



BOARD OF DIRECTOR'S MEETING
ESPARTO COMMUNITY SERVICES DISTRICT
ESPARTO, CA

REGULAR MEETING
JANUARY 2, 2013
MINUTES

(1) CALL TO ORDER

Chair Melissa Jordan called the meeting to order at 7:05 pm.

(2) PLEDGE OF ALLEGIANCE

All residents and members in attendance recited the pledge

(3) ROLL CALL

Present:

- Directors: Melissa Jordan, Steve Knightley, Charles Schaupp
- District Counsel: Not Present.
- General Manager: Mel Smith
- Board Clerk: Mel Smith

Absent:

- Director Colleen Fescenmeyer,
- Director Anna Girk

Public: Public present

(4) APPROVAL OF AGENDA

Chair Melissa Jordan entertained a motion to approve the agenda.

Motion by; Director Charles Schaupp to approve the agenda as presented

Second by; Director Steve Knightley

Public Comments: none

Discussion: Chair Melissa Jordan requested that Item No. 14 be changed to read, nomination and election of officers to be held on Jan. 16, 2013

Question by Director Charles Schaupp: are there any rules in place suggesting that we have to wait 30 days after the nominations before the election can take place?

Chair Melissa Jordan indicated no. The item is only up for discussion at this time.

Director Charles Schaupp made a friendly amendment to change Item No. 14 as indicated. Director Steve Knightley seconded the friendly amendment.

Vote: Ayes: 3 No: 0 Abstain: 0 Motion: Passed

(5) PUBLIC COMMENTS

Chair Melissa Jordan opened public comments – no comments received

(6) CORRESPONDENCE

General Manager had no correspondence to report.

Chair Melissa Jordan referenced the district Christmas Party and was pleased with the community participation and the district staff's interaction with the community. Great community event.

(7) APPROVAL OF MINUTES

Chair Melissa Jordan entertained a motion to approve the minutes of December 19, 2012

Motion by: Director Charles Schaupp to approve the minutes as presented

Second by: Director Steve Knightley

Public Comments: none

Discussion: Director Charles Schaupp asked when the district surplus issue will come back to the agenda.

General Manager: next budget update, February meeting.

Vote: Ayes: 3 No: 0 Abstain: 0 Motion: Passed

(8) CLAIMS: FUND 466-0 REGULAR MONTHLY

Chair Melissa Jordan entertained a motion to approve the claims

Motion by: Director Steve Knightley to approve the claims as presented

Second by: Director Charles Schaupp

Public Comments: none

Discussion: Question on the Daily Democrat expenditure.

General Manager: Daily Democrat has always been the traditional newspaper used for legal notices on vacancies and elections, we have also started posting notice in the Valley Voice.

Chair Melissa Jordan questioned if the Valley Voice would full fill the requirement for posting notices, asked to have this looked into.

Question: on the third party audit, reference was made on some of the small expenditures believed to be associated with this audit.

General Manager provided a brief explanation.

Chair Melissa Jordan questioned why we were not notified of the requirement that created the additional expense.

General Manager: The expense was for an additional requirement that needed to be included in the audit.

Director Charles Schaupp questioned if the auditor should advise us if this is part of the audit requirements so it can be budgeted for next year.

General Manager indicated yes, the OPDE should be budgeted for.

Chair Melissa Jordan remained concerned about the auditor obligating the districts funds without prior notification.

General Manager: indicated the grant application requires the completed 2010/2011 year audit report, we are under a time constraint to complete and submit the application by the Jan. 11 deadline. Pelling & Associates have committed to this deadline as well.

Chair Melissa Jordan asked the General Manager to bring back more information on the GASB 45 at the next meeting and why the requirement.

Vote: Ayes: 3 No: 0 Abstain: 0 Motion: Passed

(9) REVIEW AND TAKE ACTION ON THE PROPOSAL SUBMITTED BY LUDORFF & SCALMANINI TO PROVIDE PLANS AND SPECIFICATIONS, TO BE INCLUDED IN THE SDWSRF APPLICATION ON THE WELL 3 PROJECT

General Manager provided information on the project which is to include a test well and two additional wells. One well will be deep, the other shallow which will allow us to draw from both aquifers. Each well will produce a different water quality. The project will also include a 100,000 gallon holding tank that the wells will pump into allowing for the water to be mixed.

Discussion followed on the reason for the depth of well and the pumping cost.

