

Timber Cove County Water District
Board of Directors
General Meeting Minutes
March 2022

1. **Call to order** - 10:04 am

Board members- John Rea, Kris Kilgore, John Gray, Spencer Lipp and Tim Winterer (absent)

Guests- Diane Feddersohn, Chris Feddersohn, Anne Vernon, Yvonne Gray, Dyanna Stetina (Brelji & Race) Cindy Culcasi and Sal Culcasi, John Rosson, Melany Collett, Ryan Gomez and Jeff Hughes

2. **Resolution-** Covid-19 State of Emergency conferencing meetings-

John Gray moves to adopt Resolution 2022-06 Kris Kilgore seconds-motion passed unanimously

3. **Approval of Agenda-** John Rea moves to approve the agenda- Kris Kilgore seconds Motion passed unanimously

4. **Approval of minutes** – February 2022 minutes deferred to April meeting

5. **Public Comment-** Kris Kilgore read her public statement- see attached

5. **President's report-**John Gray

6. **Treasurer's Report** by Michael Sargent

The full treasurers report can be found on our website at timbercovecountywaterdistrict.org

7. **Operator's Report-Ryan** Gomez reported that the leak detection was conducted and the leak that has alluded the district for months was located and repaired. The districts water trailer was delivered. Diamond maps is up and running which pinpoints everything in the distribution system. SCADA is 75% done (see attached distribution system upgrades)

8. **Old Business**

8.1-New meter proposals-

Kris Kilgore moves to purchase the new meters from Badger (as recommended by Ryan Game and John Rea) pay for training and the annual service fee as it may vary, the installation of the meters will be done by the operation staff but a contractor can be hired if need be for finish the installation if necessary. Spencer Lipp seconds

Discussion passed unanimously

8.2-Office Admin Project update

John Gray

8.3-Financial Transparency & Director Accountability-

John Gray moves to adopt this resolution into the Standing Rules and regulations-John Rea seconds

Discussion Motion passed

9. **New Business-**

9.1-Office Admin Project-Architect Proposal Engineer

John Gray moves to engage architect Ruff & Associates (Martin Bruer) to prepare the plans not to exceed \$10,000.00 and give a rough estimate of what the cost of construction could be.

Discussion Kris Kilgore seconds-passed unanimously

9.2 Apply for Permits-Admin office

John Gray moves to get the biological and historical reports completed-Kris Kilgore seconds

Discussion passed unanimously

9.3-Standing Rules & Regs correction from board vote 4/19/22

No action taken-more research needs to be done per John Gray . John Gray has asked Spencer Lipp to help him out on the research,

10. **Approval of bills**

John Gray moves to approve the bills-Spencer Lipp seconds-passed unanimously

11. **Setting of Agenda, Time and Place for the next meeting** - April 23, 2022

John Gray moves to set Agenda, John Rea seconds-passed unanimously

11. **Adjournment of the meeting-**

John Gray moves to adjourn the meeting, John Rea seconds

Meeting adjoined 1:05 pm

Attest _____

Date 6/4/22

The secretary of TCCWD does hereby certify that the above minutes were approved by the board on the above date

MEMORANDUM

Kris Kilgore, TCCWD Board Director

March 19, 2022

To All TCCWD Board Directors to be read and considered in preparation for the March 26, 2022 TCCWD Board Directors' Meeting

The following is a statement requiring that TCCWD Directors dedicate a special meeting to and have a discussion on the following changes and objections to the proposed 'resolution' that was presented at the February 26, 2022 TCCWD Board Directors' Meeting.

The portion of the resolution regarding financial transparency has some merit. But tacked on to the end of this resolution is some poorly defined language addressing Board Director behavior. It is necessary to divide this resolution into two resolutions:

1. A Resolution pertaining to TCCWD financial transparency, which includes the first paragraph and the first eight bullets. The eighth bullet begins, "Protections for standards of accounts...."
2. A separate Resolution pertaining to how a TCCWD Board Director serves as Director covered by the ninth and tenth bullets as well as the last two paragraphs of the draft 'resolution'.

On the Page 2 of this memorandum is a revision of the language proposed for the Financial Transparency Resolution.

Starting on Page 3 of this memorandum is a discussion of the legal, logistical and unfair problems with the part of the February 26, 2022 resolution pertaining to Director behavior.

