

# WALLACE COMMUNITY SERVICES DISTRICT

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

## REGULAR MEETING, Board of Directors

### Minutes

Thursday, June 14, 2007

7:00 PM

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

### CALL TO ORDER AND ROLL CALL

President Charles Cantoni called the meeting to order at 7:02. Present were Directors Rick Guantone and William Pugh. Mark Fusselman and Floran Schneider were absent. General Manager David Edwards was present and took the minutes.

### CONSENT AGENDA

Consent Agenda items are expected to be routine and non-controversial. They will be acted upon by the Board at one time without discussion. Any Board member, Staff member or interested party may request removal of an item from the consent agenda for later discussion.

#### 1. APPROVAL OF MINUTES

A motion was made to approve of the minutes of the meeting of May 10, 2007, as corrected.

*Moved:* Guantone

*Second:* Pugh

*Passed:* 3-0-2-0

#### 2. APPROVAL OF BILLS FOR PAYMENT

After discussion, a motion was made to approve payment of bills with check numbers 3705 through 3725.

*Moved:* Pugh

*Second:* Guantone

*Passed:* 3-0-2-0

### REGULAR AGENDA

#### 3. PUBLIC COMMENT

Larry Howen asked questions about the budget, Cathryn Jackson about the wording in SB 135 with respect to LPG services and Jackie Neill announced the Calaveras County General Plan update meeting in Valley Springs. Mr. Howen pointed out that a Sewer system similar to that proposed by the Remainder Parcel developer is highly rated in UC studies. Ms. Jackson spoke on the Remainder Parcel Will-Serve agreement and the sewer system to be provided by the developer.

#### 4. GENERAL MANAGER'S REPORT

General Manager David Edwards talked about how well both the WTP and WWTP are doing. He presented examples of "pink water" mixed with potassium permanganate. He presented a lab report concerning water at #47 Wallace Lake Drive South with a 0.053 PPM concentration of Mn.

Finally, Manager Edwards presented a case for continuing to use gas chlorine at the WTP. See Paragraph 7.0 of these minutes.



GM David Edwards has expressed an interest in running for a board seat for the CSDA. A motion (see Exhibit A for the Resolution 2007-08) was made to nominate General Manager David Edwards to the CSDA Board position.

*Moved:* Pugh

*Second:* Guantone

*Passed:* 3-0-2-0

## **6. COMMITTEE REPORTS**

### **a. Finance**

Nothing additional to report.

### **b. Open Space**

The chairman was absent from the meeting.

### **c. Gates & Roads**

Director Pugh discussed further work to be done on the gate area in the next month.

Installation of an extended speaker console, moving the community board and installing a block between the in and out directions

### **d. Ad hoc LPG**

Director Guantone reporting that we are still awaiting a reply from Campora regarding revision of the contract and reasonableness of rates.

## **7. WATER SYSTEM CHLORINATION IMPROVEMENTS**

A motion was made to invest in the equipment and training needed to comply with present and future requirements to continue using Chlorine gas treatment at the WTP.

*Moved:* Cantoni

*Second:* Pugh

*Passed:* 3-0-2-0

## **8. TRES LAGOS & CAMPORA PROPANE SITE ACCESS ROAD**

There was discussion of a revised propane site access road and easement onto WCSD property. After discussion a motion was made to authorize Director Rick Guantone to finalize arrangements for the Campora access.

*Moved:* Pugh

*Second:* Guantone

*Passed:* 3-0-2-0

## **9. FOUNDATION HOMES REQUEST FOR EXTENSION**

Motion was made to extend the Tres Lagos Will serve agreement. After discussion, the motion was modified to include consideration of the following in negotiating the requested extension.

- Extension duration.
- Street light architecture
- Fencing
- Security gate
- Revision of Propane terms

*Moved:* Cantoni

*Second:* Pugh

*Passed:* 3-0-2-0

## **10. PROPOSED CAPITAL IMPROVEMENTS PLAN FOR FY 2008 – NOTICED HEARING**

The Capital Improvements Plan for FY 2008, as previously approved by the Board, was presented for discussion and Public input as part of the public hearing process, notices having been posted and published as required by law. After lengthy discussion a motion was made to adopt the Plan as presented. The Plan will be published in the WCSD Annual Service Plan.