Chair Melissa Jordan stated we don't have a motion on the floor at this time, and after reviewing the board minutes back to July I did not find where this project was brought to the board.

General Manager: reviewed the events leading up to the invitation to submit a package for the grant funds. He indicated a set of plans from a water consultant and an engineer must be included in the application package.

Concern: district funds being spent in advance of knowing if we get the grant. What will happen if we don't get the grant?

7:42 pm – Director Colleen Fescenmeyer is now in attendance

General Manager: indicated the cost of the plans being prepared is at risk, not obligated to follow through with the project if we do not get the \$450,000 grant.

Chair Melissa Jordan questioned the districts share.

General Manager indicated the district would be contributing \$125,000.

Chair Melissa Jordan indicated then essentially we will be obligating the district to approximately \$135,000.

Director Steve Knightley questioned what the charge from NK Engineering will be and will we be obligating the district for these funds or is this a potential cost?

General Manager: The plans have to be done and included in the application package.

Additional discussion followed on the total cost of the expenditure to complete the required plans.

Director Charles Schaupp recapped the requirements to move forward as he understood them, must be done by January 11, we have to agree to spend approximately \$15,000 between NK Engineering and Luhdorff & Scalmanini , the grant is for \$450,000 that we may get, the districts cost will be an additional \$125,000 to complete the project. Question, do we need to include the wells production?

General Manager: yes, the package requires we include the maximum daily demand. The maximum daily demand on record is 1.17 million gallons in a 24 hour period, it occurred in August 2009. He went on to explain the total the district wells are now producing, which is only half of what we are allowed. This is why we qualify to apply for the grant.

Additional discussion covered the aquifer levels, minerals, whether the district can provide the water demand with new development.

Concerns were noted about not having enough information to make an informed decision to allocate the funds for the plans needed. District risk factor also discussed in agreeing to the expenditure. District must maintain an adequate supply of water.

Question whether the district should apply for the grant or just drill another 300 foot well as this is known to be a good water source.

8:13 pm – Chair Melissa Jordan called for a five minute break

8:24 pm – Chair Melissa Jordan called the meeting back to order

Chair Melissa Jordan entertained a motion to act on the proposal submitted by Luhdorff & Scalmanini to provide plans and specifications to be included in the SDWSRF application on the Well 3 project, at an estimated cost of \$4,500.

Motion by; Director Charles Schaupp to accept

Second by: Director Colleen Fescenmeyer

Public Comments: Matt Wheeler, Engineer provided a brief recap of the district's water situation as it stands, also indicated district under no obligation to go to bid for consultants. District does need another water source. Decision at hand is black and white either you vote to make the expenditures to go forward and obtain the plans needed to obtain the grant this year or you wait and hope there will be one available next year.

Discussion: Chair Melissa Jordan indicated she would be more comfortable holding this total expenditure to \$15,000 for the whole process.

General board consensus was to move forward understanding the risk involved and possible problems from other options.

Vote: Ayes: 4 No: 0 Abstain: 0 Motion: Passed

(10) REVIEW AND TAKE ACTION ON THE PROPOSAL SUBMITTED BY NK ENGINEERING TO PROVIDE PLANS AND SPECIFICATIONS, TO BE INCLUDED IN THE SDWSRF APPLICATION, ON THE WELL 3 PROJECT

Chair Melissa Jordan entertained a motion to take action on the proposal submitted by NK Engineering to provide plans and specifications to be included in the SDWSRF applications on the Well 3 project, at an estimated cost of \$12,200.

Motion by: Director Charles Schaupp to accept

Second by: Director Colleen Fescenmeyer

Public comments: none

Discussion: none

Vote: Ayes: 4 No: 0 Abstain: 0 Motion: Passed

(11) RESOLUTION 13-01, DESIGNATING THE AUTHORIZED REPRESENTATIVE AND AUTHORIZING THAT INDIVIDUAL TO APPLY FOR THE SDWSRF FUNDING

Chair Melissa Jordan entertained a motion to approve Resolution 13-01

Chair Melissa Jordan noted a concern that the package included only a sample resolution, the only thing she can authorize is the tangible thing that we have, do we know that the General Manager is to be the person who needs to be authorized. Board has no knowledge of the grant or its requirements. Board does not know what the district is applying for.

General Manager indicated the resolution is to authorize me to apply for the funding.

The second page is the sample to be used on a future resolution.

