

WALLACE COMMUNITY SERVICES DISTRICT

P.O. BOX 398
Wallace, CA 95254

MINUTES

Special Meeting of the Board of Directors

February 21, 2007

Meeting Place:

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

1. **ROLL CALL.** Director Cantoni called the meeting to order at 7:00 PM. Directors present were, Charles Cantoni, Mark Fusselman, Rick Guantone, Cathryn Jackson, and Bill Pugh. Also present was Administrative Assistant, Jackie Neill. Facilities Manager, David Edwards was absent, due to a conflict with a training class.

2. **AGENDA CHANGE.** Director Cantoni announced that the Public Comment session would be moved to the end of the meeting since Director Fusselman had to leave early. Also, action item 4C, Approval of Policy 4042, would be continued as insurance and other issues still need to be researched.

3. **PRESIDENTS REPORT.**
Financial Analysis, January Results. Director Cantoni presented pro forma financial results that show a year-to-date surplus of \$14,379. He also pointed out that the cash position, year over year, is ahead by approximately 15,000. Mr. Larry Howen questioned differences between the audited statement cash position vs. the Quickbooks accounting at June 30, 2006. Director Cantoni stated the board would investigate.

Office Update. Director Cantoni said the basic capabilities were in at the Office, but that additional work should be done. The Facilities Manager will prepare an estimate for Board approval.

Project Cost Accounting. Director Cantoni suggested that the District should institute Project Cost Accounting in order to track project expenses. The consensus of the Board was that this accounting process should be developed.

Appointment of Committee Chairs; Director Cantoni appointed Bill Pugh as the Chairman of the Gate and Roads Committee, Rick Guantone as Chairman of the Finance Committee and Mark Fusselman as the Chairman of the Lake and Open Space Committee.

4. **ACTION ITEMS**
 - A. **Actions Necessary to Resolve Water and Sewer Capacity Issues.** Director Cantoni presented a summary of projects that need to be accomplished at the water and sewer plants.

 - B. **Capital Improvement Plan and Connection Fees.** Director Cantoni reported on the state of the District's Capital Improvements Plan and recommended that the plan should be revised, including repairs and replacements as well as capital

improvements. He encouraged the Board to develop a 5 year financial projection at the same time, since the projections are interrelated.

A motion was made to initiate CIP revision, starting with internal assessment of needs, then working with Weber Ghio to complete the task, with the initial work to be done by the Facilities Manager and Directors Cantoni and Guantone.

Motion: Bill Pugh Second: Rick Guantone Passed:4-0 Director Fusselman absent

C. Operational Budget, Cost Saving Actions. Cost savings that could be instituted for the remainder of the Fiscal Year were discussed. Director Cantoni will ask Manager Edwards to present cost savings opportunities at the March 8, 2007 board meeting.

Director Pugh moved that Directors forego compensation for Board meetings for the rest of the Fiscal year. Director Jackson amended the motion to include directors' foregoing mileage expenses incurred while attending training courses for the rest of the fiscal year.

Motion: Bill Pugh Second: Rick Guantone Passed 4-0 Director Fusselman absent.

D. Financial Planning Budget for FY 2008 plus a 5 year plan. Per the discussion on revising the CIP and the need for complete financial planning prior to consideration of rate changes, the Board discussed financial budgeting for the coming years and concluded that it must proceed immediately to develop the budget for FY 2008 and to create a 5 year financial plan.

E. Signature Authority Resolution. A resolution was passed to give signature authority for District bills for payment and payroll to Charles Cantoni, Rick Guantone, and William Pugh. The resolution is attached as Exhibit A.

Motion: Bill Pugh Second: Rick Guantone Passed: 4-0 Mark Fusselman absent

5. PUBLIC COMMENT.

There was a discussion about Real Estate values relative to excessively high water and sewer bills. Director Cantoni replied that as a matter of fiscal responsibility, the systems needed to be self supporting.

Mr. Ahmad Al-Ruosan commented on will serve agreements and allocations made by the District.

Mr. Larry Howen expressed concern over storage of equipment and materials at District facilities.

6. DIRECTOR'S COMMENTS

The Directors commented on several issues. Director Jackson resigned her position as Board member, effective February 25, 2007.

7. CORRESPONDENCE

Request by Mrs. Pat Bailey that she be regularly provided director packet board materials prior to each meeting.

Request by Mr. Larry Howen that he regularly provided director packet board materials prior to each meeting. He also requested copies of certain other materials pertaining to employee contracts and hours. Director Cantoni will respond by letter.

For the above requests Director Cantoni stated the charge would be \$0.15 per page for any materials requested before the meeting to cover the costs of reproduction and said that the District would comply with the spirit of the requests, but could not guarantee timely delivery of information in circumstances beyond the Board's control.

Request from Gerald O. Zedlitz for Financials Auditor's Report and ECO:LOGIC capacity studies. Director Jackson stated that the materials had been provided.

Weber Ghio sent correspondence announcing the opening a new office in Sutter Creek and advising of new rate categories. The fundamental rates applicable to the District remain unchanged.

A letter has been sent to the owner of Lot 4, Alan Kilber requesting that he make repairs on the drainage between his home and Lot 3.

Administrative Assistant, Jackie Neill submitted a resignation letter with a commitment to supply a draft copy of the minutes to the President of the Board.

8. ADJOURNMENT TO THE NEXT REGULAR MEETING ON THURSDAY, MARCH 8, 2007. The meeting was adjourned at 9:50 PM

Respectfully submitted,

Rick Guantone, Director

Charles Cantoni, President, WCSD