Timber Cove County Water District

Board Meeting Minutes- Ferbuary 2024

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

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

Guests- Joey Ball, Melany Collett, Yvonne Gray, Michael Smallen, Chris Feddersohn and Drew Ferrante

Guest via Zoom Lisa Geis, John Rosson, Anne Vernon, Tom Peitz and Shawn Neely-Oparah

2. **Approval of Agenda-**

John Gray moved to approve the agenda, John Rea seconds- motion passed unanimously

3. **Approval of minutes from January 2024-**

John Gray moved to approve the ~~agenda~~ minutes, John Rea seconds- motion passed unanimously

4. **President's Report -** John Gray reported that Timber Cove faced challenging times with winter storms over the past month and our district incurred significant damage and extended power outages. John stated the district's internet service was also impacted, creating billing delays as well as some leaks from downed trees. John stated that our insurance company will be covering the district's damages. John stated many of the
vendors we work with have also experienced setbacks due to extreme weather. John stated this includes the delivery of the land appraisals as that firm was also impacted

delaying the final reports. John stated we need to have our annual audit completed in order to have a more accurate picture of our fixed assets.

John reported that Melany and Joey are signed up to complete some continuing education to stay current on new laws and regulations that impact the district.

John started the district's financials this period reflected our old rates and despite our best efforts, there are some customers who missed communications on why it was necessary to have the rates restructured and the process involved.

John stated that Joey and Drew worked very hard this past month, putting in significant overtime dealing with issues related to extreme weather, running the plant manually while the electronics failed while also running on the generator. John thanked all of the staff for their efforts to keep the district up and running under challenging circumstances.

5. **Operators Report-**

Joey Ball chief operator read the monthly operators report .A full copy of the report can be requested by emailing admin, admin@tccwd.org Full copies of the operator's reports will be on our new website when it launches at the end of March/early April

6. **Treasurer's report-**

Melany Collett presented the treasurer's report . A full copy of the report can be requested by emailing admin, admin@tccwd.org Full copies of the treasurer's reports will be on our new website when it launches at the end of March/early April.

7. **New Business**

7.1-Customer communication regarding new rates- The district received an email from a customer who thought their bill may have been incorrect due to the new rate structure. John stated he was uneasy sharing his response to the customer outside a meeting and provided directors with his response to the customer . John stated he felt that the district over communicated the new rate structure to the customers . Bob and Spencer stated they could understand how some customers may have missed some of the communications. (this item was addressed before the treasurer's report due to Melany not being in the room the time) Melany read the treasurer's report

7.2- New website launch-Melany Collett reported that the District would be launching a new website at the end of March . Melany stated the current website is does not support the new ADA laws.

7.3 leak policy update- The directors discussed the current leak policy and the need for a new one. Bob Leichtner suggested drafting an updated policy at a later date as there are concerns about the elements, exception and certain factors. John Rea mentioned that currently the district is flush with water , however what if there was a conservation in place when a leak forgives is requested. Spencer Lipp added that the current policy has a stipulation that a customer can only request leak forgiveness once very 5 years, Spencer explained that given what's transpired in the community over the last two years with trees falling that perhaps that stipulation needs to be eliminated. In speaking about costs incurred by the district during the many leaks caused by this storm Jay Kvapil asked if the operators had to go onto customers properties during the storm and act as emergency plumbers and if overtime or costs were incurred. Joey stated they do not go onto customers properties as they use the shut of valves at the meter. Discussion ensued about costs to the district and what we should/could be charge during leaks, the board will be drafting an update in the near future.

7.4 Leak forgiveness request

7.4.1 Tom Pietz -requested leak forgives for his leak and he spoke about community disasters being taken into consideration vs various other reasons for leaks. **Note the Zoom was cutoff while Tom was speaking*

7.4.2 Chinyere Oparah requested leak forgives (approx. 15,000 gallons) and agreed with Tom and spoke of a community consideration during the storms as well. Chinyere also thanked the board for their consideration.

John Gray asked if homeowners insurance would cover the costs of the leaks and Bob Leichtner mentioned that with the loss of power in the community may have prevented the leaks from being discovered sooner. John Rea spoke and said he was inclined to give the leak forgiveness at 2.5 to 3 cents a gallon to treat the customers fairly. Scott Heffner asked if the current leak policy had a price per gallon charge. Spencer answered that the current policy said the cost to customers cannot be lower than the districts cost. John Rea said we have a cost from 1.75-2.50 cents per gallon which does not include extra labor. Spencer mentioned at the time of the last leak policy update the cost to the customer for leak forgiveness was about 6 cents a gallon and was based off the information that was available at the time, with recent studies and the prop 218 hearing Spencer said we have a better information now to be able to determine a lower price per gallon for leak forgiveness.

Spencer Lipp moved to approve 3 cents a gallon for the two leak forgiveness requests

Discussion ensued - Jay Kvapil noted that the motion is for these two particular cases and not the new leak policy. John Rea agreed and stated that the board may want to consider forming a committee for the new leak policy .