*Moved:* Guantone

*Second:* Pugh

*Passed:* 3-0-2-0

**11. PROPOSED ORDINANCE TO INCREASE WCSD CONNECTION FEES – NOTICED HEARING.**

A draft ordinance was presented (as part of the public hearing process, notices having been posted and published as required by law) that would cause the CICF portion of the connection fees to be increased for both water and sewer connections. A motion was made to increase Connection Fees as per ordinance 2007-07, attached as Exhibit B.

*Moved:* Pugh                                      *Second:* Guantone                                      *Passed:* 3-0-2-0

**12. PROPOSED BUDGET FOR FY 2008**

The Budget for Fiscal Year 2008 was presented as previously approved by the Board (as part of the public hearing process, notices having been posted and published as required by law). After discussion and review, including Public input, a motion was made for final adoption by Resolution 2007-06 (see Exhibit C). The Budget will be published in the WCSD Annual Service Plan.

*Moved:* Guantone                                      *Second:* Pugh                                      *Passed:* 3-0-2-0

**13. REMAINDER PARCEL STATUS – DISTRICT ACTIONS**

The Remainder Parcel development was discussed. No action was taken.

**14. DESIGN STUDY FOR SEWER PLANT ADDITION (Continued from May 10, 2007)**

Motion was made to conduct a design study for an input buffer tank for the Wastewater Treatment Plant, the study cost not to exceed \$11,000.

*Moved:* Pugh                                      *Second:* Guantone                                      *Passed:* 3-0-2-0

**15. CORRESPONDENCE**

Request for information from ESA Community Development to be used in the Calaveras County General Plan Update. The board authorized President Cantoni to reply to Jessica Mitchell of ESA Community Development Planner.

**16. AJOURNMENT TO NEXT MEETING ON THURSDAY, JULY 19, 2007.**

Please note that the normally scheduled July 12 Board meeting has been cancelled.

Respectfully Submitted:

s / David Edwards

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David Edwards, Secretary

s / Charles Cantoni

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Charles Cantoni, President

**Exhibit A**

**WALLACE COMMUNITY SERVICES DISTRICT**

**RESOLUTION 2007-08**

**Nominating Mr. David Edwards for Membership in the CSDA Board of Directors**

**Whereas**, Mr. David Edwards is the General Manager of the Wallace Community Services District, and

**Whereas**, The Wallace Community Services District is a Regular Member of the California Special Districts Association,

**Now, therefore**, the Board of Directors of the Wallace Community Services District hereby nominates Mr. David Edwards as a candidate to be a member of the Board of Directors of the California Special Districts Association, Region 2, seat B.

**INTRODUCED AND ADOPTED** on this 14<sup>th</sup> day of June, 2007, by the following vote:

|                        |   |                         |
|------------------------|---|-------------------------|
| AYES, in favor hereof: | 3 | Cantoni, Guantone, Pugh |
| NOES:                  | 0 |                         |
| ABSENT:                | 2 | Fusselman, Schneider    |
| ABSTAIN:               | 0 |                         |

s/C. W. Cantoni

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Charles W. Cantoni  
President, WCSD Board of Directors

**Attest:**

s/William Pugh

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William Pugh  
Member, WCSD Board of Directors

**WALLACE COMMUNITY SERVICES DISTRICT**

**ORDINANCE N. 2007-07**

**AN ORDINANCE OF THE BOARD OF DIRECTORS  
OF WALLACE COMMUNITY SERVICES DISTRICT  
AMENDING THE WATER AND SEWER CODE**

BE IT ORDAINED by the Board of Directors of the Wallace Community Services District as follows:

**SECTION 1. Purpose and Authority.** The purpose of this ordinance is to amend the existing Ordinance No. 98-02, District Code, Chapter 1, Water Code and the existing Ordinance 98-03, District Code, Chapter 2, Sewer Code with respect to the amount of the Capital Improvement Connection Fee required for new home construction. This ordinance is adopted pursuant to Government Code sections 54343, 54344, 54350, 61115 and 66013, Health and Safety Code section 5471, and other applicable law:

**SECTION 2. Background and Findings.** The Board of Directors hereby finds and determines as follows:

a. In June 2007, the District adopted the Water and Wastewater Treatment Capital Improvements Plan. The Plan analyzes the existing water and wastewater treatment systems, relies on existing and projected demands, and evaluates the facilities and improvements necessary to serve projected demands. The Plan also includes a recommended plan for funding the upgrade and expansion of improvements necessary to serve new development.

