

WALLACE COMMUNITY SERVICES DISTRICT

P.O. BOX 398
Wallace, CA 95254

MINUTES
Regular Meeting of the Board of Directors
February 8, 2007

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

1. **ROLL CALL.** Vice President Rick Guantone called the meeting to order at 7:00 PM. Directors present were Rick Guantone, Mark Fusselman, Cathryn Jackson, and Bill Pugh. Director Cantoni was absent due to an accident. Also present were David Edwards, Facilities Manager and Jackie Neill, Administrative Assistant.
2. **APPROVAL OF MINUTES.** The Minutes of the January 11 19, 2007 Regular Meeting were approved as written.
Motion: Mark Fusselman Second: Cathryn Jackson Unanimous
3. **PUBLIC COMMENT.** Mr. Al Ruosan discussed development of Lot 24 under the requirements with R-3 zoning. He also asked that the agenda item concerning Lot 24 be moved up on the agenda. Director Guantone stated he would prefer to follow the agenda.
4. **FACILITIES MANAGERS REPORT.** Facilities Manager, David Edwards, reported that the District has received a quote for re-building the sand filters at the WWTP. Mr. Edwards stated that he could do the job at much less expense to the District. Board members questioned Mr. Edwards on details of the task.

Mr. Edwards reported that he had attended an Architectural Committee meeting and the Committee asked about the CC&R's with relation to the trailer having been placed on Lot 25. Mr. Edwards stated the CC&R's gave the Architectural Committee no authority over Lot 25.

Mr. Edwards reported that he is working on the Annual Report for the WWTP and stated that the BOD testing has been out of compliance for 8 out of 12 months of calendar year 2006. Mr. Edwards informed the Board that he will be flushing the Distribution system in March and that a letter will be sent to the residents.

5. **COMMITTEE REPORTS.**
 - A. **Gate/Roads Committee.** Director Pugh reported on the results of the Gate Survey stating that the residents want the gate closed 24/7, but that the current system does not have the capability to time code for vendors. There was a discussion about ways to block access between the call box and the gate, as well as several different opinions as to exactly when the gate should be opened or closed. Director Pugh asked for a vendor list so he could assign gate codes to the Districts

vendors. There was another discussion about the possible causes and solutions regarding the static when calling from the front gate. The broken sign at the entrance is being repaired, possibly at no cost to the District.

B. Lake/Open Space Committee. Director Fusselman reported that there has been no Lake Committee meeting. There is a meeting scheduled for February 22, 2007.

C. Finance Committee. Director Jackson stated that due to Director Cantoni's absence there was no Pro-Forma report available however, Ms. Jackson distributed the Quickbooks version of the monthly financials and asked for approval of payment for checks #3619-#3639. Ms Jackson also reported that approximately 11% of the customers were late paying their bills. A transfer of funds in the amount of \$25,000.00 was required and Ms. Jackson stated she hoped that amount would be sufficient to cover District expense through the end of the Fiscal Year. Payment of bills with checks #3619-#3639 was approved.

Motion: Bill Pugh Second: Rick Guantone Unanimous

D. Ad-Hoc Negotiation Committee, Remainder Parcel. Reynen & Bardis has re-applied to the County and are in the process of getting a hearing scheduled. The District is expecting the Master Plan for Sewer and Water from West Yost.

E. Ad-Hoc LPG Committee. The meeting will be re-scheduled. Mr. Howen asked why he wasn't informed about the meeting and Director Guantone said he was not on the Committee. There were several questions from the audience about District promises to negotiate the lowest possible price for propane.

6. **PRESIDENT'S REPORT.** Director Guantone read Director Cantoni's President's Report. The Report indicated that Director Cantoni was in the process of reformatting the Pro Forma Financials to separate water and sewer costs and income. The Report also stated that the trailer move was complete and that the costs for the move had stayed within the approved amount. Mr. Edwards said the trailer now has electricity and phone service but not water and sewer services. Director Cantoni's report also gave an overview of the LAFCO meeting he had attended and the request from LAFCO for District representatives to attend Advisory Committee meetings. Director Guantone stated he would be the District's representative and Mr. Edwards would be the alternate.