Jay Kvapil seconds- motion passed unanimously

7.5 Storm damage to District & insurance claims-

Melany Collett explained that she was able to file an insurance claim for the damage at tank one whereas a tree took out the storage shed, and the tree fallen at the weir. Melany stated she expects full payment from the insurance company for the replacement of the shed and clean-up work. Melany stated the districts cost would be two deductibles approx. $2500.Timber Cove Excavating will be do the work .

John Gray stated the next three items 7.4-7.6 will be discussed together as they are not action items and wanted the directors to have time to think about them as they would need to be budgeted for .

7.6 Cost of living adjustment (COLA)
7.7 Health insurance for operator
7.8 Hazard pay for employees

John Gray stated on 7.6 that in a case of having an employee at the district during an emergency event it should not cost the employee money to come to work and there should be an expense reimbursement, such as an employee needing a hotel accommodation.

John stated on COLA that last year the district due to inflation and the employees not having gotten raises the district gave the employees an 8% cost of living adjustment John stated there is still inflation and the standard cost of living increase now is at 3.5%. John stated that the marketing costs to find an operator equaled a couple months' salary and that it took months to find both Drew and Joey. John stated he wants to make sure that the employees are fairly compensated. Spencer stated he agrees with John and asked how this is different than the employee review process and asked if shouldn't be rolled into that. John Gray stated he had done the employee review process and reviewed them with John Rea and presented to the employees. John Gray stated that he doesn't think raises should be given based upon merit , other than licensing which is already built in. Spencer stated that companies he's worked for , however you categorize a raise, whether it be a cost-of-living increase or merit it's all encompass within the employee review process. Spencer said the licensing/testing could be out of sequence. Spencer stated to keep it on a regular schedule you would normally have raises aligned with employee reviews. Bob Leichtner stated a COLA should be broken off from a merit increase as a COLA being Country wide doesn't have anything to do with a merit increase. John Gray said either way any cost increase to the district needs to be budgeted for and the fiscal year ends June 30th Bob replied asking at the time of budgeting can a federal number of a COLA be added at the time of budgeting and John replied yes. Jay Kvapil stated that an annual review of the budget should be looked at as in his university experience there were times a COLA would be granted and there were times it would not be. John Gray replied that the prop 218 study did cover COLA's . Melany stated the only raise she had with the District was a COLA in 2022.

7.9 Operation truck upgrades/additions

Joey asked for some trucks upgrades to include a lightbar , decals, a mounted crane for the truck bed and a utility box. Discussion ensued

Bob Leichter moved to procure the equipment and accessories Joey outlined, Jay Kvapil seconds- passed unanimously

Discussion: John Rea asked if part-time employees could receive health insurance. John Gray replied that it needs to be researched as it would not be the same policy as provided to management. John Gray stated it would need to be researched and presented as an action item on another agenda and budgeted

7.10 Propane tank for for filter trains-

John Gray stated during the storm and loss of electricity we came very close to not having enough propane to run the district. Joey reached out for days prior to many companies to refill the tank and was turned down. John Rea mentioned that we have an extra tank at the resevoir that can be moved over to the plant. Melany Collett stated there may have been an issue with that tank and she couldn't recall why it wasn't in use. Melany encouraged the board to vote on the purchase of a second tank now in case it proved the tank at the resevoir was inoperable

John Gray motioned to move the tank at the resevoir to the plant to supplement the main tank, if it can't be used than a 250-gallon new tank can be purchased – John Rea seconds

Bob stated it could be a better rate renting a tank vs buying one. Chris Feddersohn stated he rents one too and its cost effective.

John Gray changed his motion

John Gray motioned to rent a second tank of 250 gallons if the current tank at the resevoir cannot be used, Bob Leichtner seconds-motion passed unanimously

7.11-Move money from LAIF to cover capital costs

Spencer Lipp moved to transfer $25,000.00 from LAIF , Bob Leichtner seconds-motion passed unanimously

8. **Old Business-**

8.1 Grant update-no update to report. John stated it's still under review with FEMA

8.2 Lyons Court update- John hasn't received the cost to assemble the building for Lyons Court yet but does know it would cost less to buy a

prefabricated bldg. John stated it was a prevailing wage issue holding up the cost breakdown.

9. **Public comment-** John reported he has received a letter sent to the TCCWD board and HOA board because he had talked about the HOA sharing costs (paying rent) in the new building. John read the letter aloud. Discussion ensued regarding the memorandum of understanding between TCCWD and the HOA . John reported the MOU can be cancelled by either party with a written 60-day notice cancellation. John checked with general council about charging rent to the HOA and reported that TCCWD would have to charge rent because TCCWD could be charge with gifting property using public funds to a non-public agency and that would be a violation per the Constitution of the State of CA. John stated that the current storage unit would not be taken out by the District and the HOA could use that and pay their own utilities. Chris Feddersohn presented a different type of design for the new building to include the HOA with a bathroom in the middle and a pocket door dividing the two offices and making two spaces .

10. Approval of the bills-

Bob Leichter moved to approve the bills, John Gray seconds – motion passed unanimously

11. Setting the Agenda, Time & Place for February 24, 2024 -

John Gray moved to set the agenda for March 23, 2024 – no second or vote recorded

12. Adjournment-

John Gray moved to adjourn the meeting-no second recorded-motion passed unanimously

Attest: _____ Date 2/24/24

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