

Timber Cove County Water District  
Board of Directors  
General Meeting Minutes  
January 23, 2021

1. Call to order - 10:04 am

**Board members** : Chris Feddersohn, John Rea, Tim Winterer, Kris Kilgore and Spencer Lipp

**Guests**-Diane Feddersohn, Anne Vernon, John Gray, Ryan Gomez, Melany Collett, Ron Case, and Bob Leitchner

2. **Approval of Agenda-** John Rea moves to approve the agenda, Kris Kilgore seconds. Spencer mentions that the date needs to reflect 2021 not 2020.-motion passed unanimously

3, **Presidents report-2020 recap** Chris starts off by explaining that there will be 3 director seats up for election this November ( his, John Rea's and Kris Kilgore's) Chris encourages the public to consider joining the board. . Chris states that he began reviewing the Rules & Regulations of the District as he wanted clarification of the duties of the Directors. After a consultation with the District's attorney it was determined that the treasurer position on the board was not proper. Chris hired a treasurer . Chris also learned that the only position that needed a title was the position of the President with the option of having a Vice President. Chris decided last year that those two positions would be voted on every January between the board members serving the district. Chris said we also looked into dealing with the THMs in our water and had an aerator installed at the Plant on Tank 3. The tanks were also cleaned at that time. Chris states due to COVID a couple of meetings were postponed and we had a total of ten meetings in 2020. In those 10 meetings according to Chris we accomplished a lot and Chris thanked the directors . Chris explains that the District purchased water testing equipment so the operators can perform some testings in house to closely monitor the water quality ( the monthly State testing continues) Tanner Hiers came back on January 2, 2021 to teach Ryan how to use this lab and how to back wash the weir. Chris informs us that Ryan started pumping from the creek to fill the reservoir and will continue to do so with the upcoming rains. Chris states that CRWA ( CA Rural Water Association ) came last year with the leak detection equipment and Chris was pleased to announce that no leaks were detected . Chris explains that Amanita was tested twice in 2020. For leaks and none were detected and Amanita was also tested for Asbestos (twice) and none was detected as in 0.000 detection. Chris explains we fine tuned the Rules & Regulations and the new ones were adopted. There were items Chris explained that needed to be addressed or had not been addressed properly such as letters, leak detections, back flow devices and required installations to name a few. Chris explains that through the cross connection survey ( as required by the State) performed by a third party ( R&H Sons) it was determined that there are many back low devices that are required on properties that don't have them currently . Chris says there are approximately 12 properties . The Rules & Regulations have a section on back flow installations for both the district and the customer . Chris also explains that the Rules & Regulations are clear now on how to collect on the delinquent accounts, Due to COVID the District can't turn off our customers water but the District can file liens against property owners. Chris explained that Melany has worked with many of these customers and many have set up and or completed payment plans.

Chris explains that in 2020 we lost Cory Cresswell who was an operator , however Cory has come back to help us on an occasion . Chris states we had Tanner Hiers in 2020 as our Chief Operator & Plant manager as well as two part time operators Ryan Gomez and Ed Loftiness. Tanner Hiers left the District for an opportunity with another water district. Chris explains that left the position of Chief Operator vacant . With the help of Melany and Darin at CRWA ( CA Rural Water Association) they were able to get Ryan in for testing with the State and tutoring to refresh his courses. Ryan passed and was promoted to Chief Operator & Plant Manager.

Chris explains that the District had an inquiry by the Timber Cove Resort for a project called The Timber Cove Country Inn which would consist of 12 units which would go on their 13 acre parcel. They wanted to know if we would serve them with water. Tanner checked it and the parcel is within the district to so they were issued a preliminary ok .Chris explains that this was brought up at a MAC meeting as many recalled in the past water being trucked into Timber Cove. This Chris explains brought a red flag to our source

capacity. Chris explains that in 2014 our reservoir ran very dry and the director's at the time may have panicked a bit and they found out about an emergency grant available for \$96,000.00 and they applied for it. Chris explains that is what paid for the water to be brought into Timber Cove until the drought was over. Chris says the district also collected money to bring one well on Ruoff back up and running, Chris explains that this basically red flagged us forever, Chris says we did not have an OK from the State to prove that our reservoir was sufficient for a full build out of the subdivision. Chris states that David Long did a source capacity study that he turned into the State. It was not fully accepted. Chris explains that due to the request of the new project from the Resort this was brought to light again and David Long was hired to redo the source capacity study since David knows our system and subdivision. Chris did this so we do not get a pause on our subdivision or a moratorium. Chris states this study was submitted to the State and he is confident that we will get the OK.

