

WALLACE COMMUNITY SERVICES DISTRICT

P.O. BOX 398
Wallace, CA 95254

MINUTES

Special Meeting of the Board of Directors

June 26, 2006

Meeting Place:

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

1. **ROLL CALL.** Interim President, Charles Cantoni called the meeting to order at 7:04. Directors present were Charles Cantoni, Mark Fusselman, Rick Guantone, Cathryn Jackson, and Bill Pugh. Also present were General Manager Gary DeJesus and Jackie Neill Administrative Assistant.

2. **REMAINDER PARCEL DEVELOPMENT.**

Mr. Cantoni opened the meeting by stating that a Planning Commission hearing will take place on July 20, 2006 with regard to the Remainder Parcel Development. . The Developer will present the case for re-zoning and developing the Remainder Parcel. WCSD has invited Reynen & Bardis representative Murray Lind to attend the next regular WCSD meeting to present a summary of the planned development. The primary purpose of this special meeting was to examine critical aspects of the development. The following subjects were discussed.

A. Remainder Parcel Developer. Mr. Cantoni reported that legal counsel has advised that plan checking should be done only for John D. Reynen, LLC plans since the Will Serve Agreement is with that entity.

B. Current Developer Activities. Mr. Cantoni reported that ENGEO and West Yost, under contract with Reynen & Bardis Communities, have been evaluating the WCSD water system. They started with well #1 and will proceed to well #3 and finally well #2. The goal is to come up with a complete description of the aquifer and well system.

Director Cathryn Jackson asked if there was a time-line for completion of this project and Director Cantoni said that West Yost wants it completed as soon as possible.

C. Capacity Issues. A discussion ensued on capacity issues for the District. Relevant documents available include the Siegfried report, a Draft ENGEO report, the Insite report, and Facility Manager estimates. As a result, the Board has previously authorized the District Engineer to conduct a study of District historical data to establish metrics for usage to be used in planning for future service commitments.

D. Sewer System. Director Pugh commented that the Will-Serve Agreement requires that the new Sewer Plant must be operational before any homes are occupied. Mr. Cantoni concurred that it does. Mr. Pugh suggested that the Board hold them to the contract.

Audience member, Larry Howen, suggested that it is advisable to stick to the 180 units of the Sigfried Report for capacity estimates for the sewer plant..

Mr. DeJesus stated that the BESST proposal for the new sewer plant included three options and he had no information on which option will be supplied by the Developer. He reminded the Board that Board Members had never voted to accept the BESST system. To the best of his knowledge, the BESST system was inserted into the Will-Serve agreement at the last minute. He further stated that the BESST system's selling points are that it is inexpensive and that it has a small footprint. Mr. DeJesus suggested that the District should evaluate which system is best. Director Cathryn Jackson asked about the longevity of the proposed plant and the maintenance charges that the District would ultimately be responsible for.

Audience member, Jerry Zedlitz, recommended that the board do its due diligence and investigate different systems.

Director Cantoni said that the BESST system is a dual system with total capacity for 724 Units and that John Barsotti has stated that the system can be run continuously at double capacity. Mr. Cantoni said he did not know whether the State would license the system at 724 Units, or to a lesser number.

Director Guantone stated that he was not convinced that the BESST system was the best for the District.

E. Water System. Director Cantoni stated that the developer is currently evaluating the water system. Once the evaluation is completed, the Board will need to have the District Engineer review the data and advise the Board. Director Jackson asked if the study by Ecologic could weight the last 12 months of data to reflect the larger homes and larger families.

F. Improvement Plan Checking. Director Cantoni stated that the District has received an \$8,000.00 Plan Check Deposit Fee and that he has instructed Roark Weber to begin working on the Plan Check Process.

G. WLE Architectural Committee. Audience member and Wallace Lake Architectural Committee Chairman, Jerry Zedlitz, presented the Board with a letter previously mailed to the District and reminded the Board that the WLAC has had not had any contact with the Developer. The letter serves to restate the position of the Architectural Committee concerning the Remainder Parcel on a number of points including access and Committee approval rights. Mr. Zedlitz requested that the Developer be encouraged to declare whether or not he intends to come under Wallace Lake Estates Unit 1 CC&R's.

