

MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS
OF THE IRISH BEACH WATER DISTRICT
NOVEMBER 12, 1988

1. CALL TO ORDER: President Balzer called the meeting to order at 10:03 A.M. at the home of Charles and Betty Woodward, 43801 Sea Cypress Drive, Irish Beach, Manchester, CA.

2. ROLL CALL: Four Board Members were present: Directors Balzer, Edelbrock, Woodward and Scaramella. Director Dunning was absent. Also present were: Nancy Menken, Bettye Winters, Kathy Edelbrock, Marge Lubeck, Griffith Seiber, Bob Smith, Dorothy Engle, Dan Counihan, John Acquistapace, Betty Woodward, Margaret St. Clair, Mildred and Charles Linville.

3. APPROVAL OF MINUTES OF SEPTEMBER 10, 1988 AND SPECIAL MEETING OF OCTOBER 13, 1988:

September 10 Minutes: Page 5, Item 13, Director Balzer directed attention to the last statement, "MCP attorney, Mr. Carter, replied that MCP was not responsible", was in reference to 1977 board action and not in reference to then President Blair's request for payment in 1987. Director Woodward stated that on page 2, next to the last paragraph, the \$4500 figure should read \$3500. It was then MOVED by Director Scaramella and SECONDED by Director Edelbrock that the minutes of September 10, 1988 be approved as corrected. The motion was CARRIED by a unanimous vote.

October 13 Minutes: Page 3, Budget Item, Directors Scaramella, Woodward, and Edelbrock corrected the minutes to delete the phrase "cost of living"; so corrected, Director Woodward MOVED and Director Edelbrock SECONDED that the minutes of October 13 be approved as corrected. With no further discussion, the motion was CARRIED by a unanimous vote.

4. APPROVAL OF EXPENDITURES FOR SEPTEMBER & OCTOBER 1988: Director Scaramella requested that an Income Statement be included with the Cash Expenditures for a comparison basis for future meetings and that the Secretary and Bookkeeper be so directed. The Cash Expenditure report having been presented and discussed, no objections were noted.

5. REPORTS:

a. TREASURER: Director Woodward reviewed the simplified budget comparison for 1987-88 and 1988-89 fiscal years. Director Woodward then read his proposal relative to the proposed fire station (see attached item 6a).

b. SECRETARY: Director Edelbrock had submitted his resignation as Secretary of the Board on November 5, 1988 for personal reasons. For information purposes, he referenced the

Special Districts Insurance Association letter, and suggested looking at increased insurance for "errors & omissions" in particular. Director Balzer stated that there is an extensive questionnaire from SDIA to be filled out before quotes would be forthcoming and that Elaine will complete it from office files and a report will be forthcoming for the next meeting.

*Comments X
Secretary
Not.* Director Edelbrock reviewed the steps necessary to become a ~~Special District~~, the costs involved, and suggested that we should move slowly on this matter. Director Balzer said that took care of item 7g and the item could be deleted from further discussion.

c. PRESIDENT: Director Balzer stated that Rex Dunning is now officially a board member. Director Balzer appointed Gene Scaramella as Vice President in his absence and appointed Chuck Woodward as Acting Secretary to take care of pending business. Director Scaramella asked if a resignation must be formally recognized by the board. It was concurred that it will be formally noticed on the agenda and dispensed with at the next regular meeting at which time a secretary will be elected.

Director Balzer stated the new office phone number is 882-2892 and that office hours, until further notice, are 9:30 - 11:30 A.M. on Tuesdays and Thursdays, and that there is an answering machine in the office. Marge Lubeck will publish the number in the IBIC Newsletter. Director Balzer introduced Elaine Beldin as the new secretary and stated that her partner, Bill Reed, was the new bookkeeper. Director Edelbrock reiterated the Board's commitment to Elaine as to flexibility of hours.

Director Balzer read the letter from Bea Breese which accompanied her gift of money to pay for a new fire hydrant and the Board's letter thanking Bea for all she has done for the district.

Director Balzer said LAFCO will be meeting in January and the map of the Carter Arnold property included the inn site in the district. He has been in contact with Dan Garvin and it is being straightened out. Also we have completed an application for Pomo Creek and that is moving ahead. Mr. Armstrong from State Water Resources Board reviewed Irish Creek water diversion sites, tank and treatment plant with Directors Balzer and Scaramella and he will try to have the renewal applications for the various water sources all become due at the same time to alleviate bookkeeping. Yearly renewals are necessary until such time as full build out and then application can be made for a license and the water is ours.

Director Balzer read a letter of appreciation to the Board from Adelaine de Lorenzo in response to the last newsletter.

In reference to the Unit 4 pressure equalization, Director Balzer checked with attorney Maggie O'Rourke who stated that statute of limitations had run out, thus the Board would have to incur the costs of going to court with no certainty of prevailing.

Director Woodward had questions which he will check out with Maggie O'Rourke with the board's approval.

Director Balzer introduced Dan Counihan of Counihan Consulting Engineers who has been working on the plans for Unit #9, the Mallo Pass Project and the Water Treatment Plant. Mr. Counihan received copies of the Unit #9 plans a few weeks ago and noticed that there were differences between those plans and the ones that had been prepared in June. These differences were due to an apparent substitution of a different set of plans. He has discussed these differences with Mr. Howard Bashford and is negotiating these differences with Bill Moores. However, he is insisting on protecting the interests of the District.

A discussion on the radius of fire plugs and storage of fire hoses was pursued. Director Scaramella suggested storing the fire hoses at hose stations. Marge Lubeck spoke to the care and maintenance of fire hoses by the fire department and stated that if hoses were not kept at stations, the efficiency of the fire department would be negated. She suggested a sign or break-lock for safety of fire hoses but expressed importance of fire hoses being in place as originally planned. Mr. Counihan checked the plans and noted that the hose sheds were insulated. Marge Lubeck said that Jim Lampman will review our situation next week, and that our district would be at liability if we did not provide these facilities. Marge Lubeck stressed that these specifications came out of the County Planning Commission's meeting re the difficulty of getting the truck to the top of the hill. Director Scaramella also stressed that the hoses should be in place and if they did need replacement, that would have to be done as in any piece of equipment. As this item was not noted on the agenda, the discussion was curtailed.

Director Balzer said the county has taken over the surety which will serve as a substitute for the performance bond. Director Scaramella stated that the developer wanted to put up money in place of a performance bond and was glad that the county stepped in and took over this problem.

Director Balzer stated that Mr. Martin has been asked to sign several agreements with the developer. The Board has not seen copies of these nor have they been recorded. Also, the developer is in arrears \$10,130.00 which was due in August. Some of this money has already been paid out (Mr. Counihan's work on Unit 9 plans). Also the down payment of the Mallo Pass project of \$27,870.00 due on September 16 has not been received.

d. FIRE HOUSE: Fire Chief Bob Smith displayed the old set of plans for a proposed fire station at the water tank. He spoke previously with Gordon Moores about the promised land for the fire station, and Mr. Moores said he would want approval over the building plans as he wanted a building that made a "statement". Thus, it was the feeling of some of the board members that the old plan should be resurrected with a few modifications. Mr. Smith thought the changes could be made with little expense by

Mr. Perkins in Gualala, the original architect. He recommended the board consider adopting the revised plans.

President Balzer reminded those present that this was just a preliminary report.

President Balzer introduced Gene Scaramella, thanking him for all his support and assistance in the past weeks.

e. DIRECTOR SCARAMELLA'S REPORT:

1. Training: The State Health Department examination for Water Treatment Operators License will be given in March. Those taking the course are Earl Lange, Gene Scaramella and Rick Williams. The course should be completed by the first of December and the Certificates of Completion should arrive in January. They will try to qualify for the March test. If qualified, a fee of \$38.00 per examinee will be required by December 1, 1988.

2. Insurance & Safety: Unit 8 well was boarded up but PG&E could not get in, so it will require a lock which is being acquired. A copy of the Safety Resolution will be retyped and put on the agenda for the next meeting. Also a Safety Program is required and is being developed.

3. Visit from State Health Department: Mark Bartson, State Dept. of Health (Santa Rosa), had comments on the Mallo Pass Project and construction of filter. He said a turbidity analyzer should be provided as well as a continuous chlorine analyzer which will have to be included in Mr. Moore's costs. On Unit 9 distribution system he had concerns about the bedding of the pipe and he sent a draft copy of an engineering report explaining his concerns re our system. He will review and consider all the supplemental information given him and draw up another preliminary draft.

RECESS: The meeting was recessed at 11:25 A.M. and resumed at 11:40 A.M.

6. OLD BUSINESS

a. Approval of 1988-89 Budget: Director Edelbrock clarified that the 1988-89 Budget did not include adoption of the Treasurer's Report and suggested that the \$104,000 be put in the Undistributed Reserves Account. Director Edelbrock MOVED and Director Scaramella SECONDED that the 1988-89 Budget be approved and the motion was CARRIED unanimously.

b. Director Edelbrock MOVED that a letter be sent to the District's attorney (Phillip Berry) directing him to appeal Case No. 54638, Moores vs. Edelbrock (Irish Beach Water District) and that he be authorized to use whatever expert witnesses necessary. (President Balzer prepared a letter which will be sent.) Director Scaramella SECONDED the motion to proceed in the matter.

The motion was CARRIED unanimously.

c. Consideration of report by Fire House Committee and possible decision on site location. The committee consists of Rex Dunning, Chairman; Ralph Lubeck, and Fire Chief Bob Smith. No action was taken at this meeting, and it will be put on the agenda for the next meeting.

d. Planning of questionnaire to property owners concerning financing of firehouse and/or possible paydown of loan, etc: President Balzer appointed a committee of Dorothy Engle and Ralph Lubeck to write up a questionnaire for presentation to the board at the next meeting. A preliminary draft will be presented to the board two weeks prior to the next meeting.

e. Decision on additional action against non-cooperative septic tank owners. President Balzer submitted letters he had drafted to those involved for board approval. The Board concurred that these letters should be sent as soon as possible. Director Scaramella MOVED and Director Edelbrock SECONDED that action proceed against non-cooperative septic tank owners and the motion was CARRIED unanimously.

f. Decision on future use of #8 well: It was agreed that this matter would be considered at another time.

g. Decision on insurance coverage for cover of #8 tank. Director Scaramella explained the past history of the #8 tank cover, which is made of wood. It was estimated that costs would be approximately \$3500 for a replacement cover. The brush has been cleared around the cover. Director Scaramella MOVED and Director Woodward SECONDED that action be deferred on insurance coverage. So moved, the motion was unanimously CARRIED. Director Scaramella raised the issue of coverage on the water treatment plant, i.e., is \$75,000 enough coverage. The issue of all insurance coverages will be put on the next agenda.

h. Action on Safety Program Resolution: Director Balzer read the Safety Action Resolution. Director Woodward MOVED and Director Scaramella SECONDED that the resolution be adopted. So moved, the motion was CARRIED unanimously.

