Timber Cove County Water District

Board Meeting Minutes- April 2024

1. **Call to order: 10:03 am**

Board: John Gray, Jay Kvapil (via zoom), Spencer Lipp, Bob Leichtner and John Rea.

Guests: Joey Ball, Melany Collett, Yvonne Gray, Ron Case, Nathan Desomber and Drew Ferrante.

Guest via Zoom: Renee Fernandez-Lipp and Linda Wiles

2. **Approval of Agenda**

John Gray moved to approve the agenda, Bob Leichtner seconds; motion passed unanimously.

3. **Approval of minutes from March 2024**

John Gray deferred approval of the March 2024 minutes until the next board meeting.

President's Report

John reported that an issue popped up recently that all need to be made aware of. John stated there are scammers out there who are attempting to steal from you claiming they are the water district and even in a couple cases, claiming to be him. John cautioned that any communications you may receive stating you need to pay for anything be carefully questioned, as it is likely a scam. John reported that TCCWD has a website with the correct links and emails you may receive can easily be checked for authenticity by clicking on the sender's name and seeing the actual email address. John said when in doubt, call the district and/or check the website.

John Gray began by explaining that his President's Report is not for discussion by board members or the public outside the public comment section of the meeting as it is not

an agenda item. John stated that comments may be made during the public comment portion of the agenda. John stated he would like to comment on some erroneous information being circulated about fire abatement and the water district's role. John stressed the water district is not the proper agency to implement, manage or enforce such actions. John stated that the District has zero legal authority to do so, and their role is supplying water, not fire abatement or firefighting. John stated the fire district is for those actions. John reported that a fire abatement program was established by the district in 2016, but that it was done unlawfully and without the proper Prop. 218 actions required by law. John further stated that the district also created a fee for this program that amounts to a new assessment/tax that cannot be levied without all the lawful procedures being followed.
John stated that any new taxes being imposed require a vote of the public and it is not something that may be imposed by the board simply holding a public hearing. John stated the water district lacks legal authority to simply impose a new assessment without a vote of the public. In addition, per John, for the water district to even begin the legally required action on fire abatement, there would need to be a finding that there is no other agency on firefighting available within its boundaries. John stated that TC already has a fire district as well as a local fire department who has not ceded that authority to the water district.

John stated to be aware as well, that in February 2022, the district adopted specific language in the standing rules and regulations by vote of the board that spelled out director accountability and financial transparency with specific language added to the rules and regulation simply spelled out legal requirements already in place in California but not previously shown in our governing documents. John stated that this was done to ensure that all district customers could review and be aware of legal requirements and so that future directors, in the event they attempted to circumvent the law, those directors could be held accountable for both criminal and civil penalties.

John stated that TCCWD is a small district and a small community, and it is important to note that they are nonetheless a governmental agency and subject to all laws of the State of California and the Brown act. John said failing to abide by these laws may have significant consequences for those who violate them.

John stated that a message someone has circulated on local social media is incorrect. John said there is one thing that they **did** get correct: that the board is an elected body, and some directors can be replaced with the next election in November 2025. John encouraged participation in that process for those who are willing to serve. John stated those who feel they can use their position, however, for agendas that deviate from our mission statement should be aware it may come with significant consequence and/or penalty. John stated that hopefully, this message will help all understand that they should ignore the mistaken noise.

5. Operators Report

Joey Ball chief operator read the monthly operator's report . A copy of this report is attached to these minutes and can be found on our website at https://timbercovecountywaterdistrict.specialdistrict.org/

6. Treasurer's Report

Melany Collett read the monthly treasurer's report. For the full copy click here https://timbercovecountywaterdistrict.specialdistrict.org/files/1e484fe5a/TREASURER+REPORT+March+2024+PRESENTED+April+20%5ELJ2024.pdf

7. New Business

7.1-Leak rate policy requests. There were two leak policy requests:

Ron Case spoke and described his leak that had been reported to him by Joey at a rate of about 10 gal. a minute. Ron discovered a 2-inch schedule 40 PVC pipe had cracked in the crawl space. He promptly had it repaired.

John Gray moved to approve Ron Case's leak policy request by first calculating the prior 6-month average usage for use as a reasonable baseline. The difference between the averaged amount and the leak amount would then be charged at $.03 a gallon – Bob Leichtner seconds; passed unanimously.

