# Timber Cove County Water District

## Board Meeting Minutes- December 7, 2024

1. **Call to order: 10:05am-**

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

**Guests-** Joey Ball, Melany Collett, Alfonso Portugal, Anne Vernon and Scott Heffner

**Guest via Zoom-** John Rosson

2. **Approval of Agenda-**

**John Gray moved to approve the agenda, Jay Kvapil seconds; motion passed unanimously.**

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

*Discussion- Director Lipp asked Melany to update the minutes to add the descriptions to the authorized roles on the new Redwood Credit Union account, the two roles are authorized signer and controlling individuals. Melany agreed to amend the November 2024 minutes to include the description of roles*

**John Gray moved to approve the November minutes and Bob Leichtner second motion passed unanimously**

**4.President's Report-** John began by stating a resident recently had decided to widen their road in front of their property. John said it was spotted by one of our operators on their normal drive around the district. John reported that neither the property owner nor the contractor notified 811 as required to have line marked to ensure no lines were disturbed. John stated the district had no issue with the owner's desire to widen their section of a private road, but the call to 811 is still required. John stated fortunately, no damage occurred, that we are aware of, but we need to caution everyone that prior to any digging on roads which contain utility easements, you need to notify 811 who in turn will notify all agencies including water, PG&E and frontier. John stated that failure to do so will result in liability for the owner responsible and/or contractor who does the damage. John stated not to rely on your memory of where you believe the lines are and to be safe and follow the rules.

John reported in the past month the district has made strides in securing financing and began the process of switching financial institutions as discussed last month. John stated it is a bit more work than simply closing one account and opening another as we have some bills on auto as well as deposits that required some additional steps. John reported that the district has opened an account with the Redwood Credit union (who rolled out the red carpet for us) and our deposits are now being processed at that institution. John stated we will close out at the Mechanics bank once all the final requirements on deposits are done and all checks have cleared. John said the board will vote on a resolution to finalize financing today

John stated that the directors will discuss the new bid on the foundation for the new offices today. John reported he had run into some issues at the county on having the plan changes approved. John will discuss our update in more detail . John said it was disappointing to say the least on how an individual at the county threw new requirements at the district that were not previously communicated causing additional time and expense. John stated will give more detail in section 8.1 on our update.

John stated the directors will vote today on moving forward with our rate structure as approved last year in our public.

**5. Operator's report- Joey Ball read the operator's report. A full copy of the report can be found on our website at**
https://www.timbercovecountywaterdistrict.org/files/b527900be/October+%2B+November+2024+Operators+Report+Presented+December+2024.pdf

**6. Treasurer's report- Melany Collett read the treasurer's report. A full copy can be found on our website at**
https://timbercovecountywaterdistrict.specialdistrict.org/files/122c0df41/TCCWD+Treasurer+report+10-31-24+Presented+12-07-24.pdf

**7. New Business-**

**7.1- Foundation bid from modular build-**

John Gray explained he had gotten a few bids, and they all included prevailing wages. John stated the bid from Timber Cove Excavating was good bid , another bid was too costly, so he did ask Modular Build who the district bought the building from to bid on the foundation work, John received the bid and stated the board had approved up to $50,000.00 for foundation work and concrete. However, the scope of work change with Modular Builders. John said initially the district was going to go with two different companies, one for excavating and one for the concrete work John stated it makes more sense to go with Modular Build as they do the concrete and foundation plus, they manufactured the modular building. John stated the overall costs are a bit lower. Bob agreed a single point of responsibility is a huge advantage. Jay asked if they used their own personnel or a subcontractor. John Gray replied they use their own personnel. Spencer Lipp brought up

that the bid states it does not include prevailing wages. John Gray agreed to go back to Modular Builders to clarify if they charge prevailing wages and to update the language on the bid if applicable. Also, a discussion was had if the bid would be impacted financially should prevailing wages be added and would the bid need to come before the board again. John Gray asked at what point is he authorized to sign the contract or would he need to bring it before the board.