7. NEW BUSINESS

a. Porta-Potty for office site: Director Woodward MOVED and Director Edelbrock SECONDED that a porta-potty be bought for \$400.00. The motion was CARRIED unanimously.

b. Action on letter from Association of California Water Agencies. Do we join? Do we contribute money? Director Edelbrock MOVED and Director Woodward SECONDED that we do not participate in the ACWA and it was CARRIED unanimously.

c. Action on memo from Mary Spangler concerning Joint Powers Agreement dealing with augmenting funds for fire

protection. Do we authorize Fire Chief Smith to attend meeting in Hopland on November 19, 1988. Director Scaramella MOVED and Director Woodward SECONDED that Chief Smith or a designated person be authorized to attend this meeting on behalf of IBWD. So moved, the motion was CARRIED unanimously.

d. Action of Resolution prepared by Emergency Services Coordinator of Mendocino Co. on use of augmentation funds for emergency services. Director Edelbrock expressed reservations as did Director Woodward. This item was deferred until the next meeting.

e. Consideration of an ordinance governing the drilling of wells within the boundaries of the district. Director Woodward MOVED and Director Edelbrock SECONDED a motion to draw up an ordinance prohibiting the drilling of wells within those lands located within the boundaries of IBWD. So moved, the motion was carried unanimously. Director Balzer will contact Maggie O'Rourke about drafting of the resolution.

f. Planning for Special District Agency Education Day in February. Director Woodward MOVED and Director Scaramella SECONDED the motion that two persons designated by the President be authorized to attend. So moved, the motion was CARRIED.

g. Consideration of possibility of changing the Water District into a Community Services District. This item had been reported on under the secretary's report.

8. OTHER:

a. Moving the District Office. This item was deferred until the next meeting.

b. Water & Sewer Purveyor Association. December 1 meeting in Ft. Bragg. This item was dispensed with.

c. Director Woodward thanked Bettye Winters for keeping the defense money intact.

9. ADJOURNMENT: Director Edelbrock MOVED and Director Woodward SECONDED that the meeting be adjourned. So moved the motion was unanimously CARRIED. The meeting adjourned at 12:30 P.M.

Respectfully Submitted,



Reuben Balzer, President

Prepared by Elaine Beldin

As Corrected
As Approved

MINUTES OF THE
REGULAR MEETING OF THE
IRISH BEACH WATER DISTRICT

* * * * *

JANUARY 14, 1989

1. CALL TO ORDER: President Balzer called the meeting to order at 10:07 A.M. on January 14, 1989 at 44151 Garcia Court, Irish Beach, Manchester.

2. ROLL CALL: All members were present (Directors Balzer, Scaramella, Woodward, Edelbrock & Dunning). Also present were: Pep Sammis, Nancy Menken, Dorothy Engle, Betty Woodward, Bettye Winters, John Acquistapace, Janet Dunning, Marge Lubeck, Kathy Edelbrock, Charles Linville, Gordon Moores and Gertrude Elder.

3. APPROVAL OF MINUTES OF NOVEMBER 12, 1988 AND SPECIAL MEETING OF DECEMBER 3, 1988: Director Edelbrock MOVED that the Minutes of the November 12, 1988 Regular Meeting be approved as read. Director Woodward SECONDED the motion. The motion was unanimously passed. Director Woodward MOVED and Director Edelbrock SECONDED that the Minutes of the Special Meeting of December 3, 1988 be approved as read. The motion was unanimously passed.

4. REVIEW OF EXPENDITURES & INCOME FOR NOVEMBER AND DECEMBER 1988: Director Scaramella MOVED that the Expenditures & Income Report for November and December 1988 be approved. Director Dunning SECONDED the motion and the motion was carried unanimously. During the discussion of these reports, it was agreed by the Board that legal fees will need careful monitoring. Director Balzer thanked Director Scaramella for the many hours he has put into a forthcoming report differentiating between legal fees incurred by the board on behalf of the water district and those which are the responsibility of the developer.

5. REPORTS:

TREASURER: Treasurer Woodward brought up the Pt. Arena First Responder Program for approval of budget expenditure. This program had already received approval by the Board at a previous meeting. This is a tripartite program between the water district, Manchester and Pt. Arena. Costs to the district this year would be approximately \$600, with costs of approximately \$2700 to join the program. Director Edelbrock expressed concerns about this program being a governmental agency. It was stated that it was a governmental agency formed for emergency services. It was agreed that the district would go ahead with this year's expenditure for the program but would look into the emergency Coast Life Support services and the legalities of the district's funding of this program. Director Woodward MOVED (per Director Scaramella's amendment) that the Board approve funds to pay for

the district's participation in the Point Arena First Responder Program for this year only with future review. Director Dunning SECONDED the motion. The motion was CARRIED by a four to one vote (Ayes: Balzer, Dunning, Scaramella, Woodward; Noes: Edelbrock).

FIREHOUSE COMMITTEE: Director Dunning asked for Board approval to contact Mr. Perkins relative to the revised plans for the Firehouse. The county has said the land will perk at the proposed site. Director Dunning brought to the Board's attention action taken in 1985 by that Board establishing a reserve account for the specific purpose of establishing a firehouse and that \$4,000. was to be set aside annually (it didn't happen). Director Scaramella noted that action was taken by a previous board and it was a lesson to future boards to follow through with their programs.

PRESIDENT'S REPORT:

1. Yesterday a demand came from William Moores to put an item on the agenda. It was not an emergency item so it was not placed on the agenda as Mr. Moores had not complied with the required 72 hours.
2. Form 730 Conflict of Interest Form must be filed by each director. the Secretary is to check with Marsha Young to see if new board member Rex Dunning must file another one.
3. The appeal of the court decision (Moores vs. Edelbrock) has been filed as of November 21, 1988.
4. The final map for Unit #9 has been granted. The Subdivision Improvement agreement was signed at 3:30 P.M. December 22, 1988. The deadline was 4:00 P.M. on that date.
5. Itemized Accounting of July 6, 1988 Agreement (legal fees, district costs (secretarial, postage, etc.) and engineering fees) for which Mr. Moores is responsible. Accounting is due on January 18, 1989 and Director Scaramella has spent a great deal of time getting costs itemized. President Balzer read a portion of a Counihan Engineering Consultants billing attributable to purposeful obfuscation by Mr. Moores which the district does not intend to pay. Director Scaramella wishes it to go on record that he intends to exchange the \$10,000. the district has set aside for activation of #9 well for the \$10,000-\$11,000 that Mr. Moores owes to the district. There are still 2 items that the district must have in order to record July 6 Agreement: the deeds of trust for lots of Unit 9 and a valid water provision agreement with Mr. Martin who owns a 40-acre parcel (deed held by Mr. Martin's daughter).
6. Pomo Creek (Moores' Creek): Application for "domestic" use permit is in progress. The District already holds a permit for "recreational use".

7. Septic Tank Inspections: There is about 98% compliance on septic tank inspection. In accordance with our bylaws, a tank was inspected without the owner's agreement as the owner was not cooperative.

8. Bomb-Threat Seminar: No one wished to attend.

9. Special District Board Management Seminar: \$650+ cost, brought to attention of board members.

6. OLD BUSINESS

a. The resignation of Director Edelbrock as Secretary of the Board was officially noticed. Director Rex Dunning was nominated as the new Board Secretary. Director Woodward MOVED and Director Scaramella SECONDED that Rex Dunning be appointed as Secretary to the Board. The motion was CARRIED unanimously.

b. Resolution to Move Office from Wanda's House to Present Location. Director Woodward MOVED that the District Office be moved from Wanda's house to its present location at the water tank. Director Scaramella SECONDED the motion. So moved, the motion was CARRIED unanimously.

c. Final Resolution - Carter Arnold Detachment. LAFCO acted on detachment and this resolution is to accept LAFCO's action to detach the Carter Arnold property. Director Edelbrock MOVED that the district accept LAFCO's action to detach the Carter Arnold property from the water district. Director Woodward SECONDED the motion. The motion was CARRIED unanimously.

d. Resolution - Emergency Services (Augmentation Funds) Director Balzer read the resolution which was drafted by the County Fire Marshall's Office. Director Edelbrock asked for clarification of disbursement of funds (Bob Smith, district's Fire Chief is attending meeting today on this will have new information). Director Woodward said under new regulations the district would receive approximately double the funding previously allocated by the county. Director Edelbrock expressed reservations that the phrase "use of annual augmentations funds for the purpose of such services" was, in essence, a blank check. Director Woodward stated that use of the funds would have to be approved by the board. Director Edelbrock moved that the resolution be adopted with the deletion of the phrase in question. After further discussion, Director Edelbrock withdrew his motion. Director Woodward MOVED that the Emergency Services Resolution be adopted. Director Dunning SECONDED the motion. The motion was CARRIED 4-0 with Director Edelbrock abstaining.

e. Authorization for Bob Smith to attend Fire Chiefs/Special District Meeting in Willits. This item is under President's authority and is covered under the present budget. Fire Chief Bob Smith is attending this meeting today.

f. SDIA Education Day Meeting in Sacramento, February 17, 1989. Director Edelbrock suggested that it would be beneficial for the secretary to the board to attend along with a member of the board. Director Woodward MOVED and Director Edelbrock SECONDED the motion that President Balzer and the secretary attend the SDIA Education Day Meeting in Sacramento. The motion was CARRIED unanimously.

g. Contribution to Pt. Arena First Responder Program: Approved this date, 4-1, see above.

h. Action on Questionnaire: President Balzer thanked Dorothy Engle and Ralph Lubeck for the first draft of the questionnaire. Director Balzer reviewed the questionnaire and minor changes made to change "surplus funds" to "uncommitted funds". Also a last unrelated question was added to the questionnaire. The water bill will be enclosed along with questionnaire which will save some postage for the district. Director Scaramella brought up the point that \$25,000 had been designated for activation of the #9 well and that we set aside \$5,000 last year resulting in the \$20,000 figure shown on the questionnaire. Director Edelbrock MOVED that the questionnaire and bill be mailed out to the constituency as soon as possible. Director Dunning SECONDED the motion and it was CARRIED unanimously. Director Woodward noted his objection to paragraph 6 of the questionnaire as he felt this was inherently a board decision.

i. Action on Firehouse: Director Scaramella MOVED that the proposed firehouse be located at the present water facility site and the committee go forward with preliminary plans for the proposed firehouse and other plans related thereto. So moved, Director Edelbrock SECONDED the motion and the motion was CARRIED unanimously.

