

MINUTES

Minutes of the regular meeting of the Board of Directors of the Quincy Community Services District held on April 10, 2008 at 900 Spanish Creek Road, Quincy, California, in Plumas County.

Present: Denny Churchill, President
Ruth Jackson, Vice President
James Bequette, Director
Kimber Kraul, Director
Richard Castaldini, Director
Larry Sullivan, General Manager
Lyn Walters, Board Secretary
Guests: Josh Sebold, Feather Publishing
Bill Peay, EQSD
Rob Wade, PUSD

The meeting was called to order at 9 a.m. by Mr. Churchill and it was determined that a quorum was present. **Director James Bequette made a motion to accept the agenda; Director Kimber Kraul seconded the motion and the motion carried unanimously.**

APPROVAL OF MINUTES OF MARCH 13 MEETING: Director Bequette moved to accept the minutes for March 13 2008, Director Kraul seconded and the motion was carried unanimously with a change stating that Director Kraul not Director Ruth Jackson attended the March EQSD meeting.

PUBLIC FORUM: There were no comments.

GENERAL MANAGER'S REPORT: After announcing the good news that the District's Worker's Compensation Insurance rates were decreasing, General Manger Larry Sullivan reviewed his project list, stating that some items were completed such as the Metzdorf sale, and that others would be bigger than they seemed such as adding all the District's easements to a master real estate document to be filed with the Clerk's Office. In the past some work had been done on these easement documents but more work remained. The Sanitary District had had legal documents but there were none from the old water company.

The board then discussed using the Spring Line as a source of Hydro Electric energy if it had to be abandoned as a water source because of invading roots. Some members want to gain electric energy and use the water too by investing in a new sealed tank to keep the roots at bay. Mr. Sullivan stated this was all a matter of investment.

Director Richard Castaldini asked what the BODs looked like without septage. Mr. Sullivan stated it was too early to know with only two months of data to work with.

WASTEWATER ISSUES/PROJECTS:

Award of bid to Converse Construction for Lift Station Improvements-Director Bequette stated that he felt the bid made by Converse Construction for the Headworks Lift Station Improvement Project was good news as the total was lower than PACE Engineering had estimated. Mr. Sullivan stated that Converse had worked for the District before on the Well Six Project and that it was a good company to work with. Most of the excavation work would be subbed out to Wilburn. **Director Bequette moved to award the bid to Converse Construction. Director Jackson seconded and the motion was carried unanimously.**

Mr. Sullivan announced that Mountain Pipeline had just finished its TV inspection of the lines of the Bellamy Drainage area. Thirty-eight problem areas have been identified, fourteen critical. One corner of the courthouse needs to be dug up. A wye needs to be spliced in and slurry put in to anchor the fix. Wilburn has estimated \$7,000 for the excavation work. In Gansner Court there is a cavity that needs fixing with a sleeve at a cost of \$2,000. Mr. Sullivan said that the budgeted \$25,000 will just make a start in the 38 identifiable problems and that further inspection money was needed next _{1 of 3} year to keep up with the ongoing I & I work.

Director Kraul moved to approve the \$25,000 I & I work. Director Jackson seconded and unanimous ayes carried the motion.

Wetlands-President Churchill updated the board on the Wetlands, Prop. 50, project. He said that contracts for botany, wildlife, etc. would be awarded next month. The CEQA work was scheduled to be done in early summer. There is an 80 acre assessment area. Mr. Churchill expected that the process would move along smoothly.

FINANCIAL REPORTS: Director Kraul moved to accept the bills for March 2008. Director Bequette seconded the motion and it was carried without objection. Director Bequette moved to approve the Financial Statements for February. Director Castaldini seconded and the motion was carried without opposition. Then financial consultant Bob Reed addressed the board with his preliminary report of his draft rate study. Mr. Reed explained that a number of things had influenced his report, and that he had had a telephone conference with the board's budget committee. He explained that while the water operations were pretty stable, the wastewater fund presented more challenges. Water rates would go up modestly while wastewater rates would increase 10 percent. The rate of single family residences would increase less than multi-unit dwellings since it has been calculated that the two uses are more similar than previously thought and the existing gap need to be closed.