Chris explains we had the fire and learned a lot about what we need to do if we have a fire in our area,

Chris states that we had a leak on Pacific View. There were many things learned about that as well but one major lesson was we need communication and that is why Chris is looking into the radios for the staff,

Chris states we are still advertising and interviewing for an operator to help Ryan,

**4. Operator Report-**Chris asked Ryan to make sure that Spencer is added to the list to receive emails.

Ryan starts off by saying 130,000-140,000 gallons from pumping this week. Ryan says he is looking forward to the rain. He wishes everyone Happy New Year. Ryan installed an eye wash station. Ryan has also been sampling from tank 3 with the aerator and the other tanks. Ryan says the aerator is working and we are well under the State limit for THMs. Ryan says we may need to remove the 1720's and move onto the NTU5300 since the 1720's are being phased out. Ryan got a quote for \$5634 from HACH for two if we were looking to replace filter trains 1 & 2. Ryan said this includes HACH coming out for a day and working with him on the NTU5300. Ryan also states that he has been thinking about it and perhaps purchasing 1 and tying it to both filter trains with a 1/4 inch line and a T. Ryan also asked for a quote from HACH for a TU5200 which is a bench top Turbidity Meter. We currently have a portable one and the calibration on it is getting a little funky. Ryan is looking for a more stable one inside the office or plant that's not portable. The cost is \$4107.00. Ryan says those are the upgrades he is looking to do at the plant now.

John Rea asked if Ryan would need approval from the State if he bought one NTU5300 and split it between two filter trains? John Rea asked would it be better to get two and keep it the way it is now? Ryan said we would not be modifying the filter system rather combining the feed line. They would still have two needle valves.

John Gray asked Ryan that before the money is spent could Ryan send John the details on the parts so he can check them against the depreciation. John explains there's a difference on how this would be accounted for.

Chris Feddersohn comments and says he agrees with Ryan about buying one and doing the T split. Chris asks the board for their thoughts. John Rea, Spencer and Kris Kilgore all spoke up in support of this purchase and plan.

**Chris Feddersohn motions to purchase these components for the Water Treatment Plant - Kris Kilgore seconds – motion passed unanimously**

**5. Treasurer's Report-**John reviews the bank balances and the balance sheets. John cautions the board that the \$35,000.00 allowed for the complete. If the back audits will go over. John states that the approximate cost of each years audit was \$7000.00 multiplied by 5 would be \$35,000.00 and that is how he budgeted the costs. However, as John explains that some things came up in the audits that required additional services our CPA incurring more costs, John thinks it may be about \$42,000.00-\$45,000.00 by the end of the year. John says good news is the audits will be behind us and future audits will run about \$7,000.00.

Audit progress: 2018 is complete and 2019 is underway. John says the 2018 management report is available for review to the directors by appointment. John states with sensitive information in the report he does not want it sent out electronically. John explains the management report is not available to the public.

John Gray as treasurer has completed and supplied the County of Sonoma the 14/15, 15/16, 16/17 and when voted on the 17/18 audit.

**Chris Feddersohn motions to pass the 2018 audit-John Rea second- motion passed unanimously**

John Gray states he would like to make some comments. John says he does not do the audits rather he manages the process. John hired RJ Riccardi out of Marin to do the audits as they have extensive knowledge with social districts,

John says that a director in a past meeting stated that the County agreed to take financial statements in lieu of audits and all the files were lost. John further states this same director said that when Ann Carlson left the files disappeared for 13/14 and part of 2015. John said he followed up with the County to see if there was an agreement made that he was unaware of. John read an email response from the County stating no agreement would have been made to allow the District to be non-compliant with Government code.

John says the District's relationship with the County is improving. John also followed up with Kendra Stillman whom did a great job working at the District. Kendra told John that Ann Carlson kept meticulous records for the District and that the records were still there in 2017. John says he wants to caution the board to be careful what they say in an open session that could create exposure to the district. John says to be careful repeating claims without direct knowledge or documentation.

Spencer Lipp states we keep rehashing the same things regarding the records. Spencer suggests we all think about statements made in the meeting and moving on. John Gray did apologize and says he does agree with Spencer.

John reviews his meeting with Edward Jones regarding the options for employee retirement plans and reviewed the handouts sent to the Directors.

**Chris Feddersohn motions to approve the employee 401k plan at 5% and 4 year employment duration with 90 day waiting period for new employees - Spencer Lipp seconds-motion passed unanimously**

John Gray explained the issue with Edward Jones and the original application to open the account in 2017. The application according to John was done incorrectly by the previous board and marked NOT for Public Funds when we are in fact public funds. John reports this is very bad as our account has been reported yearly incorrectly. John had conversations with Edward Jones and their legal department as they were very worried themselves. Chris Feddersohn consulted with the Districts legal counsel who recommended this be discussed in an open forum and moving the money out of Edward Jones was not a requirement as the application has now been corrected and discussed in an open meeting. John Gray said one of his concerns was will Edward Jones still allow the District 401K plan to be held by them if the District moved its money to another institution? Chris Feddersohn asked John to find out and tabled the vote to move the funds until the next meeting.

The full treasurers report can be found on our website at <http://www.timbercovecountywaterdistrict.org/>

**6. Old Business-**

6.1 - The board did not receive the agreement for the leak proposal before the meeting. Melany apologized and said she would send it out to the board in the coming week. This matter has been tabled until the next meeting.