7. NEW BUSINESS

a. President Balzer appointed Marge Lubeck and Rex Dunning to formulate an improved fire protection ordinance to meet the needs of the district. Director Edelbrock asked that the proposed ordinance be in compliance with the Forestry Department's hazardous area requirements, although we are not classified as such.

b. Preparation for Hearing on Rate Changes: President Balzer stated that if the district is going to change rates it would require a public hearing. He will appoint a committee to explore appropriate rate changes and report at the March meeting so that the public hearing could take place at the same time. Treasurer Woodward expressed his support for an increased hook-up fee which would necessitate a rate change. A tiered rate system was discussed. The committee will review both concepts.

c. Consideration of Ordinance on Well Drilling within District Boundaries: President Balzer referred to a legal opinion from

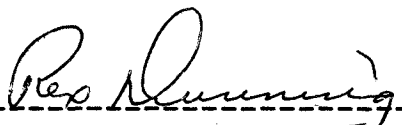
Attorney Maggie O'Rourke who is preparing a draft of an ordinance for the district. Director Woodward MOVED that an ordinance for

well drilling within the District be prepared. Director Edelbrock SECONDED the motion. The motion was CARRIED unanimously.

d. Consideration of William Moores' request for District Approval of 4 additional Lots in Unit 9: President Balzer held up a map and explained Mr. Moores' plan to subdivide. Water would be supplied for two lots by a pipe along Sea Cypress Drive and the other two lots would be supplied by Unit 7 water. These plans were to be checked out by the district's attorney Fran Layton, the county, and Dan Counihan, the district's consulting engineer. County Counsel sees no conflict with the Subdivision Improvement Agreement in effect for Unit 9. He adds, "Accordingly, if the district and county agree to the proposed change, such change would not be in conflict with the agreement. However, before approving such change, the district and the county should ascertain that it does not have any substantial adverse impact..." A letter was also received from Mr. Counihan stating his fees of \$300 for plan checking, excluding time for checking against original drawing for unauthorized changes made to original plans. President Balzer advised Mr. Moores that since this was not part of the original agreement, Mr. Moores would need to supply funds for any consultations necessary to protect district interests. Fran Layton has not responded as yet, however in a phone conversation said the district should not incur these costs.

8. ADJOURNMENT: Director Scaramella MOVED the meeting be adjourned. Director Edelbrock SECONDED the motion. The motion was CARRIED and the meeting was adjourned at 11:55 A.M.

Respectfully Submitted



REX DUNNING, SECRETARY

Prepared by Elaine Beldin

X as corrected
 as approved

IRISH BEACH WATER DISTRICT
MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
SATURDAY, MARCH 11, 1989

CALL TO ORDER: Chairman Reuben Balzer called the meeting to order at 10:01 a.m. at 14961 Navarro Way, Irish Beach.

ROLL CALL: Directors Balzer, Edelbrock, Scaramella, Woodward and Dunning all were present. Also present were the following: Janet Dunning, Margorie Lubeck, Betty Woodward, Dorothy Engle, David Rosendale, John Acquistapace, Bette Winters, Richard Williams, and Nancy Menken.

INTRODUCTION OF NEW SECRETARY: Chairman Balzer introduced Diane Johnson who is the new secretary/bookkeeper for the District. Ms. Johnson was approved by concensus as the secretary/bookkeeper.

APPROVAL OF MINUTES: After two small corrections were made in the minutes of the January 14, 1989, meeting, a motion to approve the minutes as corrected was made by Director Woodward, seconded by Director Scaramella, and approved unanimously.

REVIEW OF EXPENDITURES AND INCOME FOR JANUARY AND FEBRUARY: Ms. Johnson stated that the total lines on the cash disbursements page were incorrectly titled and should be for "January" and "February". Director Woodward gave a short review on investment interest and differences between our various investments. He explained that it had been necessary to take \$5,000 out of one investment to cover current expenditures, but no penalty was incurred for the early withdrawal. Director Woodward also explained that a detailed report to the State Controller's office had not been sent out by the previous bookkeeper and it was necessary to get the return deadline extended in order to complete the forms. A motion to approve the expenditures and income reports was made by Director Edelbrock, seconded by Director Scaramella, and approved unanimously.

PROGRESS OF IMPLEMENTATION OF AGREEMENT: Director Scaramella reported that according to the District's attorney, the majority of the legal and engineering costs spent by the District to put the agreement in place should be charged to William Moores. Attached, as part of the minutes, are Director Scaramella's calculations on these costs. The original Unit #9 called for 44 lots, but perk test failures reduced this to 40. Mr. Moores wanted four additional lots at the bottom of the hill to compensate for the four lost lots; therefore, the agreement was modified after the July 6 signing. The original agreement called for the Board to assume expenses after the July 6 signing of the agreement; however, after signing, the subsequent changes made by Mr. Moores and the County to the area originally agreed upon resulted in expenses which should be billed to Mr. Moores. Director Woodward suggested putting a lien on Unit #9 as a course of action to get Mr. Moores to pay the additional legal and engineering costs incurred by the District as a result of the agreement changes. Ms. Johnson was directed to obtain lien paperwork.

PRESIDENT'S REPORT: Chairman Balzer wanted it placed on the record that on March 1, 1989, he had a call from Mr. Moores to place several items on the agenda: 1) Addition of four lots in resubdivision (already on the agenda); 2) a letter from the District to the Department of Real Estate stating that water will be supplied to the four lots at the bottom of the hill in Unit #9 (the Board felt various matters need to be settled first); and 3) a letter from the District to the Department of Real Estate for MCP for Units 1, 2, 3, 4 and 8 with regard to the injunction not allowing sale of original inventory lots in Units 1, 2, 3, 4 and 8 (the Board said a letter to the DRE was written asking if we can assume the rate of build-out as in the past 20 years or does the District act as if all new hookups were to be supplied tomorrow; a reply from DRE requested the District state it would supply water to each and every lot without qualification as to time; further correspondence is required).

Additional items noted: The District has received a document from the Department of Health saying that the District is doing a good job and stating that after about 150 hookups, the District needs proof they are making progress on getting additional sources of water. Two additional people have taken classes to be Class II operators and will be taking the final exam to become accredited. The District is exploring increasing the errors and omissions insurance which is considered inadequate.

OLD BUSINESS:

FIRE PREVENTION ORDINANCE COMMITTEE PROGRESS REPORT: Marge Lubeck presented a proposed revision on the Fire Prevention Ordinance which reflects only minor changes in the law and a strengthening of the District's present position. As there was not time to go over the revision in detail, this item will be put on the next agenda for approval with a copy of the revision available to the Directors prior to the meeting. The Board expressed appreciation for all the work Ms. Lubeck and Director Dunning had done on this revision.

RATE REVISION COMMITTEE PROGRESS REPORT: Director Edelbrock has written the preliminary letter and questionnaire which will go out to other water districts.

CONSIDERATION REGARDING A MENDOCINO COUNTY SPECIAL DISTRICT ASSOCIATION:

A January 14 meeting was held regarding alternative methods of distributing augmentation funds from the County; the District probably will be receiving \$5,000-6,000 which will help pay insurance and Fire Department expenses.

A meeting had been held with regard to forming a county-wide Special District Association for lobbying power with the Board of Supervisors and representation on the Local Agency Formation Commission. Membership is \$25. A resolution agreeing to join would be needed before April 8. After a brief discussion, a motion was made by Director Scaramella to join the association and approval given for Directors Balzer and Scaramella to approve a resolution to be written by Ms. Johnson. The motion was seconded by Director Woodward, and carried unanimously.

PROGRESS REPORT ON WELL DRILLING ORDINANCE: Chairman Balzer reported that Attorney O'Rourke has not yet forwarded the completed proposed ordinance.

PROGRESS REPORT ON STATUS OF REQUEST FOR APPROVAL OF FOUR LOTS TO BE ADDED TO UNIT 9: Chairman Balzer reported the need to have assurance that the District can adequately provide fire protection and water pressure to these four lots; legal and engineering opinions are required before a decision can be made. A letter from Dan Counihan, engineer, dated January 7 was read regarding the considerations to be reviewed before the lots can be agreed upon. The security of the District's interests must be satisfied before proceeding. After a long discussion, it was agreed that approval could not be given at the present time and it will be necessary to have complete plans from the developer before the District's original letter to the County can be revised. (See continuation of item below.)

REPORT ON SAFETY PROGRAM REQUIRED BY S.D.I.A.: Director Scarmella reported on the completed safety policy required by the District's insurance carrier. The policy requires any developers or contractors to have workmen's compensation insurance and to provide certificates of insurance naming the District as an additional insured. A motion to approve the policy was made by Director Edelbrock, seconded by Director Woodward, and approved unanimously.

Chairman Balzer noted the need for a Safety Director who should be appointed by the Board. A volunteer is needed. The item will be put on the next agenda.

NEW BUSINESS:

REPORT ON AVAILABILITY OF EQUIPMENT: Director Edelbrock reported that funds are available to obtain a surplus fire truck or equipment (including rejuvenation). Director Woodward volunteered to write a form letter to other fire districts inquiring about surplus equipment.

REPORT ON NEED TO FORM A COMMITTEE WHICH WILL OVERSEE INSPECTION OF CONSTRUCTION ON WELL SITE AND UNIT #9 (out of agenda order): Chairman Balzer explained the necessity to oversee the developer on this construction. Director Woodward suggested hiring a qualified engineer to oversee the District's interests; the concensus was to hire such an engineer. The committee will be made up of this engineer, John Acquistapace, and Directors Dunning, Balzer, and Woodward, any two of the three Directors serving at one time.

CONSIDERATION OF PROPOSAL TO MOVE INACTIVE FIRE HYDRANT FROM UNIT #5 TO ARENA CIRCLE: After a short discussion, Chairman Balzer asked Director Dunning and Fire Chief Bob Smith to proceed with a definitive survey and to present a priority list at the next meeting.

CONSIDERATION OF INVITATION TO JOIN ASSOCIATION OF CALIFORNIA WATER AGENCIES: Chairman Blzer reported that this association is primarily geared toward large irrigation districts; he suggested not joining. A motion to not join

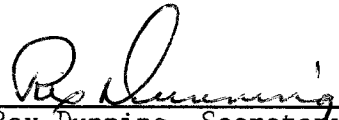
the Association of California Water Agencies was made by Director Scaramella, seconded by Director Edelbrock, and carried unanimously.