RESOLUTION NO. _____ (Revisions by Kris Kilgore)

Financial Accountability_

The Board of Directors resolves to adopt Financial Transparency and Accountability Guidelines to ensure sound financial operation of the TCCWD (the District), require that financial activities and conditions be fully and accurately disclosed at each meeting and that all expenditures outside normal operational expenses are timely disclosed and properly authorized by a vote of Directors at a duly noticed public meeting.

Any person who is employed by TCCWD should have experience, training and be qualified for the work that is to be performed for TCCWD. All employees shall provide a resume of their qualifications that shall be available to all Directors and to the TCCWD public.

Although the Treasurer is employed by the TCCWD Board of Directors to manage finances, it remains the responsibility of every director to oversee the thoroughness and propriety of the Treasurer's performance, to provide him/her accurate information and lawful direction, and to hold him/her accountable. The essential expectations for all Directors to ensure financial transparency include the following 'Guidelines' for each Board Directors' meeting:

- Presenting updated Bank Balances each period **showing how they** compare to the previous period and year-to-date account balances.
- Reporting on all money received each period, accounts receivable and any updates on collections.
- Profit and Loss and Balance sheet for each period to be presented by the Treasurer or designated person along with fiscal year-to-date reports
- All spending to be recapped and the monthly Gain/Loss detail being disclosed
- Any spending outside the normal, budgeted business needs **for** the running of the District to be explained at each meeting
- Any proposed infrastructure and/or consultant spending being discussed and voted on in the District's public meeting and being recapped for public review.
- Audit progress being reported from the checklist starting in July until completion with a target date of October of each year for the fiscal year ending June 30.
- Protections for standard of accounts and requirements of reporting to regulatory agencies. Standard of accounts shall **be on an Accrual Basis**, and are not to be altered or changed without first being proposed and voted on in a public meeting and signed off by the ~~Manager~~ Administrator Manager, Directors, Treasurer, Bookkeeper and CPA. ~~having signed off on any proposed changes.~~

NOTE: The remaining part of the February 26, 2022 resolution draft shall be included in a separate resolution.

The following is a list of the legal problems, the logistical problems and the fairmindedness problems with the language in the remainder of the draft February 26, 2022 resolution. It is proposed that the second Resolution start with a well-considered revision of the ninth bullet on in the February 26, 2022 draft resolution as follows:

- *"Requirement of Directors to acknowledge and abide by Standing Rules and Regulations.*

Here are points for the Board's consideration;

- A. If the Standing Rules and Regulations were always agreed on by the Directors and were consistent and accurately written (for example the June 2020 revision has a Table of Contents that doesn't correspond to the new sections of the Standing Rules and Regulations), the requirements for the TCCWD Directors to acknowledge and abide by the Standing Rules and Regulations could be reasonable. But, first any proposed changes to the Standing Rules and Regulations that will address Directors behavior, etc., must be drafted, **discussed, presented to the TCCWD public for comment**, and finally approved by the Board of Directors. Only then can each Director decide whether to 'acknowledge and abide,... etc.'
- B. Regarding the statement, "Employee and Contractors (CPA, Bookkeeper) required to report violation to regulatory agencies. It is not fairminded to inflict this vague statement on employees and contractors.
 - i. What are the violations? In no other place in the draft resolution is the word violation used and defined.
 - ii. How can an employee or contractor know whether a Director is doing something that should be reported to "regulatory agencies"? Shall they unfairly be victim to the politics of another Director telling the employee to report the first Director? What regulatory agency? Which reports (can't actually call them violations) are reported to which agency?
 - iii. Who decides if an employee or contractor has not met this patently unfair, poorly defined and possibly illegal requirement?
- C. The paragraph beginning, "Any Director who knowingly provides or publishes inaccurate or misleading information, ..." Is legally flawed with the phrase, "... or materially violates these principles...". Once again, there is no clear direction as to who will define "inaccurate or misleading information,.... Etc."
 - i. Note: From my experience (Kris Kilgore) for the past 23 TCCWD Board meetings, on more than one occasion, I was falsely accused of giving direction to operators, as well as other false accusations in a TCCWD Board meeting. At one meeting a mock trial took more than 40 minutes of a Board Directors' meeting. Important time was wasted that should have been spent discussing physical replacement/repair/upgrades of the water district system. Later, some of the accusations were disproved in correspondence from an employee, but

this was not announced to the public. The point is that accusations can be false and inaccurate and driven by politics.

- ii. The language about discipline for a Director is legally dangerous. It is insufficient to be implemented by TCCWD. Such poorly defined and poorly considered by the entire TCCWD Board of Directors, lends itself to possible political abuse by one Director against another.