b. The District recognizes the need to generate revenue to finance the eventual replacement of the existing water and wastewater treatment facilities at the end of a facility's useful life. The District intends to collect connection fees to pay for a portion of the costs of future replacement of existing facilities that will benefit the District residents. The connection fees will generate revenue from new homes within the District to pay for their pro rata, equitable share of the costs to replace existing facilities that will serve the new homes.

c. The purpose of this ordinance is to establish new connection fees in an amount as calculated based on the Capital Improvement Plan in order to levy a fair share of the replacement costs against the new homes.

d. Present and future anticipated funds and revenues of the District are inadequate to finance the costs to replace the existing water and wastewater treatment facilities and to make improvements. Consequently, the new homes shall pay their fair share through the connection fees for the cost reasonably related to the new development projects in order to refurbish existing facilities to maintain existing level of service.

e. The revenues from the connection fees shall be used solely to pay for the new home's share of the costs to replace the existing water and wastewater facilities and make other improvements listed in the Capital Improvement Plan.

f. Other revenue to pay to replace the Existing Facilities will be generated from other sources, including net gains generated from District service charges generated from water and wastewater treatment customers within the District Sphere of Influence. and properly tax revenue received from property owners within the District Sphere of Influence. A portion of any unused special assessment tax may annually, by motion of the board, be moved to Water and/or Sewer Capital reserves. New property owners within the District do not participate in generating these other District revenues. The District therefore determines that it is fair and appropriate for the new homeowners to pay their fair share by payment of the connection fees established by this ordinance.

g. The new homes contemplated in the District will use and benefit from the Existing Facilities and will result in increased demands and burdens on the Existing Facilities. The District determines that new development in the District should contribute their fair share to replace the Existing Facilities, to the extent that such development utilizes the remaining useful life of the Existing Facilities.

h. The need to replace the Existing Facilities at the end of a facility's useful life is caused by all types of future annexations and development in the District because all development, whether residential, commercial or other, will need and benefit from District water and wastewater service.

i. There is a reasonable relationship between use of the connection fee revenue as described above and the replacement of the Existing Facilities at the end of a facility's useful life, because (1) use of the connection fee revenue to replace the Existing Facilities will enable the District to provide and maintain an adequate level of water and wastewater treatment service to the new homes as they are built within the District, (2) the connection fee revenue assists the District in financial planning regarding the replacement of Existing Facilities, and (3) the property owners and developers of new homes will benefit from the availability and continuity of such service from the Existing Facilities.

j. There is a reasonable relationship between the need to eventually replace the Existing Facilities and building of new homes, because the new development will benefit from and place a demand and burden on the limited capacity of the Existing Facilities, and contribute to the need to eventually replace the Existing Facilities.

k. As demonstrated above and by the Capital Improvement Plan, there is a reasonable relationship between the amount of the connection fee imposed by this ordinance and the portion of the total Existing Facilities replacement cost attributed to the new homes because the total replacement cost is spread proportionately throughout the District, with an average connection fee which shall be collected only when building permits are issued for new homes.

### **SECTION 3. Change in the Capital Improvement Connection Fee.**

- a. **Water Code:** Section 7.2 (a) of Ordinance 98-02, District Code, Chapter 1, Water Code is hereby amended to read as follows:

| Meter Size  | CICF To Be Paid by Applicant                                  |
|---|---|
| Standard Connection: 5/8 x 3/4 inch for a single family residential dwelling. | \$9,000.00  |
| Nonstandard Connection: Larger meter or other type of connection              | As recommended by the Plant Manager and approved by the Board |

- b. **Sewer Code:** Section 7.2 (a) of Ordinance 98-03, District Code, Chapter 2, Sewer Code is hereby amended to read as follows:

| Lateral Size  | CICF To Be Paid by Applicant                                    |
|---|---|
| <u>Standard Connection:</u> Standard lateral and standard septic tank for a single family residential dwelling. | \$9,000.00  |
| <u>Nonstandard Connection:</u> Nonstandard (larger or other type) lateral and/or septic tank.                   | As determined pursuant to subsection (b) of this section below. |

**SECTION 4. Bookkeeping.** When the District receives connection fee revenue, the General Manager shall cause the Capital Improvement Connection Fee (CICF) portion of the monies to be deposited in separate Capital Improvements Funds, (one for wastewater treatment facilities and one for water facilities) in a manner to avoid any commingling of the monies with other revenues and funds of the District, except for (a) temporary investments, and (b) commingling with other funds designated for the same purpose. The District shall expend those monies solely for the purposes for which the fees were collected as identified in the Water and Sewer Code Ordinances. Any interest income earned by monies in such funds shall be deposited in that account or fund and shall be expended solely for the purposes for which the fees were collected. Within 180 days after the end of each fiscal year, the District shall prepare a status report concerning the connection fee funds in accordance with Government Code section 66013, subsection (d).