REPORT ON CONDITION IMPOSED ON IBWD BY DEPARTMENT OF STATE HEALTH SERVICE TO PASS A "CROSS CONNECTION" ORDINANCE: Chairman Balzer stated that a guidance manual has been received for this mandated ordinance which must be adopted by July 1, 1989. A public hearing will be held prior to adoption.

REQUEST FOR APPROVAL OF NEWS LETTER TO OWNERS WHICH GIVES A REPORT ON RESULTS OF QUESTIONNAIRE AND ANSWERS TO SOME QUESTIONS WHICH WERE RAILED: Chairman Balzer gave a synopsis of the answers to the questionnaire. A long discussion followed with members of the audience on wording of the questionnaire and the questions asked. On the news letter, the Board consensus was to make some deletions in the proposed news letter which would be mailed out by the middle of the following week.

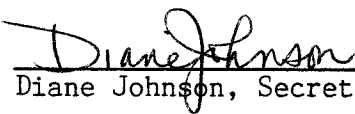
(Continuation) REQUEST FOR APPROVAL OF FOUR LOTS TO BE ADDED TO UNIT #9: A motion was made by Director Scaramella that the Board feels it cannot approve such action until we receive plans for the installation, including water pressure to the individual lots, location of fire hydrants, and construction details which have been approved by our engineer, and costs for such review by our engineering and legal counsel to be born by the developer. The motion was seconded by Director Edelbrock and carried unanimously.

Respectfully submitted


Rex Dunning, Secretary

Prepared by Diane Johnson

ATTEST:


Diane Johnson, Secretary to Board

Part of Minutes of March 11, 1989, Board of Directors Meeting

SUMMARY OF ENGINEERING AND
LEGAL FEES DUE FROM
BILL MOORES AS OF 3/1/89

Billed 1/17/89:

Balance due to cover legal expenses to 7/6/88	\$ 2,302.29
Charges for district expense for negotiations to 7/6/88	2,418.77
Balance due on engineering expense	1,870.35
Advance requested to cover inspection and testing of Unit #9 facilities	<u>5,000.00</u>
Total	11,591.41
Credit Unit #9 well down payment	<u>10,000.00</u>
Balance due	<u>\$ 1,591.41</u>

Legal Fees After 7-6-88:

These were brought about because Mr. Moores requested changes in the 7/6/88 Agreement. The changes related to surety bonds, Unit #9 plan revisions, and modification of the original plan by adding four additional lots.

Charges allocated to Mr. Moores:

September 1988	\$ 260.00
October 1988	-
November 1988	685.00
December 1988	1,267.89
January 1989	640.89
February 1989	<u>610.79</u>
Total	3,464.57
Less down payment	<u>400.00</u>
Legal fee balance due	<u>\$ 3,064.57</u>

Part of Minutes of March 11, 1989, Board of Directors Meeting (Cont:)Engineering Fees:

Balance from 1/17/89 billing	\$1,591.41
January billing	125.50
January payment	<u>(125.50)</u>
Balance due 3/1/89	\$1,591.41
*Total due 3/1/89:	
Engineering fees	1,591.41
Legal fees	<u>3,064.57</u>
Total due	<u>\$4,655.98</u>

* After application of \$10,000 down payment for Unit #9 well.

Legal Fees Charged to District After 7/6/88:

September 1988	331.50
October 1988	634.00
November 1988	312.00
December 1988	97.50
January 1989	871.00
February 1989	<u>331.50</u>
Total	2,363.00
Engineering fees not billed to Mr. Moores	<u>312.00</u>
Total due	<u>\$2,675.00</u>

Part of Minutes of March 11, 1989, Board of Directors Meeting

SUMMARY OF ENGINEERING AND
LEGAL FEES DUE FROM
BILL MOORES AS OF 3/1/89

Billed 1/17/89:

Balance due to cover legal expenses to 7/6/88	\$ 2,302.29
Charges for district expense for negotiations to 7/6/88	2,418.77
Balance due on engineering expense	1,870.35
Advance requested to cover inspection and testing of Unit #9 facilities	<u>5,000.00</u>
Total	11,591.41
Credit Unit #9 well down payment	<u>10,000.00</u>
Balance due	<u>\$ 1,591.41</u>

Legal Fees After 7-6-88:

These were brought about because Mr. Moores requested changes in the 7/6/88 Agreement. The changes related to surety bonds, Unit #9 plan revisions, and modification of the original plan by adding four additional lots.

Charges allocated to Mr. Moores:

September 1988	\$ 260.00
October 1988	-
November 1988	685.00
December 1988	1,267.89
January 1989	640.89
February 1989	<u>610.79</u>
Total	3,464.57
Less down payment	<u>400.00</u>
Legal fee balance due	<u>\$ 3,064.57</u>

Part of Minutes of March 11, 1989, Board of Directors Meeting (Cont.)Engineering Fees:

Balance from 1/17/89 billing	\$1,591.41
January billing	125.50
January payment	<u>(125.50)</u>
Balance due 3/1/89	\$1,591.41

*Total due 3/1/89:

Engineering fees	1,591.41
Legal fees	<u>3,064.57</u>
Total due	<u>\$4,655.98</u>

* After application of \$10,000 down payment for Unit #9 well.

Legal Fees Charged to District After 7/6/88:

September 1988	331.50
October 1988	634.00
November 1988	312.00
December 1988	97.50
January 1989	871.00
February 1989	<u>331.50</u>
Total	2,363.00
Engineering fees not billed to Mr. Moores	<u>312.00</u>
Total due	<u>\$2,675.00</u>

IRISH BEACH WATER DISTRICT
MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
SATURDAY, MAY 13, 1989

CALL TO ORDER: Chairman Reuben Balzer called the meeting to order at 10:00 a.m. at 43801 Sea Cypress Drive, Irish Beach.

ROLL CALL: Directors Balzer, Woodward, Edelbrock, Dunning, and Scaramella all were present. Also present were Robert Smith, Harry Sammis, Pep Sammis, Dorothy Engle, William M. Moores, David Rosendal, Kathy Edelbrock, Nancy Menken, and Betty Woodward.

APPROVAL OF AGENDA: The agenda was approved by consensus.

APPROVAL OF MINUTES: The minutes of the March 11, 1989, regular meeting were approved as written by a motion by Director Woodward, seconded by Director Scaramella, and carried unanimously. The minutes of the April 22, 1989, special meeting were approved as written by a motion by Director Woodward, seconded by Director Dunning, and carried unanimously.

REVIEW OF EXPENDITURES AND INCOME FOR MARCH AND APRIL AND TREASURER'S REPORT: The expenditures for March and April were approved by a motion by Director Edelbrock, seconded by Director Scaramella, and carried unanimously. The balance of the Treasurer's reports were held until later in the meeting.

PRESIDENT'S REPORT: Chairman Balzer reported that the "Statement for the Record in re Certification Pursuant to California Water Code Section 35041" had been completed by March 30, 1989. Director Scaramella suggested this item be put on the agenda for official action at the next meeting; the Board agreed.

Chairman Balzer read his letter in response to LAFCO's letter requesting comment on a proposed recreation and park district on the coast. His letter said that Irish Beach presently had recreation and park facilities and did not feel a need to join such a district but did not object to the formation of a recreation and park district on the coast.

County augmentation fund letters, it was reported, were presently being prepared by the County for mailing by May 26 and the subject was scheduled for the June 13 agenda of the Board of Supervisors. The Board felt it was important that the District attend the meeting; Director Woodward volunteered to attend. Chairman Balzer volunteered to call Norman DeVall, the Board of Supervisor for our area, to relay the District's concerns in receiving these augmentation funds.

Chairman Balzer reported that the developer, William Moores, had applied to the County on the resubdivision to include the four additional lots in Unit #9 which has now been retitled "Unit 9A". All provisions required by the District will have been met with the exception of a fire road. The requested Department of Real Estate letter has been written but will not be mailed until the fire road has been completed to the specifications of the District. The Board had informed Mr. Moores of the shortfall on the road.

OLD BUSINESS:

Report on Fire House Committee: Fire Chief Robert Smith reported that the "topo" map had been made for the new fire house, the architect had finished the plans, the perk test had been accomplished but results were not yet back, and a preliminary meeting had been held with Dick Graydon to estimate grading and building costs. It was noted that if all the construction work was contracted out, it would be necessary to "go to bid". After a discussion, Director Scaramella expressed that the District's commitment shouldn't become final until cost estimates were finalized and it was known where the money was coming from and how the District would be able to afford it.

Report of Rate Change Committee: It was noted that hookup fees were separate from the water usage fees; Director Woodward agreed to ask Attorney O'Rourke whether increasing hookup fees would require a public hearing as does increasing usage fees. Director Edelbrock said that questionnaires had been sent to other water districts regarding their rate fees and several answers had already been received. More questionnaires were to be mailed within a week. There was a short discussion on the Fire Department budget. A motion to have a public hearing at the next regular meeting to consider a change in the rate fees was made by Director Edelbrock, seconded by Director Scaramella, and carried unanimously.

Report on Progress on Well Ordinance: There was no progress to report. Attorney O'Rourke was getting another legal opinion before developing this ordinance.

Consideration of Revised Fire Protection Ordinance: Chairman Balzer presented the changed version of this ordinance. A long discussion followed on proposed changes which included addition of the District's right to go onto the property of anyone refusing to cut weeds, cut them, and charge the property owner for cutting them. These changes will be incorporated into the draft before the next meeting.

Appointment of Safety Director: After a short discussion, a motion to give Director Dunning the authority to delegate another community member as Safety Director was made by Director Edelbrock, seconded by Director Woodward, and carried unanimously.

Consideration of Cross Connection Ordinance: Director Scaramella explained that when a user of the District's water lines discontinues using District water to use his own well, there is a need for a backflow device to assure no contaminated water from the other system is allowed into the District's water system. After a short discussion, a motion to adopt the ordinance in its present form unless a public hearing is required so that it is necessary that the item be put on the agenda of the next regular meeting was made by Director Scaramella, seconded by Director Woodward, and carried unanimously.

Report and Discussion of Availability of Equipment, Including Trucks from Other Fire Districts or Departments: Fire Chief Smith presented a list of various equipment for sale. Directors Woodward and Dunning will oversee checking into any items the District might have interest in.

Discussion of Invoice Submitted by First Responder Group: The quarterly billings by this group are divided evenly between Irish Beach, Garcia Fire and Rescue and the City of Point Arena. Director Edelbrock felt that the District did agree to pay a one-third cost. The agreement needed to be reviewed. A motion to pay the latest billing and write a letter to the First Responder Group questioning our representation on expenses incurred and requesting a detailed accounting of expenses already incurred and asking for a yearly budget was made by Director Edelbrock, seconded by Director Woodward, and carried unanimously.

