



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

REGULAR MEETING
APRIL 3, 2013
MINUTES

(1) CALL TO ORDER

Chair Melissa Jordan called the meeting to order at 7:12 pm.

(2) PLEDGE OF ALLEGIANCE

All residents and members in attendance recited the pledge

(3) ROLL CALL

Present:

- Directors: Melissa Jordan, Steve Knightley, Colleen Fescenmeyer, Anna Girk, Charles Schaupp
- District Counsel: Not present
- General Manager: Mel Smith
- Board Clerk: Mel Smith

Public: No public present

(4) APPROVAL OF AGENDA

Chair Melissa Jordan entertained a motion to approve the agenda

Motion by; Director Colleen Fescenmeyer to approve the agenda

Second by: Director Anna Girk

Vote: Ayes: 5 No: 0 Abstain: 0 **Motion:** Passed

(5) PUBLIC COMMENTS

Chair Melissa Jordan opened public comments – no public present

(6) CORRESPONDENCE

- a) Training Opportunities – General Manager referenced the information included in the board package on training classes being offered for board members. He reviewed the upcoming classes and board requirements. Questions were asked on the various classes regards to cost or if they were free. General Manager indicated the two courses that are a mandatory requirement are AB 54 and AB 1234. He also indicated some courses were offered through a webinar, on line as well as class room attendance. Concern referenced about attending the courses together and possible violation of the Brown Act. General Manager explained you cannot talk about business while together, all training seminars are allowed under the Brown Act.

General Manager stated he had signed up for a two hour webinar on the implementation of the Affordable Care Act that was being presented tomorrow.

Chair Melissa Jordan made reference to the workability program offered through Esparto High School regarding summer jobs for students. The School District offered 100 hours of service at no cost to district. She asked the General Manager to look into this program with the possibility of employing a student for the summer.

She also announced the baseball coach for Esparto High School has arranged for the baseball team to play at Raley Field next Friday. The coach has agreed to sell River Cat tickets should anyone be interested, this can bring a \$1000 to the baseball program if the coach sells the required number of tickets.

Chair Melissa Jordan indicated she was contacted by a MERCESA board member inquiring about the district letter she had signed. She felt comfortable allowing the letter to be viewed. The board member learned of the letter through a meeting at the Supervisors office, comments referencing the letter were favorable towards ECSD.

(7) APPROVAL OF MINUTES

Chair Melissa Jordan entertained a motion to approve the minutes of 3-20-13.

Motion by: Director Anna Girk to approve the minutes as presented

Second by: Director Charles Schaupp

Discussion: none

Vote: Ayes: 5 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 Colleen Fescenmeyer to approve the claims as presented
Second by: Director Steve Knightley

Discussion: Questions on expense for asphalt, sand, crushed aggregate and the purpose for the diesel fuel, regarding bill from Ramos Oil?

General Manager responded to all questions.

Vote: Ayes: 5 No: 0 Abstain: 0 Motion: Passed

(9) BUDGET UPDATE 2-28-13

General Manager referenced this update versus the one on Dec. 31, 2012. There is a decrease to year end projection on revenue. He prepared a spreadsheet to highlight what has taken place. It appears the county has not entered our revenue for January. Our January deposit is made by the middle of February and it should be showing on the February ledger but its not. Estimate of year end revenue has always been a moving target until year end. This spreadsheet should be helpful to get a handle on this.

Question regarding revenue figures that do not total.

General Manager referenced again the revenue that has not been added to the books by the county, therefore the figures would not total.

General Manager indicated the account that may go over budget is the 2272 Maintenance, Building & Improvements. We budgeted \$10,000 which is less than last year. We should be prepared for unexpected repairs that we can't predict; category is under budgeted.

Chair Melissa Jordan referenced the Clothing and Personal Supplies Acct. she suggested the district purchase new shirts or name badges for all the employees and the board to present a more professional look when attending different events. Ask the General Manager to look into a couple of options.

Additional questions on membership, board meeting stipends and travel expense. General Manager responded to all questions.

General Manager referenced the \$10,000 budgeted for contingency, which is currently at zero. USDA loan payments have been made and are reflected in this budget update. No set-a-sides have been made as yet.

