THESE MINUTES ARE FINAL AND BOARD APPROVED. AN ERROR ON THE TEMPLATE PREVENTS THE REMOVAL OF THE WATERMARK-DRAFT

Timber Cove County Water District

Proposition 218 Public hearing minutes

1. **Call to Order** 10:30am

Board- John Gray, John Rea, Jay Kvapil, Spencer Lipp and Bob Leichtner

Guests- Anthony Elowsky(RDN), Tom Sgrenci Michael Smallen, Chris Feddersohn, Jens Von Gierke, Anne Vernon, Sharon Bonelli, John & Pam Duarte, Yvonne Gray, Linda Willis, Gabe Martinez , Lisa & George Melo , Scott Heffner, Jude Bowers

Guess Via Zoom- John Rosson, Reyna Fernandez, Zach VanDinther (RDN), Harry Salzberg, Jianna Satore and Alex Kramer

John Gray explained the reasoning the Proposition 218 was scheduled John explained because the districts expenses were more that their income, neither the board or employees are authorized by law or qualified to determine rate increases. John stated he conferred with the district's general council and contacted the California Rural Water Association who gave him contacts which included RDN Engineers (who are authorized by the State of CA to do Prop 218 studies . RDN has hired to determine the proper rates to in order to maintain the district and fund our infrastructure. John explained that the districts funds are nowhere near where they need to be to fund our infrastructure. John stated that our current rates are not equitable . John stated the cost to produce water is not that much that the district costs are mostly fixed, administrative and maintenance. John stated the cost to produce water is around 2 cents per gallon. RDN John said did the rate study to determine what the proper rates should be. John stated you can't have one class of water users penalized . John stated RDN came up with 3 options the board chose to consider, funding the district at 50%, 75% or 100% . The board determine to go with the 75% funded. John stated the Prop 218 study is for 5 years and may not increase per the rate table if the district secure other financing such as grants. Grants per John would negate the need for future increases. Rate increases would be determined each year (see Prop 218 notice with graph link on page 2) Plain and simple without doing thus John said we would not have a district down the line. John stated we have a lot of water, and we need more water sales.

2. **Public comment-** no public comment was made

3. **Proposition 218 Hearing-** The proposed adjustments will help the District meet the increasing costs
of operations and maintenance caused by inflation, debt service coverage, increased regulatory requirements, needed capital improvements, as well as contributing to reserves.

3.1 -Presentation delivered by consulting firm-Anthony from RDN Engineers proceeded with reviewing the water rates study results on the projected screen. A full copy of the study can be found here for your review Water Rates Study Results
Prop 218 Notice with graph

3.2 Public comment on rate hearing – Discussion held amongst the customers and board of directors. Jens from the TCI expressed his frustration that his rates were increasing very high the to start , although he understands why, Sharon Bonelli expressed concerns the rates were high and stated trucking in water may be a cheaper alternative, another member asked if Melany could provide the rates of another comparable district to compare rates, Chris Feddersohn spoke about reviewing full-time vs parttime residence usage when he was president. Chris suggested giving all users free water up to a certain gallon(s) to encourage more water use. Gabe Martinez stated the long-term solution would be expanding our customer base and wanted to know if the proposed rate increase would prohibit the district from future grant funding.

Alex Kramer (*per text from Zoom meeting)* As someone who regularly attends the water district meetings, the information presented today is consistent with all the presentations and information provided over the past year. I also appreciate the board's diligence in looking at viable alternative sources of revenue (i.e. grants and subsidized loans) as well as possibilities for a larger customer base. While no one wants to pay more, the increases proposed are both reasonable and necessary to maintain the benefit to the community of reliable drinking water.

3.3 Hearing Closed

3.4 Letters of protest Board of directors' secretary Melany Collet – 11 letters of protest received from property owners- one letter of protest was rescinded during the hearing leaving 10 letters of protest received

4. **Rate adoption-**

John Gray moved to adopt the rate of $98.00 base rate and the variable rate of $.0575 for fiscal year 2024, beginning January 1, 2024, John Rea second , passed unanimously

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12. **Adjournment-** John Gray moved to adjourn the hearing, Jay Kvapil second passed unanimously

Attest: _____ Date 1/27/24
The secretary of TCCWD does hereby certify that the above minutes were approved by the board on the above date

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