BREAK: A ten-minutes break was called at 11:15 a.m.

Treasurer's Report (from earlier on agenda): Treasurer Woodward reported that the expenditures for the year would be over budget, largely because of unanticipated legal fees. He proposed that the additional costs of the Mallo Pass project be divided by the 44 lots which could justifiably be put into the hookup fees for these lots; the possible \$20,000-25,000 over-budget for the year could be partially recovered by these hookup fees. A discussion followed on the number of units to be included in any new hookup fees.

Report by Director Scaramella on Progress Made on Those Items Discussed at the 4/22/89 Meeting: Director Scaramella reported that the District had made a \$10,000 payment to Mr. Moores on the #9 well and Mr. Moores had made a payment of \$12,885.51 to the District in partial payment of monies owed. The \$1,870.25 paid to the District's engineer Dan Counihan to check all of Mr. Moores' plans after an unauthorized change was found in earlier plans Mr. Moores submitted had been billed to Mr. Moores, but had not been paid by Mr. Moores. A long discussion between the Board and Mr. Moores followed on trying to reconcile responsibilities of expenses. Chairman Balzer read portions of Mr. Counihan's December 8 billing stating that the bulk of his time was spent on the Unit #9 plans after the July 6 Agreement was signed. The consensus of the Board was that these costs should be incurred by the developer who made changes subsequent to signing the Agreement.

"Non-construction" Costs of Exhibit Four (#9 Well) Claimed by Mr. Moores: Two bills had been received from Mr. Moores so far: \$975.00 from engineer Erickson and \$1640.00 from engineer Carter. Director Woodward felt the intent of the Agreement was violated by "engineered plans" vs. "sketch plans" designated in the Agreement. Mr. Moores countered that the District's engineer required more than sketch plans. Director Woodward told Mr. Moores that documentation was not done properly on changes he made. After further discussion Mr. Moores would not accept Director Woodward's compromise that each pay one-half of these costs. No decisions were made.

Resolution of Location of Pipe Line From Tank 3 to Tank 4: The committee authorized to decide on the pipe location had not yet been appointed but Mr. Moores was asked for a detailed analysis of costs for the alternate route up the road as opposed to over the hill. A definitive decision cannot be made until these costs are received. A motion for the President and inspection committee to decide whether to go up the hill or along the road was made by Director Woodward, seconded by Director Edelbrock, and carried unanimously.

Consideration of Proposal to Impose a Fee to Any Non-Member Who Demands a Special Meeting (out of agenda order): It was noted that this agenda item should have read "Any Non-Board Member". After a short discussion, Director Woodward moved that a minimum of \$250 to cover expenses be charged to any non-board member who demands a special meeting. The motion was seconded by Director Edelbrock and carried unanimously.

Request to Mr. Moores to Comply with District's Insurance Requirement that Contractors Provide Proof of Insurance for Liability and Workmen's Compensation: The District secretary was requested to write a letter to Mr. Moores to be sent by registered mail asking that he comply with the construction obligations set forth by the District in their Safety Policy and all state law requirements pertaining to liability insurance and workmen's compensation.

Director Scaramella reported that Mr. Taggart has been designated to do the on-site testing and inspection for the District on the #9 tank and well project and Mr. Counihan will give the basic requirements to Mr. Taggart. It was requested that the record show that Mr. Taggart will receive \$50 per hour, \$35 per hour for an associate, plus expenses. These costs will be paid out of the \$5,000 advance from Mr. Moores. A motion to confirm this arrangement with Mr. Taggart on the Unit 9 and well facilities was made by Director Scaramella, seconded by Director Dunning, and carried unanimously.

NEW BUSINESS

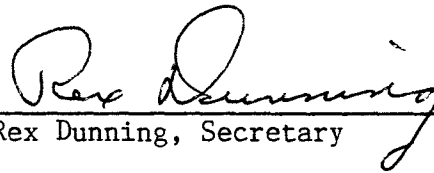
Report by Director Scaramella on Proposed Membership in Mendocino County Water Purveyors' Association and Appropriate Action: Director Scaramella reported that it would probably cost approximately \$25 to join this association. It would be a good resource organization which the District probably should join. A decision on joining was deferred to a later date.

Payment of Insurance Premiums for 1989-1990 Year Which Begins on 8-1-89. Appointment of a Committee to Oversee All of our Insurance Needs: A motion to pay the premiums requested by Special District Insurance Authority was made by Director Edelbrock. Before the motion was seconded it was rephrased by Director Scaramella that the premiums requested by Special District Insurance Authority be paid by July 8, 1989, seconded by Director Edelbrock, and carried unanimously.

Resolution Authorizing Secretary Johnson to File Small Claims in Event of Non-Payment of Charges. Also Establishment of Policy Regarding Late Payments, e.g., Interest Charges if Over 60 Days?: Resolution No. 89-5 authorizing Diane Johnson to represent the District in Small Claims Court with regard to delinquent accounts was approved by a motion by Director Scaramella, seconded by Director Dunning, and carried unanimously. The question of delinquent dates and late charges on billings will be put on the next agenda.

ADJOURNMENT: A motion to adjourn was made at 12:45 p.m. by Director Scaramella, seconded by Director Edelbrock, and carried unanimously.


Respectfully submitted,



Rex Dunning, Secretary

Prepared by Diane Johnson

ATTEST:



Diane Johnson, Secretary to the Board

IRISH BEACH WATER DISTRICT
MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
SATURDAY, JULY 8, 1989

1. CALL TO ORDER: Chairman Balzer called the meeting to order at 10:10 a.m. at 14961 Navarro Way, Irish Beach.
2. ROLL CALL: Directors Woodward, Dunning, Scaramella, Balzer and Edelbrock were all present. Director Woodward subsequently left the meeting during the break at 11:15. Also present were Bettye Winters, Roger Aeschliman, Dorothy Engle, Nancy Menken, David Rosendale, Betty MacKenzie, Betty Woodward, Charles Linville, Bob Hamilton, and Gordon Moores.
3. APPROVAL OF AGENDA: To facilitate the public on the public hearings and Director Woodward's need to leave the meeting early, a motion to consider items 7g, 7i and 8a directly after the reports was made by Director Woodward seconded by Director Scaramella, and approved unanimously.
4. APPROVAL OF MINUTES: After a short discussion, it was agreed that in the future the 125,000 gallon tank should be referred to as "tank 4" and the 10,000 gallon tank should be referred to as "tank 5". A motion to approve with corrections the minutes of the 5/13/89 regular meeting was made by Director Edelbrock, seconded by Director Scaramella, and carried unanimously. A motion to approve with corrections the minutes of the 6/7/89 special meeting was made by Director Edelbrock, seconded by Director Dunning, and carried unanimously.
5. REVIEW OF INCOME AND EXPENSES FOR MAY AND JUNE: A motion to accept the disbursements for May and June was made by Director Edelbrock, seconded by Director Woodward, and carried unanimously.

TREASURER'S REPORT: Treasurer Woodward reported that the year-to-date figures are within budget except for legal fees, the excess funds coming from reserves. A preliminary budget would be completed soon. A motion to accept the Treasurer's report was made by Director Edelbrock, seconded by Director Dunning and carried unanimously.

6. REPORTS: Fire Chief Smith was not in attendance, but Chairman Balzer reported that augmentation funds had been received from the County and the County will follow a similar procedure for augmentation funds in the new budget so next year's receipts for the District should be approximately the same. After a short discussion, it was decided that a schedule of expenses should be reviewed before any decisions could be made about a fire truck or a fire house; the subject was put off until a later meeting.

Director Dunning reported that the perk report was still not complete for the fire house site and the septic tank adequacy still had to be checked. Director Woodward stated that fire house costs were needed before financing could be developed.

Director Scaramella reported that the inspection committee is present every day major activity occurs; the 10,000 gallon tank is in place and acceptable; trenching between #4 and #5 tanks, pipes and utility lines are in but not hooked up, the tank was filled once with the pump and realized about 11 gallons per minute with 16-18 gallons per minute at a later trial; inspector Taggart had suggested a number of improvements which were incorporated; the 125,000 gallon tank pour resulted in an unacceptable rough surface and 3-4 cracks from an inadequate process pour with a final solution being reviewed, probably necessitating sealing the tank in some manner.

Chairman Balzer explained that the State-mandated cross connection ordinance had been passed to prevent contamination to the District's system from a private water source. He reported that the California Special District Authority insurance carrier might be able to find financing for districts who need additional funding. He also reported that objections to the additional tax to fund a Mendocino Coast Park and Recreation District should be made by individuals to the county, not through the Board.

- 7g. PUBLIC HEARING: Vote on Resolution Increasing Fees for Hooking Up to the Water System: Chairman Balzer read the proposed resolution to increase 3/4" line residential hookup fees to \$1800, including meter and meter installation. After opening the public hearing, Chairman Balzer read that portion of William Moores' letter dated 7/5/89 stating objections to this resolution. Mr. Moores' letter quoted a law pertaining to an "irrigation" district which Irish Beach is not. Other public comments: Gordon Moores felt the increased hookup fee was unethical and immoral and that units 1 through 8 have been paying for improvements and maintenance through standby fees and that increased hookup fees should be related just to actual hookup costs, not non-capital costs. Director Woodward said the \$1800 fee was justified in comparison with other small water districts, because of vastly increased legal fees caused by the developer and because of increased costs to improve and maintain the system. Gordon Moores felt similar districts probably had not been paying standby fees before hooking up. Director Scaramella felt the increase was long overdue, those not living here have not carried their fair share, and it was time to stop the contention and begin to cooperate. Chairman Balzer then read William Moores' letter of 6/27/89 concerning his feeling that increased hookup fees were not legal; however, Chairman Balzer said Mr. Moores had sent out notices to property owners to suggest paying the hookup fee quickly before the fee increased. Public comment was closed.

Director Scaramella suggested that prepaid hookup fees be accepted where water is not yet available with the provision that when and if the project is completed, and acceptable to the District, water will be supplied. The Board agreed. A motion was made by Director Woodward to adopt this

resolution increasing the hookup fee and that the resolution become effective 45 days after date of mailing notification to all property owners. It was seconded by Director Dunning and carried unanimously.

BREAK: A 15-minutes break was called at 11:25 a.m. Director Woodward left the meeting at this time.

