



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

REGULAR MEETING
May 7, 2014
MINUTES

(1) CALL TO ORDER

Chair Steve Knightley called the meeting to order at 7:06 pm.

(2) PLEDGE OF ALLEGIANCE

All residents and members in attendance recited the pledge

(3) ROLL CALL

Present:

- Directors: Steve Knightley, Don England, Colleen Fescenmeyer,
- District Counsel: Not Present
- General Manager: Mel Smith
- Board Clerk: Mel Smith

Absent:

- Directors Anna Girk and Charles Schaupp

Public: Not present

(4) APPROVAL OF AGENDA

Chair Steve Knightley called for a motion to approve the agenda.

Motion by: Director Colleen Fescenmeyer to approve the agenda as presented

Second by: Director Don England

Discussion: None

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

(5) PUBLIC COMMENTS

Chair Steve Knightley opened public comments – none received

A handwritten signature in black ink, appearing to be the initials "AK", is located in the bottom right corner of the page.

(6) CORRESPONDENCE

Chair Steve Knightley called for correspondence

- a) General Manager indicated the third party audit is complete. Received an email from the auditor Zach Pehling who will be present at the next meeting to present the audit. A hard copy will be in the next meeting packet for the Directors
- b) Director Colleen Fescenmeyer indicated the interim Director of PPW will be present at the next advisory meeting to address questions on the restructuring of the dept. Questions were brought forth on how a replacement is selected. General Manager indicated that both the Director and Assist Director of PPW have left the county and indicated it affects the advisory committee more so than the district.

(7) APPROVAL OF MINUTES

Chair Steve Knightley called for a motion to approve the minutes of 4-2-14

Motion by: Director Colleen Fescenmeyer to approve the minutes of 4-2 -14 as presented

Second by: Director Don England

Discussion: none

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

(8) CLAIMS: FUND 466-0: 4-1; 4-14; 4-21-2014

Chair Steve Knightley called for a motion to approve the claims for 4-1; 4-14 and 4-21-2014

Motion by: Director Colleen Fescenmeyer to approve the claims for 4-1, 4-14 and 4-21-2014

Second by: Chair Steve Knightley

Discussion: Question on vehicle repair; General Manager indicated the Ford truck had an electrical module fail and needed repair.

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

(9) BUDGET UPDATE 3-31-14

General Manager presented the budget update as of 3-31-14, he indicated there are three more months to go. Estimated year end will come in close to our budget projection.



Question on penalties; appears to be higher.

General Manager responded and went on to address other budget categories. Legal fees will come in way above the amount budgeted. Explanation continued on utilities reduction and the Capital Assets targeted for this year which will not happen. Referenced the solar arrays; expenses for the existing solar array charged to the general fund have not been transferred from Capital Assets as yet.

He provided a brief explanation of how the USDA loan payment in February affected the budget and reference was made to the reserve set asides. Plan to make those journal entries within the next 30/60 days. Budget analysis indicates the bottom line will be a small negative at year end.

Fund Balances: Development Impact fund remains adequate to construct another well, add Grid Bees to ponds 4 and 5; also to use as our contribution to the Well 3 project if it materializes and to add any additional solar arrays.

Discussion followed on methods to invest district money to increase the return.

(10) REVIEW OF TEST WELL RESULTS WITH BOARD ACTION RE: MOVE FORWARD WITH DESIGN AND RFP OF NEW WELL 5 (b)

General Manager presented information and referenced the water quality results that have already been discussed. Results all good except for the iron and color; an iron/manganese removal system can be added to the project to address the problem if necessary. This would make the new well the best well in the district.

Chair Steve Knightley: indicated he was still concerned we did not get a true test, do to the purging process being shortened, the iron might clear up.

Discussion followed.

General Manager: need to give the engineers the go ahead to move forward with design and bid sheet to put Well 5 (b) out to bid.

Chair Steve Knightley: would like the directors to review the bid sheet prior to it being put out, also the RFP should include a schedule and deadline for the contractor submitting the bid and a clause that describes damages for the project delay.

Discussion followed on the time frame for the RFP review prior to it being put out to bid.

General Manager: bid sheet and RFP should be ready for the board to review at the June 4th meeting.

