

**Linden County Water District
Regular Board of Trustee Meeting Minutes
June 11, 2009**

Directors Present: Michael Ostrom, President, Kevin Stevens, Vice President, Sam Fonzi, John Walsh and Randy Owens (arrived late)

Tom McCoy and Office Manager Barbara Kascht were in attendance.

Directors Absent: None

Public Comment: None

Agenda Items:

1. CONSENT CALENDAR

Randy Owens arrived during discussion of the consent calendar. Kevin Stevens moved to pull items b) Warrant Listing and c) Financial Reports from the consent calendar to address them separately, seconded by John Walsh. **AYES:** 5 **NOES:** 0 **ABSTAIN:** 0 Motion carried.

Kevin Stevens moved to approve the remainder of the consent calendar, which consisted of the following items:

- a. Minutes of the May 14, 2009 regular board meeting
- d. Principal Financial
- e. Generator Maintenance
- f. Field Operations Report
- g. Correspondence
- h. Safety Meeting Report

seconded by Sam Fonzi. **AYES:** 5 **NOES:** 0 **ABSTAIN:** 0 Motion carried.

Barbara explained that the Warrant Listing was revised to add a payment to the Department of Public Health for \$258.00 for the Permit Amendment to place Well #3 and Well #4 on standby, to come out of the Water Fund Dues, Subscriptions and Fees. Figures on the Revenue and Expenditure Report were changed accordingly. Tom McCoy asked about pulling the payment to Sierra Foothill Lab, as some analytical testing is in question. Vice President Stevens said to approve payment at the higher amount. John Walsh moved to approve items b) Warrant Listing and c) Financial Reports, seconded by Sam Fonzi. **AYES:** 5 **NOES:** 0 **ABSTAIN:** 0 Motion carried.

2. OLD BUSINESS

- a. President Ostrom reported that the HPC's at Well #6 are down to about 700 but are not less than 500, so Layne Christensen Company will do a circulation using the existing pressure tank for about a week with staff holding about 100 ppm.

- b. The Board discussed the two RFP's for maintenance and operations drafted by Vice President Stevens. President Ostrom felt the scaled-down version needed more clarification and will send Stevens a sample from Ione. Tom McCoy concurred that one RFP was too stringent and the other too open-ended. Stevens pointed out that requiring proof of insurance at the high levels specified provides a barrier for unqualified applicants and stressed that the insurance must already be in place upon submitting. Ostrom offered to help Stevens rewrite the RFP. Further action tabled until the next meeting.
- c. Tom McCoy reported that they are in the process of decanting the pond, taking the water off to get it ready for sludge removal. John is looking at surrounding neighbors to start clearing out an area and importing some sand. Once the water is down, McCoy will have a better idea of what it will take to remove the sludge. Bids will be obtained for the physical removal so the drying process can begin. Once the sludge is removed from the pond, the District has two years to remove it from the plant. It also appears that the single aerator system is causing short-cycling of the water so that full detention of the pond is not being achieved. McCoy suggested locating the aerator midway in the pond and possibly getting a second one.
- d. The RFP for Analytical Services was tabled so that President Ostrom and Tom McCoy could put a current sampling matrix together.
- e. Vice President Stevens asked for Board input on several key items before drafting the budget. Tom McCoy presented his Capital Improvement Plan spreadsheet, which showed a detailed per item replacement cost breakdown of the District's infrastructure, including the monthly reserve necessary per customer. It was noted that some items have already surpassed their life expectancy. McCoy stated that the purpose of the CIP was to show the Board the net worth of the system and also what funds should be set aside per service connection to be able to operate the District in the future. He added the next step would be to look at the cost to replace some of the older sections within the District and expense costs out over the next few years. The Board reviewed a spreadsheet factoring the budget out over the next five years at 2.5% inflation, which included the CIP figures. Property tax and interest revenue for the last two years were also considered and it was decided to budget a reduction in property taxes for the coming year, pending a loss of tax revenue to the State. Employee wages and benefits were discussed at length. President Ostrom suggested not following County standards regarding wages, insurance and holidays. It was decided there would be no cost of living raise and no reduction in employee benefits but dependent health benefits would be capped. Foreseeable expenses for the coming fiscal year were reviewed. Staff was directed to get an annual maintenance agreement for the office central heat and air units. Rewiring the office building, xeriscaping the grass area behind the office and seal coating the District lot, Well #7 and lift station were approved. It was noted that repair of siding at Well #4 was a maintenance expense. Kevin Stevens recommended having Troy Krause coat the shop roof. The cost to raise two sewer manholes and replacing the grinders on the lift station pumps will be capital expenditures. Stevens offered to allow the District to borrow his GPS. McCoy indicated he would not increase his consulting costs.

3. NEW BUSINESS:

- a. President Ostrom provided the background regarding First Baptist Church and posed whether they should be annexed into the District or considered Out of District, to be annexed in the future. Barbara advised the Board that the church had paid the annexation deposit and one half of the water connection fee. She had contacted Fred Fahlen to find out the steps for annexation and he indicated that LAFCO usually does not like to annex single parcels. Barbara was told to contact LAFCO and find out about their annexation procedures and costs.
- b. Kevin Stevens moved to have Tom McCoy and John Villierme vote on the proposed amendments to the California Special Districts Association (CSDA) bylaws, seconded by John Walsh. AYES: 5 NOES: 0 ABSTAIN: 0 Motion carried.

4. MANAGER'S REPORT:

Tom McCoy did not have any further items to discuss.

5. ADJOURNMENT:

There being no further business, John Walsh moved to adjourn the meeting, seconded by Randy Owens. AYES: 5 NOES: 0 ABSTAIN: 0 Motion carried.