- 7i. Report from Committee Dealing with Route of Water Lines from #3 Tank to Unit #9 and Action on This Matter: Chairman Balzer read that portion of William Moores' 7/5/89 letter withdrawing his offer to limit the pipe route to the road for the fee previously offered and electing to pursue the hill route. He stated that for a total of \$2,000 from the District he would put the line on the outside of the road shoulder if acceptable by his engineer and if notification to pursue this was received by 7/12/89. In section 8(a) of the 7/6/88 agreement it states, "William Moores agrees to provide the District with the necessary easements for installation of the replacement transmission line, as shown on the Exhibit 11 plan, if the two-inch (2") P.V.C. transmission line must be replaced". Exhibit 11 plans were shown which stated that the District has the option on the route to use for the line. Mr. Moores had written stating the District would have to pay partial costs if the line were to go up the road rather than over the hill. It was pointed out by Chairman Balzer that this line is being placed for the benefit of Unit #9. After further discussion a motion was made by Director Edelbrock that the District insist the water line from the #3 tank to Unit #9 be placed up the inside of the road and that no additional funds be spent by the District for this line. The motion was seconded by Director Dunning and carried unanimously.
- 8a. Discussion and Decision Relating to Acceptance of 125,000 Gallon Tank in Unit #9: The problems with this tank were related earlier in the meeting. Comments were invited. Director Edelbrock moved the 125,000 gallon tank not be accepted in the foreseeable future until corrections needed were made to it, but he then withdrew the motion. Director Scaramella said the objections to the tank were: 1) cracks, 2) the required 3" drop from south to north is not there, and 3) the surface is rough. Director Scaramella moved that after consulting with our engineer we advise Mr. Moores that the 125,000 gallon tank as constructed is defective and needs corrective action and is not acceptable until the corrections are made. The motion was seconded by Director Edelbrock and carried unanimously. A letter so informing Mr. Moores will be copied to county agencies and counsel.
- 7a. Official Action on "Certification" of Ratio of Developed to Undeveloped Land: Chairman Balzer read the certification and explained the statement accompanying it advised by legal counsel. A motion to approve this certification and statement signed by Secretary Dunning as authorized by the District's attorney was made by Director Edelbrock, seconded by Director Scaramella and carried unanimously.

- 7b. Signature on Joint Powers Agreement for Point Arena First Responder:
A motion to authorize Chairman Balzer to sign this agreement to make it official was made by Director Scaramella and seconded by Director Dunning. The motion was approved 3:1 with Director Edelbrock opposing.
- 7c. Resolution on Establishing When Accounts are Delinquent and Charges for Delinquent Accounts: Chairman Balzer read the proposed resolution. After discussion Director Edelbrock moved accounts be declared delinquent after 30 days and that a 20% late charge be added to an account after the 30 days, to be implemented as soon as practical by the secretary. The motion was seconded by Director Scaramella and carried unanimously.
- 7e. Take Action to Join Water Association of Mendocino County: Chairman Balzer explained that the \$25 annual dues to join this agency would help the District obtain information about other districts. A motion to participate in the Water Association of Mendocino County was made by Director Scaramella, seconded by Director Edelbrock, and carried unanimously.
- 7d. Action on Designating Portion of Billings for Fire Protection: It was explained that property owners should know that a portion of their service charge/standby fee is designated for the fire department. This could be done by separating the fire department fee from the service charge or standby fee on each billing statement. Director Dunning felt such funds designated for the fire department use should be in a separate account for fire department use only. Director Edelbrock moved that 20% of user fee or standby fee be placed in a separate fire department account in the budget to be used only by the fire department and that this amount be so designated on the billing statements. The motion was seconded by Director Dunning, and carried unanimously.
- 7f. Discussion and Action on Increased Errors and Omission Insurance Coverage and Increased Boiler and Machinery Insurance Coverage: Director Edelbrock felt the Board should have the maximum protection on their errors and omissions insurance; he moved that the District accept the \$2 million coverage on errors and omissions insurance from Gallagher Heffernan Insurance Brokers for a \$4,120.90 premium. The motion was seconded by Director Dunning and carried unanimously. It was decided that the boiler and machinery coverage be paid with Special District Insurance Authority at this time and coverage increased when new equipment needs to be added.
- 7h. PUBLIC HEARING: Final Reading of Revised Fire Protection Ordinance: Chairman Balzer read the changes made during the first reading of the ordinance in which court costs were included in fining and/or putting a lien on property when the District has to clean up property the owner refuses to clean. Director Edelbrock moved that the final reading of

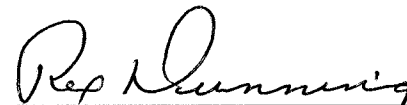
the ordinance be waived and the ordinance include the revisions. The motion was seconded by Director Dunning and unanimously carried.

The public hearing was opened and comments invited. In answer to an inquiry on how much it would cost to clean up the worst lots when the owner refused to clean them, the answer was, "Lots". There were no further comments and the public hearing was closed.

A motion to approve the ordinance was made by Director Edelbrock, seconded by Director Dunning, and unanimously carried.

- 8b. Report on Election for Board Members: Chairman Balzer reported that one two-year director and two four-year directors must be elected/appointed. The County has refused to conduct the election for the District in November, so the District will have to solicit candidates and run an election if more than three candidates apply. The newsletter to be sent out the following week to all property owners will explain the election.
9. ADJOURNMENT: A motion to adjourn was made at 12:45 p.m. by Director Edelbrock, seconded by Director Scaramella, and unanimously carried.


Respectfully submitted,



Rex Dunning, Secretary

Prepared by Diane Johnson

ATTEST:



Diane Johnson, Secretary to the Board

IRISH BEACH WATER DISTRICT
MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
SATURDAY, SEPTEMBER 9, 1989

1. CALL TO ORDER: Chairman Balzer called the meeting to order at 10:02 a.m. at 43801 Sea Cypress, Irish Beach.
2. ROLL CALL: Directors Woodward, Dunning, Scaramella, Edelbrock and Balzer were all present. Also present were Doug Blair, Grace Blair, Roger Aeschliman, Nancy Menken, David Rosendale, Dorothy Engle, John Acquistapace, Kathy Edelbrock, and Betty Woodward. Gordon Moores arrived during the break at 12:00 noon.
3. APPROVAL OF AGENDA: A motion to approve the agenda as posted was made by Director Scaramella, seconded by Director Dunning, and carried unanimously.
4. APPROVAL OF MINUTES OF THE JULY 8, 1989, REGULAR MEETING: A motion to approve the minutes with one correction was made by Director Woodward, seconded by Director Dunning, and carried unanimously.
5. REVIEW OF EXPENDITURES AND INCOME FOR JULY AND AUGUST: Director Scaramella requested that those disbursements which were deducted from the advance made by William Moores be reflected on the disbursements report. Director Edelbrock requested that the reports show the checking account month-end balance and the investments balances. A motion to show these items on future reports was made by Director Edelbrock, seconded by Director Woodward and carried unanimously.
6. REPORTS:
 - 6A. Treasurer's report and preliminary budget: Director Woodward presented a preliminary budget for fiscal year 1989-90 and explained the proposed figures. It was noted that \$25,939 was spent in fiscal year 1988-89 for non-recoverable legal expenses. A tentative final budget review meeting was set for September 30.
 - 6B. Operations and inspection report: Director Scaramella reported on the various sources for water availability and water usage comparison for this year and the previous year. The sand in the water treatment filters had been changed for the first time. The Unit 9 well (also known as #2 well) has produced about 17 gallons per minute with the use of a portable generator. The cracks in the tank in unit 9 are actually leaking.
 - 6C. Fire House Committee report: Director Dunning said progress is moving slowly. A cost estimate is expected from Richard Graydon within two weeks and material estimates are being obtained. It was the consensus of the Board that Doug Blair replace Ralph Lubeck on this committee.
 - 6D. President's report: President Balzer reported that an election will not be needed to fill the coming vacancies on the Board. Roger Aeschliman was introduced; he will be replacing Director Woodward on the Board.

Doug Blair was also introduced and welcomed back to the District. Notices of meetings which could be attended and associations which could be joined were noted. A letter had been written to Louisiana Pacific regarding silt washing down the creek from their work up stream; an answer has not been received. \$6,890.21 in augmentation funds had been received this fiscal year for the fire department. No response had been received from the owner of the property regarding an easement to the lower diversion point. The required notices had been posted that the Water District holds domestic rights to Pomo Creek but will not use the water unless absolutely necessary. The gate on the condo road will need to be kept open in the future for fire protection. A gate will be needed to the upper diversion site. Ralph Lubeck and Charles Linville had surveyed all properties for fire hazards and abatement notices were being sent to property owners. Director Scaramella offered to go to the September 19 hearing on wells in the town of Mendocino.

7. OLD BUSINESS:

- 7A. Rescinding of a motion made at special meeting 4/22/89 relating to water line from #3 tank to unit #9: Chairman Balzer read the motion from the 4/22/89 meeting that Chairman Balzer appoint a committee to check out Mr. Moores' figures and authorize them to make a decision on which route would be best, not to exceed \$1,300 if it were decided to go down the road. A motion to rescind the motion was made by Director Edelbrock, seconded by Director Dunning, and carried unanimously. A long discussion followed on the legalities and costs for the District insisting the line go up the road. It was agreed that Mr. Moores has not been following the specifications in the Agreement, nor Pacific Gas and Electric requirements, and it should be resolved by sitting down with Mr. Moores and discussing the issues. Director Edelbrock moved that the Board rescind the 7/8/89 meeting motion that the District insist the water line from the #3 tank to Unit #9 be placed up the inside of the road and that no additional funds be spent by the District for this line. The motion was seconded by Director Woodward and carried with Director Balzer voting against the motion. Chairman Balzer requested Directors Dunning and Edelbrock, and Doug Blair, work with Mr. Moores to solve the problem. All agreed. The committee was requested to obtain the agreement that the line will go up the road only and to try to work out the best deal with the least cost to the District. Recommendations, if ready, can be approved at the September 30 meeting.

BREAK: A 15-minute break was called at 12:00 noon.

- 7B. Consideration of impact of costs to the District related to addition of unit #9 to the system: Chairman Balzer requested this item be held until the next regular meeting to conserve time at the present meeting. It was agreed.
- 7C. Appointment of Safety Director for District: The District insurance carrier mandated a Safety Director be appointed. David Rosendale agreed to fill this position and agreed to go to the November Special District Insurance Authority meeting.

