

WALLACE COMMUNITY SERVICES DISTRICT

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

REGULAR MEETING, Board of Directors

Minutes

Thursday, July 19, 2007

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 7:01. Present were Directors Rick Guantone, William Pugh, Mark Fusselman and Floran Schneider. General Manager David Edwards was present and took the minutes.

CONSENT AGENDA

Approval of both bill payments and minutes were pulled from the consent agenda as members of the community had questions concerning them.

1. APPROVAL OF MINUTES

Approval of the minutes of the meeting of June 14, 2007. Director Cantoni provided corrected copies to board members. Public comment included the following. Cathryn Jackson wished to have her name spelled correctly. The GM, David Edwards apologized for that mistake. She also clarified her position about the Besst sewer system. Larry Howen clarified his comment about studies supporting Besst systems. The minutes were then approved as corrected.

Moved: Pugh

Seconded: Schneider

Passed: 5-0-0-0

2. APPROVAL OF BILLS FOR PAYMENT

The comment was made that community members of the public would like more time to review the bills. Bills were approved for payment, check numbers 3726 through 3747, with number 4745 voided.

Moved: Guantone

Seconded: Schneider

Passed: 5-0-0-0

3. RE: AMENDED JOINT POWERS AGREEMENT, SDRMA

A resolution approving the form and authorizing the execution and delivery of a sixth amended Joint Powers Agreement relating to the District Liability Insurance (SDRMA).

A motion was made to waive reading of the resolution, copies having been provided.

Moved: Pugh

Seconded: Fusselman

Passed: 5-0-0-0

Motion to approve **RESOLUTION 2007-09** (see Exhibit A). Motion was approved unanimously.

Moved: Guantone

Seconded: Fusselman

Passed: 5-0-0-0

REGULAR AGENDA

4. PUBLIC COMMENT

Charlie Hebrard, a Director on the CCWD Board graciously presented a new map outlining proposed areas of agricultural use within the western part of the County. CCWD is conducting a survey of interest in water for agricultural uses and invited the District to respond. The eventual outcome may be to bring surface water to the area. Mr. Hebrard also stated that the CCWD does not aspire to acquire smaller districts such as WCSD, contrary to prevailing rumors. He also reported on status of the Regional Study, due to have the 1st phase complete in 45 days.

Mr. Robert Closson inquired as to the whereabouts of Mr. Jim Johnston.

Ms. Jackie Neill read a letter of complaint regarding Architectural Committee matters.

Mrs. Pat Bailey complained about the cost of copies which the District charges, and the fact that cash payments will no longer be accepted.

Ms. Cathryn Jackson requested more information be included in future Agendas published by the board.

5. GENERAL MANAGER'S REPORT

David Edwards talked about items in his report and about the placing of well logging devices in three wells in the WCSD.

6. PRESIDENT'S REPORT

President Charles Cantoni presented a review of financials for the year end (period ending June 30, 2007). He pointed out that, compared to budget, revenues were short 11% for water, 14% for sewer, and were over 3% for roads and miscellaneous. Expenses were over 8% for water, 6% for sewer, and were under 31% for roads and miscellaneous. Total budgeted income was a surplus of \$8,547 for the year, vs. budgeted surplus of \$14,565.

Mr. Cantoni also pointed out that \$17,926 in expenditures is held on the books as work in progress for capital improvement projects at year end. In addition, the Water CICF fund started the year at \$24,078 and ended at \$21,827. The Sewer CICF fund started the year at \$219,312 and ended the year at \$218,417.

All results quoted are from the pro forma financial analysis and are preliminary (un-audited).

Mr. Cantoni then reviewed a water system evaluation conducted by the District. The evaluation was performed as requested by DHS, with statewide concerns over the dry winter of 2007. The evaluation shows that WCSD is not at risk, but concludes that voluntary conservation should be encouraged because of the dry conditions that exist, state-wide.

Motion was made to send a copy of our **Water System Evaluation and Contingency Planning** report to CDPH (DHS) and passed unanimously.

Motion: Pugh

Second: Guantone

Passed: 5-0-0-0

Mr. Cantoni stated that the CICF Ordinance, passed at the last board meeting, has been published as required and is now in effect as of July 14, 2007.