Discussion followed on the sample resolution to be used once the grant is approved.

General Manager indicated he put together tonight's resolution to meet the requirements to apply for the grant. Other documents included in the package include the next step once the grant is approved.

Comment made referencing low interest loan that could be an option for the grant.

Chair Melissa Jordan again stated her concern referencing operating without sufficient information and obligating district funds without a being able to make a fully informed decision. General Manager indicated that was the reason he included the sample resolution which provided details so discussion could take place.

Discussion followed on the depth of the well, ag wells in the area, drilling to 700ft and water quality. Major concern referencing the application process was the board has not viewed the application.

General Manager explained we are only at the application stage and the plans we are obligating the district to fund will be of use to the district in the future whether we get the grant or not. District is obligated to pursue water supply.

After some additional discussion on the grant application documents, the General Manager indicated to the board he has already covered the major components that are

required in the application this evening and would like the resolution approved in order to move forward with the grant. Would not be concerned if the board wishes to hold a special meeting on the 9th but doubts all the documents would be available for review as the deadline is 5:00 pm on January 11 and he would be putting information together up to the last minute

Chair Melissa Jordan indicated we already have a motion on the floor and the resolution has to be read into record. She proceeded to read the resolution into record.

Motion by: Director Colleen Fescenmeyer to approve the resolution

Second by: Director Steve Knightley

Vote: **Ayes:** 3 **No:** 1 (Jordan) **Abstain:** 0 **Motion:** Passed

(12) FINANCIAL REVIEW OF BIDS, CONTRACTS AND EXPENSES TO DATE ON THE WELL 4 AND WELL 5 PROJECTS

General Manager provided information on both Wells as requested by the Board. Some concern about Well 4 being over budget, but was corrected to indicate Well 4 is under budget.

Question if there are any other expenses associated with bringing Well 4 on line, only small amounts, bill for sampling not received as yet should be less than \$100.00 and small amounts for completing the fencing. General Manager indicated he neglected to include the cost of the SCADA equipment, which has not been purchased as yet, estimated cost should be between \$1,500 to \$2,000; total cost for Well 4 should be under budget.

Well 5 still sitting with temporary fix. General Manager provided a brief explanation of the problem and explained what potential procedures could be used to repair the two holes in the casing.

(13) INFORMATIONAL PRESENTATION ABOUT OUR ECSDF WASTEWATER TREATMENT FACILITY

General Manager introduced a slide show presentation including aerial photographs of the district's wastewater facilities. He went on to explain what was being viewed in each slide. Aerial photos taken by Melissa Jordan. Some discussion followed on the use of the Solar Bee's and the ponds that would be involved.

(14) NOMINATION OF OFFICERS. ELECTION TO BE HELD AT MEETING 1-16-13

Removed from tonight's agenda, nominations and election to take place at the meeting of January 16, 2013.

(15) ERRORS & OMISSIONS

General Manager indicated he had no information on this as yet. Chair Melissa Jordan asked for a time line for deadlines.

(16) DISTRICT CALENDAR

Chair Melissa Jordan asked if a district calendar could be created to include important events, time lines; special projects in order to give the board a heads up on what's to come. This would help with long range planning so we can be better prepared. Suggestion was made to include this on the web site for public information. Chair Melissa Jordan indicated the board is directing the General Manager to create the calendar.

(17) MANAGERS REPORT

General Manager had nothing further to report. Question if the staff enjoyed the community celebration and if the VFW was thanked for the use of the hall? General Manager indicated, very much so and we do thank the VFW. He thanked Director Charles Schaupp again for his help in obtaining the hall.

(18) FUTURE AGENDA ITEMS

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|---------------------------|---|
| a) Solar Bee | f) Research Impact Fees |
| b) Errors & Omissions | g) Discussion on Manager's Compensation |
| c) MOU w/Madison | h) Election of Officers |
| d) CSA Roles | i) Pending Litigation |
| e) Job Description Policy | j) Alt use of Well 5 pump |

(19) ADJOURNMENT

Chair Melissa Jordan entertained a motion to adjourn the meeting

Motion by: Director Colleen Fescenmeyer to adjourn the meeting

Second by: Director Steve Knightley

Vote: Ayes: 4 No: 0 Abstain: 0 **Motion:** Passed

Meeting adjourned at 9:59 pm

Melissa Jordan – Chair of the Board

Mel Smith - Board Clerk

Date: _____

Date: _____