Nathan Desomber explained that the original leak was caused by root damage and had been repaired using flex pipe so the roots wouldn't break through. However, during the storm, the flex pipe failed. Joey discovered the leak; approx. 26,000 gal. were lost. The flex line was repaired with PVC.

John Gray moved to approve the leak policy request by first calculating the prior 6-month average usage for use as a reasonable baseline. The difference between the averaged amount and the leak amount would then be charged at $.03 a gallon – Bob Leichtner seconds; passed unanimously.

Spencer Lipp wanted the newer customers to know how the amount of $.03 a gallon was calculated, he explained that the amount is based on our knowledge of what it costs to make water at the time of the leak. Spencer stated it is intentionally done this way as the district does not want to profit off a customer's loss and also not be a burden on the other rate payers. John replied that the cost was also in the Prop 218 study. Bob noted with the operating staff and our upgraded system, generally speaking we are able to identify large scale leaks within 24 hours, which Joey confirmed.

7.2- Health care benefits for employee

John Gray stated that health benefits are currently offered to our Chief operator and general manager only. We recently employed Drew as a backup operator. John stated the district should have some sort of health benefits package for back up operators. Discussion ensued between directors as to how many hours would a backup operator be required to work to qualify for health benefits and if their level of licensing should determine health coverage eligibility. John Gray did get the advice from general counsel as to what the responsibility of the District is in offering health benefit choices. Melany Collett advised the board that this matter was originally presented in January and a decision needs to be made as to the coverage because the underwriter of the policy is awaiting their decision. John Gray stated he thought the licensing status and hours worked should be the criteria for health benefits and Spencer Lipp stated he believes health benefits should be based on hours worked and not licensing. Bob asked if there are choices in carriers and a percentage of costs by the district and employee which vary in costs. Bob wanted to know if the district chose the carrier and who determines the percentage allocation. Melany stated the percentage the employee pays, and the district pays is set by the underwriter. Melany said she had the same question about who determines what carrier the employee gets. John Gray asked general counsel who said the District can chose the carrier. Spencer stated although that may be a legal question, but from a "what makes sense standpoint" you don't treat employees differently in this aspect. Discussion ensued on how many hours an employee needs to qualify for insurance. Both Melany and Joey explained that this is specifically intended for Drew to receive medical benefits, not to write a general policy for future employees. Bob stated that perhaps wording it that back-up operators qualify for health benefits.

Bob moved that the board offer back up operators who work a minimum of 20 hours a week, specifically identified here as Drew Ferrante, health benefits on the same basis as other employees. John Rea seconds; passed unanimously.

7.3 PGE Grant application for climate resiliency projects/initiatives

Spencer explained that PGE has offered an opportunity for grant application. Spencer explained they divide their region into four territories and each territory may qualify for up to $100,000.00. Spencer explained there are three categories and the one that pertains to us is "water stewardship" Spencer said that it is not clearly defined. Discussion ensued about the type of projects we could submit for this grant. See application attached

John Gray moved to apply for the grant to include water shed management and Pacific View upgrade, Spencer Lipp seconds; passed unanimously.

7.4 Lyons Court Bids

Deferred until the next meeting as John Gray is awaiting a bid.

7.5 TCEx-Bid for foundation and grading

Deferred until next meeting.

8.Old Business

8.1 Cancellation of MOU-Letter from counsel

John Gray gave the board a copy of the MOU cancellation our general counsel prepared.

8.2 Lyons Court update

Deferred until next meeting.

8.3 Coastland update

Joey stated coastland just finished rebuilding our system digitally from all the design semantics Joey sent them asked for some information regarding usage, loss and historic leaks, they should be ready soon to give their recommendations.

8.4 Operations truck update

Joey reported the Ranger wound up being a total transmission rebuild and once they take it there may be more issues to follow. Joey said it is still covered under the powertrain warranty. Joey stated they have a rental now. Melany did reply to the new truck plan is still on, however not knowing what is going on with the Ranger makes it difficult.

9. Public comment

Melany Collett told Anne Vernon that she had investigated the site DOXO as we both believed it could be spam or a scam. Melany reported it is a legitimate site.

10. Approval of the bills

John Gray moved to approve the bills, Spencer Lipp seconds; passed unanimously

11.Setting the Agenda, Time & Place for May 18, 2024

John Gray moved to set the agenda for May 18, 2024, location to be confirmed. Bob Leichtner seconds; passed unanimously.

12.Adjournment-

John Gray moved to adjourn the meeting; Bob Leichtner seconds; passed unanimously.

Attest: _____ Date 5/18/24

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