Mr. Cantoni reported that work is proceeding in the design of the Sewer system input buffer tank. The work is being carried out by Weber Ghio, contracted to ECO:LOGIC.

Mr. Cantoni reported that GM Edwards had been visited by the consultant doing the CCWD Regional water/Sewer study. The consultant will visit again at the end of July.

Mr. Cantoni reviewed the upcoming "Sustainable Infrastructure Forum" to be held in Sacramento on August 7, 2007. Mr. Edwards and Mr. Cantoni will be attending, other board members are invited to attend.

7. COMMITTEE REPORTS

a. Finance, no report

b. Open Space, no report

c. Gates & Roads – Director Pugh presented his ideas on a beautification program for WLE. He discussed providing a better solution to home advertising signs at Camanche Parkway, and on placing decorative rock on both sides of Wallace Lake Drive. The board supported the ideas and requested more information. Bill will report back next month.

8. CAMPORA MATTERS – AD HOC LPG COMMITTEE

Director Guantone reported no further progress on revising the Campora contract. Director Cantoni reported that he had talked to Campora again about justifying the pricing of LPG. Mr. Campora is still working on providing information to the Board. It was suggested that the board try to gather comparative price information. Mr. Cantoni and Mr. Guantone will attempt to gather such data.

9. TRES LAGOS & CAMPORA PROPANE SITE ACCESS ROAD

GM, David Edwards, reported on a meeting that took place between Tom Campora, Lynn Smith and Joe Murphy of Foundation Homes and attorneys concerning the Tres Lagos development. The easement agreement is still in process to create a new access road for Campora, through the Tres Lagos subdivision and through WCSD Open Space (where the easement is required). Mr. Cantoni reported that a letter was delivered to Foundation Homes, from the Architectural Committee, stating that they approved the easement onto WCSD open space provided that Oak Trees are not removed.

10. FOUNDATION HOMES REQUEST FOR EXTENSION

Director Cantoni reported on a meeting with Foundations homes and legal counsel McGrew which was held on July 18, 2007. A red-line version of the will serve agreement was reviewed at the meeting. Mr. McGrew suggested that the agreement be cast as an amended and restated agreement. Foundation homes requested that the number of unit to be served be kept at 27 and that the agreement be extended for three years.

After discussion a motion was passed to approve a two year extension and to keep the number of units served to 27.

Motion: Guantone

Second: Pugh

Passed: 5-0-0-0

11. ORDINANCE CHANGE REGARDING TEMPORARY WATER SERVICE

Director Cantoni presented a proposed amendment to the water ordinance that would eliminate the temporary water service now specified, replacing it with standard service whenever water service is needed at a lot with a home under construction. The ordinance was discussed, simplifying suggestions were made, and subject was continued until next month. Consideration should be given to re-stating the ordinance, incorporating all changes that have been made.

12. REMAINDER PARCEL STATUS

Mr. Cantoni reported that the Calaveras County Board of Supervisors will be holding a hearing on the Remainder Parcel on July 24, 2007.

13. ANNUAL SERVICE PLAN

Director Cantoni presented the FY 2008 Annual Service plan for WCSD. It included a “State of the District” report. Upon discussion, some corrections were noted.

The Plan was then approved as corrected, unanimously.

Motion: Guantone *Second:* Schneider *Passed:* 5-0-0-0

14. ADVANCE PAYMENT OF CICF

A discussion was held concerning advance payment of CICF in light of the significant increase recently enacted. Mr. Cantoni reviewed the ordinance wording governing payment of CICF. Director Pugh suggested that owners on lots within WLE, lots defined as those covered by the WLE CC&R’s, be exempt from the increase, as long as they own the lot and do not re-sell.

A discussion ensued, including a suggestion by Mr. Howen that a compromise to a somewhat lower fee might be in order. Mr. Cantoni stated that he would check with legal counsel as to the options open to the Board. This subject was then continued until the next meeting

15. EMPLOYEE BENEFITS & DIRECTORS’ PAY

Mr. Cantoni reported on a request by GM Edwards that the District provide medical insurance for the GM position. Typical medical insurance practice was discussed, including consideration of the CSDA salary and benefit survey. Cafeteria medical plans were also discussed. Director Fusselman suggested that the matter should be cast as part of the District Policies. After further discussion the Employee Benefits portion of this was continued until next meeting.