General Manager: bottom line budget analysis, total operations is estimated at coming in \$90,000 below last year; total revenue is down \$100,000 with a projected surplus of \$82,000.

Question: why do you think our revenue is down?

General Manager: mostly due to commercial accounts and MERCOSA but in general the revenue is down a bit. Feel future is positive, Mercy housing ready to come on line with 40 units, will increase revenue by \$2500 per month. We will incur a little more in operation expense but nothing on the sewer side.

Chair Melisa Jordan questioned when the interest payments are due.

General Manager indicated interest is supposed to be deposited every quarter.

General Manager stated over the next two months a lot of time will be spent on the accounting.

Director Steve Knightley questioned the CDBG amount being withdrawn by the county.

General Manager explained it was for a loan, funds were to be used for the new uplift station. In the beginning the county was withdrawing payments quarterly until last year they took them all at one time at the end of the fiscal year.

Discussion followed on the repayment of that loan.

(10) BIENNIAL REVIEW OF ECSD CONFLICT OF INTEREST CODE

General Manager indicated a letter was received from the County Counsel advising us to review our conflict of interest code and complete the Biennial Review Form. After researching the history; the district adopted the states template of Conflict of Interest Code in 1998. A copy of the resolution is provided in tonight's packet.

Chair Melissa Jordan referenced page 1 of the form and questioned the changes within the last two years the district has made both with staff changes and the district budget exceeding the \$150,000.

Director Steve Knightly questioned if we intend to continue with no amendment required or is one required?

General Manager: I believe we can continue to say no amendments are needed.

Chair Melissa Jordan: but we know during that two years we have revised positions and removed and changed titles.

General Manager: I don't believe we are obligated to amend our Conflict of Interest Code unless there is somebody else who is designated to fill out a 700 form; that is not already doing so.

Director Steve Knightly suggested the district's attorney, Tom Barth, review the form before we complete it.

General Manager indicated it has been five years since our last review; one month will not make a difference. What will make a difference is the completion of the 700 forms which were due yesterday. He provided each board member with the form.

Chair Melissa Jordan mentioned the use of a district calendar which would eliminate being late on submission of documents. It would be beneficial in order to know when they are due.

Chair Melissa Jordan confirmed that the General Manager will take the Conflict of Interest Code to Tom Barth, district counsel for review and bring it back to the next meeting.

(11) BOARD AUTHORIZATION FOR COUNTY AUDITOR TO PREPARE AND SUBMIT ANNUAL FINANCIAL TRANSACTION REPORT TO THE STATE CONTROLLER'S OFFICE

Chair Melissa Jordan referenced this is the least expensive option for this report and is

a very good value for the district. She entertained a motion to approve.

Motion by: Director Colleen Fescenmeyer to approve the financial transaction report to be prepared by county auditor and submitted to the state controller's office.

Second by: Director Anna Girk

Discussion: none

Vote: Ayes: 5 No: 0 Abstain: 0 Motion: Passed

(12) BOARD TO CONSIDER THE PURCHASE OF SEWER VIDEO CAMERA EQUIPMENT

General Manager: the district budgeted for this camera, we can afford it and it is needed.

Chair Melissa Jordan: what did we spend last year on sewer video?

General Manager: relatively nothing, however this would be a good tool for public relations. Use for lateral clogs to identify the clog. We are repeatedly running a snake for some houses, once cleaned out we can run the camera to show then directly where the clog is and why.

Director Steve Knightley: this would be a handy tool, but it crosses over into the owner's responsibility versus the districts.

Chair Melissa Jordan: can see this would definitely work to show the resident this is their responsibility, good public outreach, would encourage you to go with the 300 foot cable.

General Manager: referenced there are several circumstances in town where this piece of equipment would be beneficial.

Some discussion followed on options for the camera.

Chair Melissa Jordan entertained a motion to authorize the General Manager to spend up to \$15,000 as budgeted for the purchase of the sewer camera to meet district operational needs.

Motion by: Director Anna Girk to use up to \$15,000 as budgeted for the purchase of this equipment

Second by: Director Colleen Fescenmeyer

Vote: Ayes: 5 No: 0 Abstain: 0 Motion: Passed

(13) MANAGERS REPORT

- a) Well 4 cost update – General Manager referenced an invoice that came in after the board package was prepared. A copy of the last invoice which came in end of March was given to the board. Cost so far for the recent Well 4 repair work is \$2475.