**7. New Business Items-**

7.1 Election of Directors (President and Vice President)-

**John Rea motions to elect Chris Feddersohn to continue to serve as President of the District Spencer Lipp seconds. Kris Kilgore nay -motion passed**

**Chris Feddersohn motions to elect John Rea to continue to serve as Vice President John Rea seconds-Kris Kilgore nay- motion passed**

7.2 2021 Projects-Chris Feddersohn reviews Tanner Hiers list of recommendations attached to the board packet. Chris would like to start searching our subdivision for wells as additional sources for water and would like to hire a Hydrologist and also a new tank this year. Chris also suggested landscaping and along Timber Cove Road to screen the propane tank and spruce up the Plant. Chris Feddersohn also states that the plans for the office are now out of the coastal commission and into the building department, Chris is hoping for a building permit in the next 8 weeks.

7.3 New Truck-The board voted for the purchase of a new truck for the Plant -

**Chris Feddersohn moves to purchase truck-Kris Kilgore seconds-motion passed unanimously**

7.4 Water rates discussion-Chris explains that we have 250 lots in the subdivision and he wanted to figure out how many of these lots are purchasing water. . Chris got the water bills for from Melany for every six months starting June 2019. His determined that only 100 people buy water out of 250 lots. Chris further explains that out of those 100 people 52 people used less than 1000 gallons a month. Chris says the average person uses approx. 70 gallons a day. Chris would like to implement a Tier rate whereas the people who use 1000 gallons or less a month will pay .09 cents a gallon which is the current rate .The Timber Cove Resort will remain at .09 a gallon and those who use more than 1000 gallons a months will pay a reduced rate per gallon of .06 a gallon. John Gray asked to be able to put this concept into a spreadsheet and crunch some numbers . John Gray said it is important that our bottom line is equal or exceeding our depreciation. Chris said we will be revisiting at the next meeting.

Kris Kilgore states that she has been asking for a special working session every month to work on a Capital improvement plan. Kris Kilgore states that we need a 20 year capital improvement plan in place. Spencer Lipp says he is willing to help with the analysis as he has 25 years of analyzing utility data.

**8, Approval of Minutes from November 21, 2020-**

**John Rea moves to approve the minutes- Chris Feddersohn seconds- Kris Kilgore nay-motion passed**

Kris Kilgore asks for a discussion - Kris states she explained very carefully in the last meeting which did not get into the minutes that she was not the driving force behind the DS1 Amanita/Cypress/Pine, DS2 Koftinow Loop & TP1 . Kris explains that those projects are not part of her personal agenda. When Kris volunteered to work 4000 plus hours looking for funding for these projects they were already selected by the consensus of the board and assigned to her.

**9. Public comment -**

Bob Leichtner offered a public comment regarding director responsibilities. Bob noted that at the November meeting, the office manager expressed distress that members were not respecting the COVID-19 office restrictions, in which the office is not open for visits without advance notice, to protect the health of staff working there in a confined space. That rule is posted on the office door and on the website. A member had ignored the rule, entered the office without notice, which created a potential health risk.

Bob later learned that the rule breaker was actually a TCCWD Director, which made the breach more troubling. They should have known better and respected the health protections for their own employees. Bob also learned that the purpose of the Director's uninvited office visit was not to conduct TCCWD business, but to hand deliver a letter from Timber Cove Foundation to the Water Board disputing Board concerns of possible improper use of District funds, and to obtain a signature confirming receipt by the District. This director had violated the rule prohibiting unplanned visits, to advance the interests of a third

party that is adverse to the District, and is the subject of questions about unauthorized use of public funds, breach of IRS rules governing public tax exempt foundations and conflict of interest.

The facts are even worse than that, because there was actually no need to make the unannounced personal delivery to the office, because the Foundation had already sent the same letter both by email and by certified US Postal delivery.

Bob stated that this irresponsible conduct suggests the Board needs to clarify the fiduciary obligations of its members, including the Duty of Care, Duty of Loyalty, conflicts of interest, and business judgment rule. A director has a right to disagree with Board actions during a meeting, but he or she has no right to affirmatively act against the Board, outside the meeting or to favor adversaries above the expressed interests of the District. If he or she insists on continuing such disloyalty or defiance, they are demonstrating that they are unable to live up to their obligations as a director. In 2017 Martin Hirsch, then legal counsel to the TCCWD Board, made a public workshop presentation outlining director responsibilities and ethical standards. Bob suggested the Board to take time to review the principles presented, and discuss them with current counsel as necessary, to make sure all directors clearly understand and will comply with the ethical obligations of their service as Board members.

**10, Setting of Agenda, Time and Place for the next meeting** - February 27, 2021 at 10 am via teleconference

**11. Adjournment of the meeting - Chris motions to adjourn the meeting- Kris Kilgore seconds – motion passed unanimously**

Meeting adjourned

Attest

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

Date

2/27/21