Chair Steve Knightley: entertained a motion to move forward with the design and preparation of the RFP for the new Well 5 (b)

Motion by: Director Colleen Fescenmeyer to move forward with the design and preparation of the RFP for the new Well 5 (b)

Second by: Director Don England

Discussion: none

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



**(11) REVIEW OF GRID BEE PERFORMANCE PONDS 1-3 WITH BOARD
ACTION RE: PURCHASE GRID BEES FOR PONDS 4 AND 5**

General Manager: indicated an incorrect statement was made regarding the reduction of electrical use, he presented a spread sheet detailing the electrical accounts; on the bottom of the front page is the Wastewater Treatment Plant and the two on the back page are past the Wastewater Treatment Plant. Meters were mixed up; it was thought the 877 reflected the solar array but it is actually the grid bees.

7:53: Director Charles Schaupp arrives

858-6 is the meter for the solar array. The meter has basically turned back to zero and then some. Charges on the February bill are the fees from PG&E for having the meter.

General Manager: presented an explanation on the cost during the winter months and the savings that are currently taken place. For future solar arrays, PG&E has a new program which is mandated to offer government agencies the ability to build one solar array and allocate the full credit to any meter that we have, an application has been submitted for the district.

Discussion followed.

General Manager: indicated an application has been submitted to PG&E to attach our next solar array to the meter which was used for the water cannons, 877-7 meter and distribute to other meters from there. Once PG&E approval has been received; will bring it back to the board for discussion.

General Manager: no proof of sludge reduction as yet. DO level is up in ponds 1 thru 3, and ponds 4 and 5, no odors detected. Water from top of pond two flowing into pond 4.

Chair Steve Knightley: suggest we ask the company to come back out and survey the sludge digestion on ponds 1 thru 3 and prepare a quote to add the grid bees to ponds 4 and 5. Want to be sure the grid bees are working as anticipated on ponds 1 thru 3 before proceeding.

General Manager will contact the company for the survey and quote.

Chair Steve Knightly: question what the General Manager is requesting. General Manager believes the board has given him direction to obtain more proof and get a written proposal for the addition of the Grid Bees on ponds 4 and 5. Nothing else is needed at this time.

**(12) REVIEW AND TAKE ACTION ON BIDS RECEIVED FOR SECURITY
FENCING AT WELL 6 SITE**

General Manager presented the three bids received for security fencing. He indicated the wood fence around the chain link fencing is now being rebuilt by district staff but prefers the chain link security fence be done by a contractor.

Question: is the cost in our budget. General Manager explained, expense can be handled in the current budget.

Chair Steve Knightley: question if we should move forward with accepting the bid from USA fence?; which is the lowest bid.

Discussion followed on two bids which were close in cost.

Question: do we have to go with the low bid?

General Manager: we have to go with the low bid unless we have a quality issue with the low bid or a quality preference with the higher bid.

Discussion continued.

Chair Steve Knightley: questioned if the board wants to take action to approve USA Fence providing no derogatory information is obtained and if so we can discuss this again.

Motion by: Director Charles Schaupp to accept the bid from USA Fence provided their business license is current and there is no derogatory comments with the Better Business Bureau

Second by: Director Colleen Fescenmeyer

Discussion: none

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

(13) MANAGERS REPORT

General Manager: no report.

8:26: Board moves into closed session

(14) Closed Session

- a) Board to do performance evaluation of General Manager, authorized by Gov. Code 54957 (b) (1).

8:56: Open session resumes

- (15)** Report of Closed Session - General Manager's evaluation complete. Evaluation presented to General Manager.

(16) FUTURE AGENDA ITEMS

- | | |
|---------------------------|----------------|
| a) Balance Payment Plan | f) Grid Bees |
| b) Bluefin Website update | g) GM Contract |
| c) Calendar update | |
| d) Budget draft | |
| e) Solar Array | |



(17) ADJOURNMENT

Chair Steve Knightley called for a motion to adjourn the meeting

Motion by: Director Charles Schaupp to adjourn the meeting

Second by: Director Don England

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

Meeting adjourned at 9:05 pm

Steve Knightley – Chair of the Board



Mel Smith - Board Clerk



Date: 6/4/14

Date: 6-4-14