- D. Regarding the final paragraph, beginning, "A copy of these Guidelines.... And they shall sign and date a statement affirming....,"

This is the most vague and poorly defined part of the draft February 26, 2022 resolution. First, are we considering a resolution or 'Guidelines' for Directors? In the financial transparency part of the resolution guidelines for what the Treasurer should present at Board meetings was provided in careful detail. Not so for the remainder of the February 26, 2022 resolution.

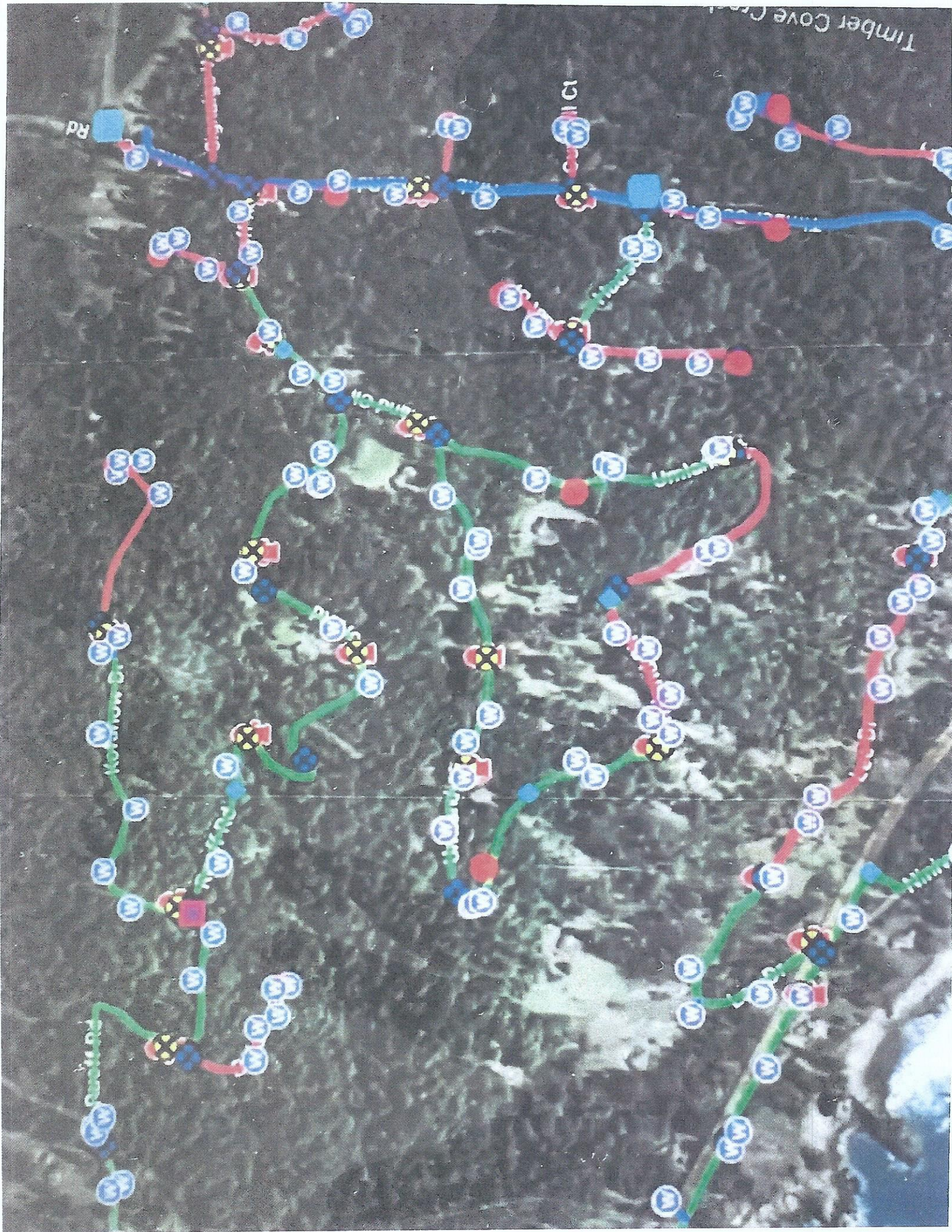
- i. Is this part of the resolution intended to accompany a revision of the Standing Rules and Regulations? If so, see the comment on the requirements to change the Standing Rules and Regulations in Part A. above.
- ii. A Director should not be required to sign an imperfect and dangerous, supposedly legal document as required by this final paragraph.