Director Cantoni presented a proposal to re-instate Directors’ pay, voluntarily suspended in January 2007 because of concerns for budget overrun. A motion was made and passed to reinstate directors’ pay.

Motion: Cantoni *Second:* Guantone *Passed:* 4-0-1-0
(Director Pugh abstained)

16. AUDIT FOR FY 2007

Director Cantoni reported on the audit for the last fiscal year. The board has yet to hear from Charles Strand (current auditor) regarding a proposal for the audit. Meanwhile, Director Cantoni and GM Edwards interviewed John Blomberg, CPA in Stockton. A discussion on possibly changing the auditor ensued. Many people supported this action. Director Cantoni asked for other names and stated that John Bloomberg was interested and would send in a proposal.

17. CORRESPONDENCE

There was no further correspondence

18. DIRECTOR'S COMMENTS

Director Guantone commented that the publishing of the Annual Service Plan is appreciated, as it contains a lot information on the District.

19. AJOURNMENT TO NEXT MEETING ON THURSDAY, AUGUST 9, 2007.

Upon motion and second, the Board voted unanimously to adjourn the meeting.

Respectfully Submitted:

David Edwards, Secretary

Charles Cantoni, President

RESOLUTION NO 2007-09

A RESOLUTION OF THE GOVERNING BODY OF THE
WALLACE COMMUNITY SERVICES DISTRICT
APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND
DELIVERY OF A SIXTH AMENDED JOINT POWERS AGREEMENT

WHEREAS, the **WALLACE COMMUNITY SERVICES DISTRICT** a public agency duly organized and existing under and by virtue of the California Government Code and laws of the State of California (the “Member Agency”), has entered into the Fifth Amended and Restated Joint Powers Agreement (the “Original Agreement”), relating to the Special District Risk Management Authority (the “Authority”); and

WHEREAS, the **WALLACE COMMUNITY SERVICES DISTRICT**, and the other members of the Authority (the “Members”) find it beneficial to amend the Original Agreement (i) to amend Article 25 of the agreement regarding administrative fees paid by the Authority to the California Special District Association, and (ii) to make certain other amendments to the Original Agreement; and

WHEREAS, in order to implement the foregoing, the Member Agency and the Members propose to execute and enter into a Sixth Amended Joint Powers Agreement (the “Amended JPA Agreement”); and

WHEREAS, all acts, conditions and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the transactions authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Governing Body is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such transactions for the purpose, in the manner and upon the terms herein provided.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE MEMBER AGENCY AS FOLLOWS:

Section 1. Findings. The Governing Body of **WALLACE COMMUNITY SERVICES DISTRICT** hereby specifically finds and determines that the actions authorized hereby relate to the public affairs of the agency.

Section 2. Amended JPA Agreement. The Amended JPA Agreement, proposed to be executed and entered into by and between the Member Agency and the Members, in the form presented at this meeting and on file with the District Secretary, is hereby approved. Board President Charles Cantoni and Secretary David Edwards (“The Authorized Officers”) are hereby authorized and directed, for and in the name and on behalf of the Governing Body, to execute and deliver to the Authority the Amended JPA Agreement in substantially said form, with such changes

therein as such officers may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 3. Effective Date of Amended JPA Agreement. The Amended JPA Agreement shall take effect on October 1, 2007, but not sooner than receipt of required affirmative written approval of 2/3 of the Members participating in the Authority's risk management program(s), and who are signatory to the Fifth Amended and Restated JPA Agreement.

Section 4. Other Actions. The Authorized Officers of the Governing Body are each hereby authorized and directed to execute and deliver any and all documents which they may deem necessary in order to consummate the transactions authorized hereby and all such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

Section 5. Effective Date. This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this 19th day of July, 2007 by the following vote:

AYES: _____

NOES: _____

ABSENT: _____

Title: _____

Secretary of Governing Body