H. Current Sewer Plant Situation. Next the Sewer plant situation was discussed. General Manager, Gary DeJesus stated that last month there were some minor malfunctions at the plant due to aging components. He stated that a sand filter component needed to be replaced and that the sludge component was not functioning automatically, and was being operated manually until it is repaired. "All and all, considering the age of the plant it is holding up as well," he said. He expressed the opinion that caution is in order when the permitted sewer capacity is approached.

Director Cantoni asked if the Board wanted to open a discussion with the Developer on what type of sewer plant the District wants. While Board member opinions were varied,

Mr. DeJesus raised questions about the type of processing proposed, which suggests that further information and discussion is needed.

Audience member, Larry Howen, asked if the District had a Main-line Extension Agreement and suggested that all these points could be covered in that agreement.

I. General. Audience member, Pat Bailey read a statement to the Board warning that the Developer has been involved in home building in WLE Unit 1 wherein problems have occurred and expressing her concern about future development. She also expressed concern should the District provide service from existing capacity, which might allow the developer to not provide the required new sewer plant. Director Cantoni asked that Mrs. Bailey give a copy of her statement to the Board and it will be included in correspondence as well as the letter from the Architectural Committee.

J. Priorities. The Board then held a discussion on priorities regarding the development. Priorities discussed included the following.

1. District Office. Mr. Cantoni stated that the District Engineer will have an inspector on site during the improvement construction. He suggested a District office would be very useful, possibly implemented with a temporary office at the sewer plant. A motion was made to investigate this option.

Moved: Rick Guantone Second: Bill Pugh Unanimous

2. Storm Drainage. Proper handling of Storm Drainage during construction is a concern.

3. Construction Access. Construction access should be planned and documented.

4. Dust Control. Dust control should be implemented, including consideration water source(s).

5. Deeding of open space and public service spaces. Want the timing of deed of the various to the District well understood.

6. Dam repair. The community is anxious to see the dam repaired.

7. Paving the South side walking path.

8. Walkways across the dam and causeway

9. Office at back gate. An office should be constructed at the back gate.

10. Street Lights. Street lights are important.

In further discussion, Directors Pugh and Guantone discussed the financial value of having the remainder parcel development go through. Director Fusselman pointed out that the original Winchell plan was to have the meeting Barn and surrounding area belong to the District.

K. Presentation Points. Mr. Lind of Reynen & Bardis Communitis will be presenting at the next Board meeting. A list of questions was drawn up from Board members and the public. Questions included:

1. Can the developer present a time schedule for the development?

2. What will the home designs look like?

3. Typical Elevations?

4. Strategy of the developer with regards to earthen fills.

5. Have they solved compaction and foundation issues?
6. What will they be doing with respect to CC&R's.

3. TRANSFER FUNDS TO PAY EXPENSES.

A Motion was made for \$25,000 to be transferred to Bank of the West from County accounts to cover anticipated cash flow needs.

Moved: Bill Pugh Second: Rick Guantone Unanimous

4. CSD LAW HANDBOOK.

A handbook on CSD law provided by Legal representative Michael McGrew was distributed to Board members.

5. LAFCO

LAFCO is setting up a Water/Sewer Technical Committee and has asked that we assign a representative. A motion was made to assign the position to Director Guantone.

Moved: Cathryn Jackson Second: Bill Pugh Unanimous

6. OTHER BUSINESS.

A. Director Cantoni discussed the State order 2006-003 which will require WCSD compliance and mandates engineering assessments.

B. Director Cantoni stated that Mr. Weber recommended delaying implementation of an ordinance to raise connection fees until results of the Remainder Parcel Hearing are known.

C. Director Cantoni asked for Board approval to place American Flags at the Entry Gate at no expense to the District. A motion was made to approve the request.

Moved: Cathryn Jackson Second: Bill Pugh Unanimous

7. ADJOURNMENT TO THE REGULAR MEETING July 13, 2006

The meeting was adjourned at 10:20 PM

Respectfully submitted,
FINAL MINUTES

Jackie Neill, Administrative Assistant

Charles Cantoni, Interim President, WCSD