I listened to Agenda Item 11.3 Financial Transparency and Director Accountability from the meeting recording. The discussion of how this draft February 26, 2022, will be implemented was confusing. Is it to be included as stated in the Standing Rules and Regulations? Or is it to be a separate Resolution?

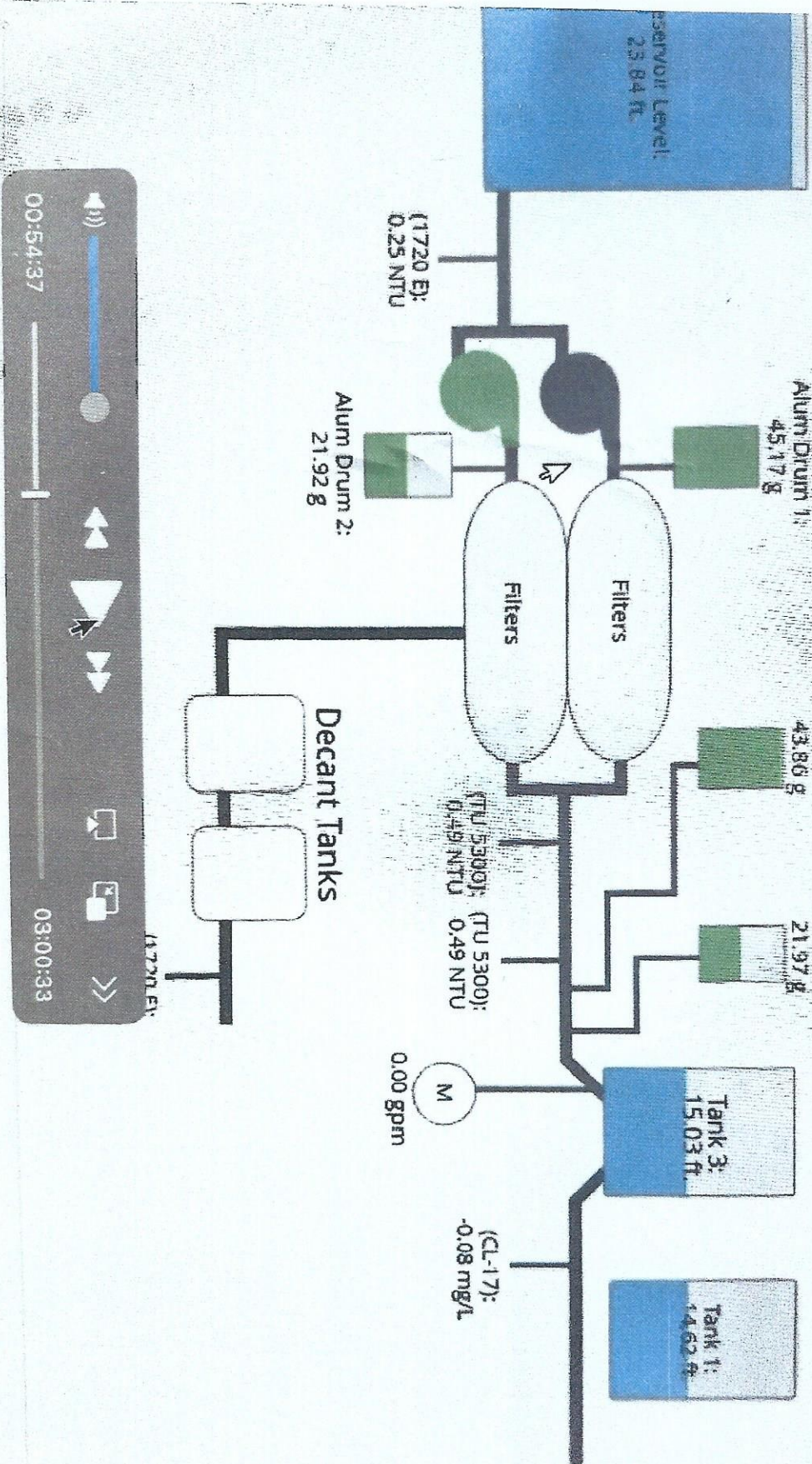
In summary, we need a special meeting with the public, to discuss this second Resolution. It's now Monday, March 21st, 2022, five days prior to the March 26, 2022 TCCWD Board Director's meeting. I request an agenda item proposing this special meeting.

Operator Reported Distribution upgrades

1. Diamond Maps overview
2. SCADA (flow chart)



OVERVIEW



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03:00:33

1.720 ft

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