Mr. Reed explained that the tables in his report were layered to show the effect of particular factors on the rates. The first line showed the status quo adjusted for inflation. The last, the accumulation of a number of factors including funding post-retirement benefits and funding for depreciation which has been deferred. The tables were calculated based on incurring no long term debt. The numbers would have to be revisited if the state withheld the property taxes due the district as had happened in the past.

Mr. Reed then spoke about a trend that was occurring throughout the state and, that while not state mandated yet, may become so. That is, basing rates more on use and less on services (or infrastructure costs). QCSD only bases 30 percent of its rates on usership. Many base 70 percent of their rates on use. Mr. Reed said customers actually like this because they feel they have more control over their bills and more incentive to conserve. This is now considered a best management practice.

Capital projects loomed large in the future of the District. Both treatment projects and collection projects. Lost septage revenue would negatively affect the operating costs for QCSD's customers since they were the ones benefiting from that income.

Director Bequette moved to approve the draft notice presented in the packet as long as the number matched Bob Reed's final report, Director Kraul seconded and the motion was carried without opposition.

DISTRICT PROPERTY ISSUES: Mr. Rob Wade from Plumas Unified School District attended the meeting to further discuss a sign to be placed at Boyle Ravine commemorating the Learning Landscapes program. The District allows the school to use its Boyle Ravine watershed as an outdoor classroom. The board decided that it did not want to delineate negative behavior such as "no motorized vehicles" on the sign since these rules would be unenforceable. The two options of sign size were 20"x 25" inches and 16" x 20". It was decided to split the difference.

Rob Wade said he would proceed and be back again to inform the General Manager of his progress. Mr. Sullivan was given the authority to make the rest of the necessary decisions regarding the sign.

NEW CONNECTION APPLICATIONS: There were no new connection applications presented.

COMMITTEE MEETING: A Personnel Committee Meeting was scheduled for 9 a.m. on the 24th of April. President Churchill reported briefly on a meeting he had with Mr. Sullivan concerning upcoming work with Carollo Engineers. It was decided that Carollo was not needed for the Prop. 50 Wetlands project.

AVCSA/JOINT POWERS AUTHORITY:

East Quincy Community Services District-Director Ruth Jackson reported on the EQSD regular meeting of April 8th. Subjects that were covered included 2 of 3 expansion of services to Miller Lane, job training Meeting Minutes-April 10, 2008

for board members to reduce insurance costs, wage scale and benefits, consumer confidence reports, tentative Brown Act Training May 15.

Director Castaldini was selected to attend EQSD's May 13th meeting.

WATER ISSUES/PROJECTS:

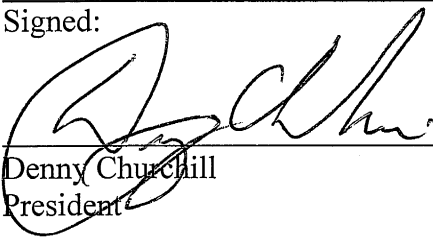
Goodwin Tank: Mr. Sullivan explained the progress being made at Goodwin Tank. There is a new vent, scaffolding up in the tank, but the team hasn't been up to do any real work since before Christmas. Mr. Sullivan is considering writing a letter of non-performance to the company.

California Department of Public Health Drinking Water Treatment and Research Grant: Mr. Sullivan said that Burkhard Bohm, Jim Webster and he have been meeting to assess potential test well sites. They need to look at source contaminants and a 10 year time of travel. The state also needs to approve Bohm and Webster's professional contracts.


BOARD & STAFF COMMENT: There were no comments.

ADJOURNED: Director Kraul made a motion to adjourn the meeting; Director Bequette seconded the motion and the motion carried unanimously. The meeting adjourned at noon.

Signed:


Denny Churchill
President

Attested:


Lyn Walters
Board Secretary