Appointment of Committee Chairs was CONTINUED.

7. **ACTION ITEMS.**

- A. Water and Sewer Capacity, Outlook for Additional Service Commitments.**

The Board has received a recommendation from the District Engineer regarding water and sewer capacity. The water capacity is approximately 180 Units but there should be two operational wells. Well 3 is designated as a stand-by well at this time by DHS, wherein it can be used for fire flows, but does not serve as a backup for normal water production.

The Waste Water Treatment Plant has a capacity of approximately 100 EDU's because of peak day flow requirements. There have been several discussions as to how to fix the capacity issue. Director Guantone stated the District is in a situation where it needed to do some infrastructure work to increase capacities. A motion was made to grant no further Will-Serve commitments until the capacity issues are resolved.

Motion: Mark Fusselman Second: Cathryn Jackson Unanimous

B. Review of Actions Necessary to Resolve Water and Sewer Capacity Issues.
CONTINUED

C. Connection Fees.
CONTINUED

D. Application for Service Lot 24

Director Guantone reviewed for the Board the letters written by Mr. Al-Ruosan's Attorney and by Director Cantoni. Mr. Al-Ruosan asked that the Board deal with his lot only. Director Guantone stated that if Mr. Al-Ruosan is looking for additional units he must fill out the necessary paperwork and execute a Will-Serve agreement. Mr. Al-Ruosan stated a Will Serve is not necessary as his lot is in Unit 1. Mr. Guantone indicated that the discussion was over.

E. Review of Applications for Service, Remainder Parcel and Tres Lagos

Director Guantone informed the Board of the request from Reynen & Bardis for 40 hook-ups in the Remainder Parcel and the Tres Lagos request for an additional 5 hook-ups. Since the Board approved a motion not to consider any new Will Serve Agreements or approve any new hook-ups beyond those already granted due to the capacity limitations of the water and sewer plants, the requests were noted but no action was taken.

F. Operational Budget, Cost Saving Actions. CONTINUED

G. Future Rate Structure and Special Assessment. CONTINUED

H. California Rural Water Association Membership

Mr. Edwards gave a description of the advantage of belonging to the California Rural Water Association including classes and gathering of vendors. The cost of membership is \$245.00 and Mr. Edwards has joined. A motion was made to retroactively approve the expenditure.

Motion: Cathryn Jackson Second: Bill Pugh Unanimous

I. DHS Feedback on Water Permit Amendment.

Feedback from the Department of Health Services on the Domestic Water Supply Permit Amendment No. 03-10-07PA-001 was discussed. The DHS provided a list of conditions for approval of the Amendment, requesting concurrence by February 9, 2007.

The Department of Health Services also conducted the Annual Inspection of the Wallace CSD Domestic Water System. Mr. Edwards reported escorting Dave Remick of DHS through the Water Plant and discussing the water treatment system. A detailed report of the inspection has been provided to the District. Deficiencies were noted and the District was requested to respond to DHS with a plan of action to correct the deficiencies.

8. DIRECTOR'S COMMENTS. Some of the Directors commented on items of interest within the District.

9 CORRESPONDENCE.

A. County Elections information stating the terms for Director Cantoni, Director Fusselman, and Director Guantone are up in 2007.

B. LAFCO letter asking for appointments to Advisory Board.

C. Letter from resident, Jerry Zedlitz, asking for copies of the Annual Audit, copies of District Financials, and copies of all water/sewer capacity documents

D. Request from resident, Pat Bailey, for all documents prepared for the Directors prior to the Public Meeting per the Public Records Act.

E. Review of a flyer for Board Secretary training

F. California Rural Water District Class schedules

10. ADJOURNMENT TO THE NEXT REGULAR MEETING ON THURSDAY, March 8, 2007. There meeting was adjourned at 9:10 PM.
A Special Meeting will be scheduled and posted.

Respectfully submitted,

Rick Guantone, Director

Charles Cantoni, President, WCSO