**Bob Leichtner moved to give John Gray authority to accept the contract with an addition of up to 10% ( $8500.00) increase based upon the language that's in the contract and pending clarification of the prevailing language in the bid- Spencer Lipp seconds and motion passed unanimously.**

Further discussion- Spencer Lipp added that the District should be named on the Modular Builders insurance policy and Melany stated she would request that from them.

**7.2 Bid for engineering on the LHMP-**

John Gray stated that the bid from MNS Engineers was for the local hazard mitigation plan. John Gray discussed reaching out to multiple firms, via email, websites and phones calls. John Gray received only one return call. MNS submitted their bid. John explained that MNS knows our system well and the District has worked with them in the past. Spencer Lipp asked if was acceptable with CalOES that the District had only received one bid. Melany explained that she had been working directly with CalOES and their requirement to cast our net wider was met and they were aware we only received one bid. Melany stated that the bid from MNS is covered by the grant.

**Jay Kvapil moved to accept the bid from MNS Engineers, Bob Leichtner seconds- motion passed unanimously**
John Rea mentioned how important earthquake risk assessment is and Melany replied that would be covered in the planning. Spencer stated the district wouldn't qualify for FEMA help without the plan. Discussion ensued.

**7.3 Reserve Study contract from Reserve Analysis Consulting -**

John Gray mentioned the reserve study is due next year. John stated it isn't an action item but wanted to bring up that he didn't feel the study was necessary due to the recent prop 218 study . John stated that the district would need to do one in the future just not in the timeframe would normally perform one. John stated the prop 218 study gave us the same information the reserve study would. John recommends the district do the reserve study once the new building is constructed and finished with one of the capital projects.

**7.4 Resolution for Redwood Credit Union-applying and obtaining a secured line of credit for Lyons Court admin building-**

John explained Redwood Credit Union rolled out the red carpet for the district. John reported that the funds to secure the financing was transferred from LAIF into a CD at Redwood Credit Union in the amount of $250,000.00. John explained that Redwood Credit Union explained it was better to do a line of credit rather than a loan because the district would make payments on the amount of the credit line used vs a loan payment on the full amount of a loan. John explained the purposed of the resolution is that the board authorizes the line of credit and the purpose of the line of credit is to construct an admin building. John explained there is no prepayment penalty and it's a 5-year fixed rate.

**John moves that the board accepts the resolution with Redwood Credit Union and open a line of credit, Bob Leichtner seconds motion passed unanimously**

https://www.timbercovecountywaterdistrict.org/files/710377690/Adopted+Resolution+to+borrow+TCCWD.pdf

**7.5 Employee Compensation-**

John Gray explained that in the past the board has offered employees end of year bonuses. John stated it was not offered last year. Spencer Lipp asked what the past amounts have been. Discussion ensued with the directors regarding amounts and were very complementary and supportive of employees and their efforts to bring the district to where it is at today.

**Bob Leichtner moved to approve a $1500.00 end of year bonus for full-time employees and $750.00 for part-time and $750.00 for our contracted worker-Spencer Lipp seconds -motion passed unanimously**

**7.6 Water rates ( fixed and adjustable increase) per prop 218 schedule-**

John Gray stated the directors talked a little at the meeting last month about continuing with the prop 218 rate structure. John said right now if the district did not do any more infrastructure improvement the district would be fine with the current rates including the new building . John said the district *might* be able to handle doing Pacific View without running into the red. John Gray stated in his opinion if the district wanted to stay on track with the rate increases until a couple of the projects were completed. Bob asked if John if staying on track meant to go with the projections on the rate schedule. John Gray replied that the district went through great pains and a large expense to go through the prop 218 study by a state certified engineering firm who made recommendations based upon what the analysis is. Bob asked if the schedule was approved as a general plan and John did confirm this stating that the prop 218 study does not require a hearing every year but requires the directors to vote on any rate increase yearly according to the rate schedule voted on during the prop 218 hearing. Bob asked what the current rate is and what the proposed rate would be . John Gray replied the current rate is .0575 a gallon and the proposed would be .0661 and the fixed rate would be $112.70. Spencer Lipp commented that is what asked in the last meeting what would happen to the rates if they weren't raised