General Manager: reviewed both videos of Well 4 with Jason to determine where the failure occurred, we concluded it was at the first weld where the

dis-similar metals were welded. We had been getting bids for a swedge for Well 5 so we decided to get one for Well 4 as well, 1 swedge for Well 4 would be \$8500. He indicated the engineers involved with Well 4, Ludorff & Scalimini requested to view the video. Their request was because they heard the well was drawing gravel.

General Manager: after our review, Jason and I agreed with the well installation guy, Randy Criner. It's the weld at the top of the stainless steel screen.

Chair Melissa Jordan: someone needs to be held responsible, we paid for their expertise.

General Manager: in my opinion you're absolutely correct, however that is not a call for me to make. The board will need to discuss this with legal counsel.

General Manager provided some additional information on the Well 4 issue.

General Manager: advised Carl, the engineer at Ludorff & Scalimini yesterday that we will have Vanucci re-install the pump, put a rubber stopper two feet down from the weld, put the well back in service and not do a swedge.

Question as to where the stainless steel screen sits. Will the rubber stopper cause any problems or damage the screen. General Manager addressed the questions.

General Manager feels this will correct the problem.

Questions on the use of the stopper, how it is installed and removed if necessary.

General Manager explained how it would work.

Chair Melissa Jordan asked the percentage success rate in using the stopper versus the swedge, would like the rate on either option.

Concern if the stopper is used will it void out both the manufacturers and engineers responsibility and liability if we did something not authorized.

General Manager: In any legal action you are allowed to self-help if you are being damaged and to make prudent moves to stop the damage. It does not release them from liability nor can they claim we voided their warranty by trying to put our well back in service.

General Manager: it is my intention to put Well 4 back in service; board is not authorized to stop this process.

Chair Melissa Jordan: does not agree, boards job to review expenditures, our job is to review and monitor. We should have been notified when Well 4 went down.

General Manager: my intention with putting out the public notice was for the swedge, I have now decided to switch from that option and look at the stopper.

General Manager: the manager's report is for board information, not for board approval. The Board oversight is financial and policy, the operation of the district is my responsibility as well as implementing the policies of the Board. Maintenance and infrastructure is part of my job responsibilities. He referenced the \$1000 limit restriction for the General

Manager, there needs to be a more definite description placed on that. I know there is disagreement with my version of responsibilities.

Chair Melissa Jordan: the issue of definition of the spending limit has to be agendized.

General Manager: recapped what the board requested, wants to get legal counsel on the downside of putting the stopper in and could that potentially give the screen manufacturer and engineer a release of liability.

Members of the board felt the stopper was a good idea.

General Manager: to go from where we are now we have two viable options, the swedge or the stopper.

Chair Melissa Jordan: asked some research be done on both options to identify the success rate on both.

- b) Public notice Well 4 repair- General Manager indicated he does not intend to put public notice out on this well.
- c) Public notice Well 5 repair – No public notice as yet, fully intend to put notice out with bid sheets. Cannot do the repairs on this well until Well 4 is back on line. Repairs remain the same, two swedges to repair two holes; cost should be around \$15,000.

(14) FUTURE AGENDA ITEMS

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|-----------------------------|--------------------------|
| a) Solar Bee | f) Research Impact Fees |
| b) Sewer Lateral Review | g) LAFCO Update |
| c) Metered Rates Outreach | h) (2) Tom Questions |
| d) District Calendar | i) Well Camera |
| e) Solar Panels on 15 Acres | j) Managers \$1000 limit |

(15) ADJOURNMENT

Chair Melissa Jordan entertained a motion to adjourn.

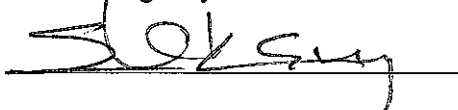
Motion by: Director Charles Schaupp to adjourn meeting

Second by: Director Anna Girk

Vote: Ayes: 5 No: 0 Abstain: 0 Motion: Passed

Meeting adjourned at 9:32 pm

Steve Knightley – Vice-Chair of the Board



Mel Smith - Board Clerk



Date: 4-17-13

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