- 7D. Renewal of Pennwalt contract for anti-electrolysis protection in tanks #1 and #3: Director Edelbrock moved this contract be renewed and a discussion followed immediately without a second on the motion. The motion was then changed that the District accept a contract from Pennwalt but Director Scaramella would try to negotiate a lesser price for less frequent inspection. The motion was seconded by Director Woodward and carried unanimously.
- 7E. Consideration and action on letter from attorney Fran Layton about reimbursement provision based on 54 hook-up cost differential: Doug Blair felt the Board should not accept the premise that 54 units would cost 37% of the larger system, but in order to avoid a prolonged process and possible additional cost, the District will accept the proposal because it would not be detrimental to the District nor the property owners. Director Woodward felt that further negotiation was possible; this issue will be put on the next regular agenda. Mr. Blair will work with Director Woodward to communicate with Mr. Moores to resolve the issue and will bring their report to the next meeting.
8. NEW BUSINESS
- 8A. Resolution on policy on acceptance of pre-paid hook-up fees: Chairman Balzer read the resolution that the District will only accept hook-up fees from owners of record of a property and will not accept hook-up fees in advance of completion of water mains to property nor to any property which does not have all proper permits in place. A motion to adopt the resolution was made by Director Scaramella, seconded by Director Woodward, and carried unanimously.
- 8B. Resolution required by Special District Insurance Authority for proxy ballot for election of directors and other business at annual meeting on 9/21/89: A motion to assign the District's proxy to Juan Lopez was made by Director Scaramella, seconded by Director Woodward, and carried unanimously.
- 8C. Consideration of potential problem of pollution of water at lower diversion site: Coliform tests on water from the lower diversion site showed contamination "too numerous to count". The contamination is caused by cattle grazing in the area. A letter will be written to the owner of the cattle and owner of the property to remedy the situation.
- 8D. Consideration and action on change in hose size for hoses to be stored on unit #9: Because there was no immediate need for action on this item, it was tabled for now.
- 8E. Consideration and action on threats of legal action by Mendocino Coast Properties if District cannot write a letter that will satisfy Department of Real Estate: Letters written to William Moores, Mendocino

Coast Properties and the Department of Real Estate that satisfy these entities and the District have been unsuccessful. Gordon Moores said that the DRE does not want to hold up units 1, 2, 3, and 4 but they have been unresponsive to questions and replies to correspondence. The District's 7/27/89 letter to DRE was read. After a long discussion, it was decided that a written reply is needed from DRE's James Beaver on exactly what he wants and what is wrong with the 7/27/89 letter he received from the District. The Board stated that they are committed to cooperating with Mendocino Coast Properties to the extent of their ability. Director Scaramella wanted the record to show that it is the intent of Irish Beach Water District to provide accurate and truthful statements on supplying water to the subdivision without jeopardizing the position of this or future Boards.

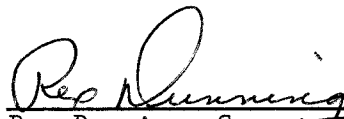
- 8F. Consideration of decision on what criteria we should use for acceptance of unit #9 well and tank: Director Scaramella said that before the District could accept this well and tank, the developer must: 1) show acceptable chemical, coliform, and turbidity tests required by the State Health Department, 2) show well capacity as provided in the contract, and 3) repair tank cracks and be leakproof at least one year (amended to a minimum of ten and maximum of 20 years by Director Edelbrock). It was suggested that a minimum criteria be put in writing and acted upon at the next meeting. Director Scaramella agreed to write Mr. Moores on the urgency to perform required tests, part of which take lengthy laboratory time. The Board wanted the record to show that President Balzer acts for the benefit of the Board. Director Scaramella moved that in the future any correspondence on issues involving consideration and action by the Board of Directors must be mailed to the Board at the District's mailing address so it is received ten days prior to the meeting date for consideration. The motion was seconded by Director Edelbrock and carried unanimously.

RECESS: The Board recessed and moved into executive session to discuss personnel matters.

After the Board reconvened, a motion was made by Director Edelbrock that the District will no longer need the extra help performed by Richard Williams. The motion was seconded by Director Woodward and passed with Director Scaramella abstaining.

9. ADJOURNMENT: A motion to adjourn was made at 2:15 a.m. by Director Edelbrock, seconded by Director Woodward and carried unanimously.

Respectfully submitted,



Rex Dunning, Secretary
Prepared by Diane Johnson

ATTEST:



Diane Johnson, Secretary to the Board

IRISH BEACH WATER DISTRICT
MINUTES OF THE SPECIAL MEETING
OF THE BOARD OF DIRECTORS
THURSDAY, OCTOBER 13, 1988

CALL TO ORDER

Chairman Reuben Balzer called the meeting to order at 10:05 A.M. at 44141 Garcia Court, Irish Beach.

ROLL CALL

Present were Directors Balzer, Edelbrock, Scaramella and Woodward with one vacancy remaining on the board. Various members of the community were present including Bob Smith, Reese and Mildred Tripp, Dorothy Engle, Nancy Menken, Betty Winters, Charles Linville and Kathy Edelbrock.

PURPOSE OF MEETING

Chairman Balzer explained the purpose of the special meeting was to 1) discuss the preliminary budget for the 1988-89 fiscal year and 2) appoint a member to the Board of Directors of the Irish Beach Water District to fill the vacancy created by the resignation of Marge Lubeck on September 10, 1988. With board approval, the agenda was taken in reverse order.

APPOINTMENT OF NEW BOARD DIRECTOR

Director Edelbrock MOVED that the Board of Directors recommend to the Board of Supervisors of Mendocino County the appointment of Rex Dunning to fulfill the vacancy until the next election. The motion was seconded by Director Eugene Scaramella and unanimously carried.

As a courtesy, Mr. Dunning was asked to join the board members at the table, however, it was clarified that while he would not be acting as a board member until sworn in, he could participate as a member of the public. Mr. Dunning has agreed to hold the same position as Marge Lubeck in relation to the Irish Beach Volunteer Fire Department.

PRELIMINARY BUDGET DISCUSSION

Director-Treasurer Charles Woodward submitted copies of his proposed budget for fiscal year 1988-89 and the Year-end Statement. He explained the \$4293.17 deficit was a result of various factors, among them; legal fees re Moores litigation of approximately \$2,000., legal advice on the Brown Act of \$2,000.

Director Scaramella verified that the costs of the Case Appeal were not reflected in this budget. Director Edelbrock noted that had the election costs (\$4097.00) not been necessary, the budget

would have been balanced even with the legal fees.

Director Woodward acknowledged the generosity of people, especially Bea Breese's contribution of tools, as a principal reason the budget costs remained as low as they did. Also, some capital improvements were not implemented, i.e., a stand-by pump which is now budgeted for next year. Legal fees which had not been anticipated in the last budget are included in the new budget. Director Woodward answered general accounting procedural questions of board members and explained that a conservative approach was being taken with next year's budget based on a projected 7 new-starts for homes.

Director Woodward brought up two issues for further review:

o Repayment of the \$130,000. loan. Mandate to the people was for repayment within the next five years. Director Woodward expressed view that by so doing, without using a depreciation factor, the current owners would be paying for improvements twice.

o Hook-up Fees. Are new owners getting a "free-ride"? Director Woodward suggestion raising the hook-up fees to \$1800. for new owners, utilizing old rate for current owners. This increase would pay for replacement costs in about four years. He stated that while a flat rate is now utilized from water usage fee, a computerized tiered-rate would be easy to implement. He will check with our attorney on these issues.

DISCUSSION & QUESTIONS

Director Woodward opened for discussion and questions and said these issues would be addressed to the district by virtue of a questionnaire.

o Firehouse: It has not been budgeted for next year. An estimated cost, with district office, would be approx. \$40,000 (assuming volunteer labor). Land for the firehouse has not been forthcoming from the Moores as promised. Bob Smith will ask Gordon to put in writing why they are holding the decision for the land in abeyance. Purchase of land for this purpose was discussed. Nancy Menken expressed opposition to purchase of land for the firehouse inasmuch as Mrs. Elder promised land for this purpose to the IBIC. The IBIC would be taxed if it built such a building for this but Mrs. Elder stated that she would not be opposed to transferring her offer to the IBWD. This needs to be explored.

o IBWD Administrator: Bob Smith raised this issue and it was unanimously agreed that it was inevitable that this would have to be pursued in the future as administration was becoming too time consuming for the board members.

o Revenue Committee: At the President's discretion, a committee will be formed to look into a revised fee schedule. This could include such things as an increase in hook-up fees, a reduction in standby fees and a tiered rate schedule on water usage.

o Budget: Directors Scaramella and Edelbrock advised going with a ~~cost of living~~ budget based on the status quo for the next fiscal year, allowing time to investigate various issues being raised. Dorothy Engle stated that in her opinion we were discussing two issues, the proposed current fiscal budget and a future budget which reflects the results of a questionnaire and a cover letter addressing the many decisions before the district. The Board agreed. She was asked to put her thoughts in writing for use in formulating a questionnaire.

Director Edelbrock MOVED that the meeting be adjourned. Director Scaramella SECONDED with the proviso that proposed amended budget (a summarized budget) be submitted to the district prior to the next regular meeting; so agreed, the motion was unanimously carried. The meeting was adjourned at 11:45 A.M.

Respectfully Submitted,

Wilfred Edelbrock, Secretary
Prepared by Elaine Beldin

Approved as Submitted
Approved as Corrected

Reuben Balzer
President

Exhibit A

Gene Scaramella, report to Board meeting of 9/10/88 re status of 9/6/88 agreement implementation:

Review

At the 7/6/88 meeting the Board approved entering into what is known as a Water Development Agreement between William Moores and the Irish Beach Water District.

In general it provides the following:

1. All water rights to Mallo Pass held by Moores turned over to District, also water rights to Unit 9 well.
2. A trust fund to be provided by Moores to build when needed facilities to take water from Mallo Pass Creek to filtration plant and then to Storage Tank 3.
3. Moores to build approved water distribution system for Unit 9 (38-42 units). Includes 125,000-gallon storage tank.
4. Moores to turn over Unit 9 well with power supply, pump and storage tank and lines as approved by District Engineer for \$25,000. With well failure in first year District has no obligation. After first year District cost is based on 1/9 of cost per year over nine years.
5. Moores limited to 100 hookups including Elder Inn, Unit 9 and Unit 6.
6. Moores to pay legal costs and District costs attributable to project from 3/12/88 to 7/6/88.
7. Moores to pay District Engineer costs to review plans, inspect installation of Mallo Pass Project, Unit 9 distribution facilities. District to pay for Unit 9 well project engineering fees.
8. District to provide water to 11 parcels in District adjoining Unit 9, with three parcel owners as of now, balance belonging to Moores. Hook-up fees and facilities to be paid for by parcel owner.

