encouraged to comment. At the next board meeting the final draft will be discussed with the view of submitting a letter of approval to the originators.

4. PRESIDENT'S REPORT

Director Cantoni relayed comments provided to him by Director Mark Fusselman. Mr. Fusselman has had discussions with the District Legal Counsel and believes that the District should have Legal Counsel review the District's Campora contract to assist in determining what action the board can take to achieve more reasonable propane pricing from Campora. He also stated that he would like to see further discussion of WCSD organization and personnel responsibilities at a future meeting.

Motion: Chuck Cantoni *Second:* Bill Pugh *Passed:* 3-0-0-2

5. COMMITTEE REPORTS

a. Finance - R. Guantone

Director Rick Guantone held a discussion concerning the progress of our bookkeeping system and our CIP. He stated that there was insufficient time prior to this meeting to prepare any mid-year budget adjustments, but that the committee will attempt to complete a review of the budget and CIP for presentation at the next Board meeting.

Mr. Cantoni provided a financial Report for the period ending November 30, 2008. He reported that the District is on budget as a whole, but with significant variances on some budget items. Revenues are fairly close to budget, while expenses in some categories are running high, countered by others running low. Significantly, we continue to under-spend in the Road Repair area.

Director Cantoni discussed our budget and reminded the Board that it will need to decide about possible rate increases in April of 2009, as required by the Water and Sewer Codes.

Cathryn Jackson suggested we cut our BSK contract. GM Edwards responded that the District is under obligation with the State in our RWQCB permit to do the BSK monitoring. He stated that he was working on ground water monitoring as part of his permit amendment process which is required for the new Equalization Tank System.

b. Open Space - Floran Schneider.

Director Cantoni suggested we mow the point picnic area and that he has received a bid of \$200 per month to do that. Manage Edwards stated it would potentially lower fire danger. No action was taken

c. Ad hoc Propane - Bill Pugh

Director Pugh has communicated with the new Campora manager, Mr. Moretti. Mr. Pugh will set a meeting with him to discuss fair and reasonable rates. In addition a motion was made to have our contract with Campora reviewed by attorney Michael McGrew for a cost not to exceed \$750. Larry Howen stated he thought \$750 wasn't enough and wanted to supply a list of items in the contract to question. Acting Board chair Rick Guantone stated he would be happy to receive any suggestions Larry Howen may have and he should submit them to him in a timely manner.

Motion: Chuck Cantoni

Second: Bill Pugh

Passed: 3-0-0-2

6. SEWER CODE CHANGES (Continued from the November 13, 2008 Meeting)

At past meetings, changes to the Sewer Code were discussed. Director Guantone conducted a first reading of the amended ordinance, highlighting the areas that are proposed to be changed. Significant proposed changes included mandatory septic tank inspections every three years, to be performed by the District.

The sewer code changes were read and the board accepted the first reading with minor typographical changes. Comments from the public included concern over GM priorities, concern over why the inspections will start with high water users, and about how to handle situations where septic tanks have recently been pumped and inspected. Mr. Al Ruosan stated that he understood that the District needed to find ways to raise funds, but suggested the District try areas "other than in our bathrooms."

The first reading was approved by the Board.

Motion: Chuck Cantoni

Second: Bill Pugh

Passed: 3-0-0-2

7. LIFTING OF BUILDING MORATORIUM RE WASTEWATER TREATMENT CAPACITY

Mr. Cantoni stated that he had discussed the completion of the Equalization Tank System for the Wastewater Treatment Plant with District Engineer Ghio and that the tank system now provides protection against the anomylus peak flow rates seen in the past. The conclusion is that the building moratorium, imposed by the Board of Directors on February 8, 2007 can now be lifted. After discussion, the Board approved Resolution 2008-08, "Cancellation of the Moratorium on Home Construction Due to Sewer Plant Limitations," attached as Exhibit A.

Motion: Chuck Cantoni

Second: Bill Pugh

Passed: 3-0-0-2

8. DISTRICT POLICIES (Continued from the November 13, 2008 Meeting)

Director Cantoni provided information concerning amending the “Repair and Maintenance Reserves” WCSD Policy Number 7040. The policy now authorizes a single Repair and Maintenance Reserve account to be set up by the Board.

Motion: Chuck Cantoni *Second:* Bill Pugh *Passed:* 3-0-0-2

Mr. Cantoni presented a new policy, Number 2270, “Cell Phone Use.” He stated that the CSDA had advised the District that such a policy is required. The policy was approved by the Board.

Motion: Bill Pugh *Second:* Chuck Cantoni *Passed:* 3-0-0-2

Lastly the WCSD Policy Number 6510 “Application for Water and Sewer Services” was discussed. This policy is being put into effect in concert with the new WCSD I.D. Theft Prevention program, previously approved by the Board. The policy was approved by the Board.

Motion: Chuck Cantoni *Second:* Bill Pugh *Passed:* 3-0-0-2

9. FILLING OF BOARD VACANCY

Director Floran Schneider has submitted his resignation from the Board of Directors, effective January 1, 2009. A discussion ensued on requirements to fill the vacancy within 60 days of the resignation date. The vacancy will be posted to solicit candidates. Director Cantoni suggested that the Board should recognize Director Schneider for his service to the community. A motion to create a certificate of appreciation was made and approved. Director Pugh volunteered to create the certificate.

Motion: Chuck Cantoni *Second:* Bill Pugh *Passed:* 3-0-0-2

10. STERLING BUILDERS WILL SERVE EXTENSION

Director Chuck Cantoni gave an overview of the agreements and actions concerning this will serve. While the Board materials included information that the Will Serve Agreement with Sterling had expired, Mr. Cantoni stated that the District has received evidence that construction was started within the time frame allowed, and that the Agreement is therefore still in effect. In addition he stated the District has received a check for \$12,000 from Sterling as a donation to the Road Fund for future repair and re-surfacing work. This was discussion only and no action was taken.