**SECTION 5. CEQA.** The District Board of Directors finds that the connection fee is for the purposes of meeting the financial reserve needs and requirements of the District water and wastewater treatment systems, and obtaining funds for making improvements and the eventual replacement of the Existing Facilities. Accordingly, the District Board determines that the adoption of this ordinance is exempt from the California Environmental Quality Act pursuant to CEQA Guidelines section 15273.

**SECTION 6. Inconsistencies.** If any provision of this ordinance is inconsistent with any provision of any prior District ordinance, resolution, regulation or policy, the provisions of this ordinance shall prevail.

**SECTION 7. Severability.** If any provision of this ordinance is declared or found by a court for any reason to be invalid, illegal or unenforceable, no other provision shall be affected by such declaration of finding.

**SECTION 8. Effective Date.** This ordinance shall take effect and be in force 30 days after its adoption and, prior to the expiration of fifteen (15) days from the passage thereof, shall be published once in the Calaveras Enterprise, a newspaper of general circulation published in the County of Calaveras, State of California, with the names of the members of the Board of Directors voting for and against the same.

PASSED AND ADOPTED by the Board of Directors of the Wallace Community Services District on the 14<sup>th</sup> day of June, 2007 by the following vote:

|          |   |                         |
|----------|---|-------------------------|
| AYES:    | 3 | Cantoni, Pugh, Guantone |
| NOES:    | 0 |                         |
| ABSENT:  | 2 | Fusselman, Schneider    |
| ABSTAIN: | 0 |                         |

s/C. W. Cantoni

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Charles W. Cantoni, President

s/David Edwards

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David Edwards, Secretary

**Exhibit C**

**WALLACE COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2007-06**

**ADOPTION OF OPERATING BUDGET AND FEES  
FOR FISCAL YEAR JULY 1, 2007 THROUGH JUNE 30, 2008**

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

1. During the Fiscal Year 2007-2008 the services provided by WCSD to the property owners located within Zone One of WCSD have and will include the provision and maintenance of streets, curb, gutter drains, street lighting, recreation area/open space and water and sewer services.
2. During the Fiscal Year 2007-2008, the services provided by WCSD to the Property owners located within Zone Two of WCSD have and will include the provision and maintenance of water and sewer services.
3. An operating budget (“Operating Budget”) for the provision of the above-referenced services (“Services”) has been prepared and presented to the Board of Directors of WCSD for approval.
4. The proposed Operating Budget is attached hereto as part of Exhibit: **WALLACE COMMUNITY SERVICES DISTRICT FY 2008 BUDGET** and incorporated herein by this reference.
5. The proposed Operating Budget reasonably and adequately reflects the anticipated and projected expenses of providing the Services within the boundaries of WCSD.
6. The proposed Budget reasonably reflects the actual and reasonably anticipated and projected income to be derived from monthly utility charges for water and sewer services and the monies collected from all property owners within Zone One of WCSD for Fiscal Year July 1, 2007 through June 30, 2008.
7. The distribution of income generated through WCSD special assessment on property owners shall be annually reviewed and proportionately allocated by percentage to Services with the most need as part of the Final Adopted Budget. Midyear recalibration is permitted by Board vote to cover unexpected expense. Fiscal Year 2008 will allocate 30% to water and sewer, and 70% to all other Expenses.

**NOW THEREFORE, IT IS RESOLVED**, that the District hereby adopts the Operating Budget attached hereto for Fiscal Year July 1, 2007, through June 30, 2008 in the Total Amount of \$231, 583, and the collection of the monies from property owners within Zone One of WCSD for Fiscal Year July 1, 2007, through June 30, 2008.

**PASSED AND ADOPTED** by the Board of Directors of the Wallace Community Services District, at their regular meeting thereof, held on June 14, 2007, by the following vote:

|              |   |                         |
|--------------|---|-------------------------|
| AYES:        | 3 | Cantoni, Pugh, Guantone |
| NOES:        | 0 |                         |
| ABSENT:      | 2 | Fusselman, Schneider    |
| ABSTENTIONS: | 0 |                         |

s/C. W. Cantoni

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CHARLES CANTONI  
President, Board of Directors

ATTEST:

s/David Edwards

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David Edwards, Secretary