11. ELECTION OF OFFICERS FOR CALENDAR YEAR 2009

Mr. Cantoni stated that the Governance Guidelines for the District state that the Board shall, in December, elect a President and Vice-President of the Board to serve for the following calendar year.

In the absence of Director Fusselman, and after a discussion of policies and timetables for board member replacement there was a motion to table this item to the next Regular meeting of the Board. The consensus of the Board was that the election meeting might better be timed to occur after newly elected board members take office. Mr. Cantoni will look into the possibility of revising the Guidelines.

Motion: Bill Pugh *Second:* Chuck Cantoni *Passed:* 3-0-0-2

12. PROGRESS REPORT - DEEDING OF WELLS, LAKE/OPEN SPACE AND WTP TO WCSD

Director Chuck Cantoni gave an update of the deed-over process. He stated that the District received an estimate from Weber Ghio Associates of \$23,000 to do the survey work and write and record grant deeds and easements. Subsequently, the District received an estimate from Jeffries Engineers, Inc. for \$7,200. According to Mr. Jeffries, the work can be accomplished by his firm since they were the surveyors of record for the Reminder Parcel planning. Mr. Cantoni stated that Reyhnen & Bardis Communitees has issued an authorization for the work to be done on their behalf. A Statement of Work has been signed with Jeffries Engineers, Inc. Mr. Cantoni explained that Reynen & Bardis have agreed to pay for the work, deducting from deposit(s) made with the District. He reported that work has started.

Ms. Jackie Neill asked if all work associated with the deed-over process was being paid for by Reynen & Bardis. Mr. Cantoni replied in the affirmative.

Ms. Cathryn Jackson asked if Mokelumne Oaks well will need to be annexed in order for the District to own the property on which Well #4 is located. Mr. Cantoni offered the opinion that the District is allowed to own land without regard to location within the District, but stated that he would check with Legal Counsel.

13. PUBLIC COMMENTS

Ms. Jackie Neill said she thought it was important to allow questions from the public, and that the chair should allow answers from Board members. Mr. Guantone explained under the Brown Act, members of the public may make comments and ask questions. Matters considered by the Board to be significant can be scheduled for a later board meeting.

Ms. Cathryn Jackson stated that she had spoken with Director Schneider and he assured her that he would not change his mind. She stated that say she appreciated his service.

Larry Howen requested that the Public Comments be moved back to the beginning of the meeting.

14. CORRESPONDENCE

None

15. DIRECTOR'S COMMENTS

Mr. Cantoni stated he had requested that Public Comments be moved to the end of the meeting in the interest of completing agenda items that have proved difficult to complete in previous meetings, such as policy approvals.

Mr. Guantone stated that he appreciated the work that has been accomplished thus far in completing the deed-over of the wells, WTP and lake and open space.

16. AJOURNMENT TO REGULAR MEETING OF JANUARY 8, 2008

The meeting was adjourned at 9:55 PM.

Motion: Bill Pugh

Second: Chuck Cantoni

Passed: 3-0-0-2

Respectfully Submitted:

David Edwards, Secretary

Mark Fusselman, President

Exhibit A

WALLACE COMMUNITY SERVICES DISTRICT

RESOLUTION NO. 2008-08

CANCELLATION OF THE MORATORIUM ON HOME CONSTRUCTION DUE TO SEWER PLANT LIMITATIONS

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

1. In 2006 the Board of Directors ordered a review of historical usage data at the wastewater treatment plant (WWTP) to determine the capacity of the plant; and
2. Mr. Ghio reported on February 8, 2007 that by including the most current year of historical data, the WWTP is reasonably estimated at 100 EDU’s, constrained mainly by the ability to handle peak flows that have historically occurred; and
3. Based on these calculations, the Board of Directors, at the February 8, 2007 meeting voted to accept no more will serve applications until the problem could be corrected; and
4. At its March 13, 2008 meeting the Board of Directors directed the District Engineer to design an Equalization Basin, needed to correct the design problem at the WWTP, and to put the project out to bid; and
5. On August 4, 2008 the District Engineer announced the results of the bidding and recommended that the contract be awarded to Teichert Construction in the amount of \$183,675.00.
6. At it’s Regular meeting of August 14, 2008, the Board of Directors awarded the construction job to Teichert; and
7. On December 1, 2008 Teichert Construction completed the construction of the tank and connecting plumbing such that the equalization tank now operates as an overflow tank for the prevention of spills due to peak loading of the WWTP.

NOW THEREFORE, IT IS RESOLVED, that the District hereby:

1. Declares that the WWTP can now safely handle peak flows of up to 2.5 times normal flows over a 24 hour period should normal flows be twice that now observed with approximately 100 connections to the system; and
2. Based on historical data analysis and the sizing of the Equalization Tank, assumes the safe capacity of the plant to be approximately 200 EDU’s; and
3. Based on the overflow protection provided by the Equalization Tank as noted above, hereby removes the building moratorium previously in effect; and

4. Commits to having the District Engineer perform new capacity calculations (to include consideration of both average and peak flows) for the next annual report due the State of California, as required by the WWTP permit.

PASSED AND ADOPTED by the Board of Directors of the Wallace Community Services District, at their regular meeting thereof, held on December 11, 2008, by the following vote:

AYES: - 3

NOES: - 0

ABSTENTIONS: - 0

ABSENT: - 2

MARK FUSSELMAN
President, Board of Directors

ATTEST:

David Edwards, Secretary