Current Status

1. Originally deadline for final map was believed to be 7/9/88. County officials apparently proceeded on wrong assumption; new date for final map is 11/13/88.
2. Agreement signed on 7/6/88 included agreement on implementation of the following:
 - a. District Engineer approval of plans for Mallo Pass project, Unit 9 distribution and Unit 9 well sketch plans. (This has been done.)
 - b. Moores to turn over their water rights to Mallo Pass and Unit 9 well to District. Documents signed. Confirmation from Water Resources Board still pending, awaiting responses to Department of Fish & Game condition that District does not take over 150 gpm from Mallo Pass diversion point.

- c. At the 7/6/88 meeting the bid amount to install Mallo Pass facility was not finalized. Was to be determined by thire-party engineer if District and Moores engineer could not agree on acceptable revised amount. Later: Agreement was that the agreed-upon amount was \$173,625. + 7%, amounting to \$185,779, to be funded by Moores. This is the amount the Mallo Pass Project Trust Fund will be based upon.

Formal demand for the down payment as required has been made and is to be paid by Moores on or before September 15, 1988.

- d. The agreement specifies that the District provide 40% of the well cost (\$10,000) to the Moores 30 days after agreement signed. Since the final map has not been filed, this amount is being placed in a trust fund to be paid to Moores when performance is assured.
- e. A performance bond covering construction of Unit 9 distribution facilities is to be provided by Moores. To date this has not been provided.
- f. Security for the Mallo Pass Project to be based on first deed of trust for lots in Unit 9. This is not yet in place because number of lots authorized is not finally known.
- g. State Health permits based on sufficient water supply are still to be provided.
- h. Additional letter to Department of Real Estate to clarify full water availability is to be provided by the District.
- i. Moores was billed on 8/1/88 for estimated expenses to 7/6/88, amounting to \$11,174, including legal fees and advances for engineering fees. This was due on 8/22/88 and has not been paid to date. Moores has been advised by our attorney and President Balzer that he is in violation of our agreement.

Final settlement details are to be provided by the District in 45 days from deposit of down payment including details of District expense.

**IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR THE COUNTY OF MENDOCINO**

August 29, 1988

DATE: _____

GORDON MOORES, et al.,

Plaintiff,

vs.

No. 54638

WILFRED C. EDELBROCK,

Defendant.

MINUTE ORDER ON _____ MOTION TO VACATE
INTERLOCUTORY JUDGMENT,
OBJECTIONS TO PROPOSED
FINAL JUDGMENT AND MOTION
FOR NEW TRIAL

MOTION TO VACATE INTERLOCUTORY JUDGMENT.

The court conducted a hearing on the petition for writ of mandate. At the hearing both plaintiff and defendant were represented by counsel. Oral and documentary evidence was received. The case was argued and it was submitted to the court for decision. The court found for the plaintiff and directed the district to repeal its contrary resolution and to conduct elections on the basis of land owner voting. The defendant district now seeks to have an additional trial on the issues raised by the petition for writ of mandate. The district in essence now argues that the trial was held shortly after the matter was at issue and that the trial was of short duration. Defendants prior to the rendition of the decision neither requested an opportunity to present further evidence nor sought a continuance to prepare for trial. A trial was had and a judgment was filed. For the purposes of trial, the case was bifurcated. The court tried the issues raised by the petition for the writ and the declaratory relief action and reserved the other issues for a later trial. No objection was made to this procedure by any party. Because all issues had not been tried the court was not in a position to enter a single final judgment. The court therefore labeled its judgment on the petition for a writ as an interlocutory judgment. An examination of the judgment as to the writ shows clearly that nothing remained to be done other than to make that judgment a part of the final judgment when the other issues raised by the other causes of action had been resolved. Those issues are resolved. The motion to vacate the interlocutory judgment is denied.

OBJECTIONS TO PROPOSED FINAL JUDGMENT.


The final judgment as proposed disposes of all of the matters remaining before the court and it is in conformity with the interlocutory judgment. The objections to the proposed final judgment are overruled.

The final judgment as proposed will be signed and entered.

MOTION FOR NEW TRIAL.

Defendants' motion for new trial, although filed before the entry of judgment, has been fully briefed and argued by all parties and the motion for new trial will be considered and decided as if it were timely filed after the entry of judgment. After reviewing the entire file, the court concludes for the reasons stated above that there were no irregularities in the procedure of the court and no misconduct of the court. Although the moving parties indicate a desire to submit further evidence, there is no indication that any such evidence is newly discovered. The moving party argues that the evidence submitted was insufficient to justify the decision. "A new trial shall not be granted. . . unless . . . the court . . . clearly should have reached a different. . . decision." CCP Section 657. While the trial judge could have reached a contrary decision based on the evidence, it cannot be said that he necessarily should have reached such a contrary decision. The decision was not "against the law" as that phrase is used in CCP Section 657(6) nor was there "an error in law, occurring at trial and excepted to" as provided for in CCP Section 657(7).

The motion for new trial is denied.



CONRAD L. COX
Superior Court Judge

Copies to counsel: August 29 , 1988.

Gary Jerritt
Margaret Mary O'Rourke
Berry and Berry
Rawles, Hinkle, Carter, et al

MINUTES OF THE
SPECIAL MEETING OF THE
IRISH BEACH WATER DISTRICT

* * * * *

DECEMBER 3, 1988

1. CALL TO ORDER: President Balzer called the meeting to order at 10:02 A.M. on December 3, 1988 at 43801 Sea Cypress Drive, Irish Beach, Manchester, California.

2. ROLL CALL: All members were present (Directors Balzer, Scaramella, Woodward, Edelbrock, Dunning). Also present were: Dorothy Engle, Margaret & Charles Lindville, Grif Seiber, Reese Tripp, Nancy Menken, Kathy Edelbrock, Janet Dunning and Betty Woodward.

3. APPROVAL OF THE SUBDIVISION IMPROVEMENT AGREEMENT FOR IRISH BEACH SUBDIVISION UNIT 9, TRACT #226, PROPOSED BY THE MENDOCINO COUNTY PUBLIC WORKS DEPARTMENT. (This will replace the bond requirement as provided in paragraph 8(d) of the July 6, 1988 agreement between the Irish Beach Water District and William and Tana Moores.)

President Balzer explained the procedure and a brief history relative to a developer obtaining approval of a subdivision map and the resulting county approved financing agreement, i.e., a Subdivision Improvement Agreement. The county counsel, Yves Hebert, with the district's attorney, Fran Layton, have reviewed the Subdivision Improvement Agreement. Fran Layton sent the district a Resolution that enables the district to alter the agreement of July 6 which states that Bill Moores has to provide the district with a performance bond to ensure he proceeds properly. In order for the district to enter into a tripartite agreement (District, County & Moores), the district must pass a resolution to change that one paragraph of the July 6 agreement. The Board is not signing the agreement today, but is signing a resolution which will allow the President of the Board to sign the resolution when everything is in place.

President Balzer further clarified that the district is not dealing with Moores & Associates, but just William and Tona Moores. President Balzer explained two last minute changes on the resolution which Fran Layton called in after speaking with County Counsel in order to protect our interests even more than the previous draft. We will receive from County Counsel this week a copy of those changes which Fran Layton has had inserted into the agreement.

Director Scaramella responded to questions in the audience by clarifying that 1) the July 6 agreement is in place and 2) the down payment which is required by the agreement has not yet been received. However, Mr. Moores has been billed for the down payment + interest, and Mr. Moores says the check is at the office. The district will not sign off until everything is in

December 3, 1988 Minutes
Page Two

place. 3) The July 6 agreement did not include the final cost for the Mallo Pass Project because of various discrepancies in engineering bids. Our engineering consultant, Dan Counihan, came up with a revised middle bid (see next item on agenda) for district approval which reflects engineering costs plus 7% for legal and consulting fees.

Reese Tripp raised a question on Unit 6 which will be addressed after the meeting.

Director Edelbrock asked that we request future payments from William Moores by certified check.

Director Edelbrock asked for further clarification and Director Balzer read the one paragraph in the July 6 agreement which will be replaced by the four pages of the Subdivision Improvement Agreement. This takes the place of the "performance bond". The Subdivision Improvement Agreement keeps the "maintenance bond" in place.

Director Woodward MOVED and Director Scaramella SECONDED that the Resolution to allow the President of the Board of Directors of the Irish Beach Water District to sign the final draft of the Subdivision Improvement Agreement be approved. The motion was CARRIED 4-0 (Ayes: Balzer, Scaramella, Woodward & Dunning; Director Edelbrock abstained).

4. APPROVE MALLO PASS PROJECT COSTS USING THE REVISED MIDDLE BID:

On August 14, 1988 a Memorandum of Agreement between the District and Developer was signed which agreed on the revised middle bid at a total project cost of \$173,625 + 7%.

Director Scaramella MOVED that the Memorandum of Agreement signed by William Moores, Reuben Balzer and Gene Scaramella on August 14, 1988 for the revised middle bid (\$173,625. + 7%) be approved and filed as part of the July 6, 1988 agreement. Director Woodward SECONDED the motion. The motion was CARRIED unanimously.

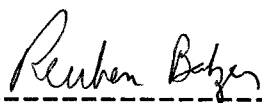
5. ADJOURNMENT: President Balzer asked for a motion to adjourn.

Director Edelbrock called to the attention of the board that the Board of Supervisors of Mendocino County are meeting on December 12 and urged residents to attend and protest the Supervisors' slipshod actions in circumventing issues important to the coast and to the district.

December 3, 1988 Minutes
Page Three

Director Woodward MOVED to adjourn the meeting. Director Edelbrock SECONDED the motion to adjourn. So moved, the motion was CARRIED and the meeting adjourned at 10:45 A.M.

Respectfully Submitted,



Reuben Balzer, President

Prepared by Elaine Beldin

✓ as corrected
✓ as approved

IRISH BEACH WATER DISTRICT
MINUTES OF THE SPECIAL MEETING
OF THE BOARD OF DIRECTORS
SATURDAY, APRIL 22, 1989

CALL TO ORDER: Chairman Reuben Balzer called the meeting to order at 10:07 a.m. at 44151 Garcia Court, Irish Beach.

ROLL CALL: Directors Balzer, Edelbrock, Scaramella, Woodward and Dunning all were present. Also present were the following: the District's attorney Fran Layton; Betty MacKenzie; Dorothy Engle; Betty Woodward; Bettye Winters; John Acquistapace; William Moores; Griff Sieber; Charles Linville; David Rosendall; Gordon Moores; Janet Dunning; and Kathy Edelbrock.

ANNOUNCEMENTS: Chairman Balzer announced notice received of a legislative seminar on local government finance which he felt would not be useful to the District. He also announced an offer for subscription to Special Districts Information at \$180 per year which would be reviewed later.

DISCUSSION OF OPTIONS OPEN TO THE DISTRICT TO COLLECT THOSE LEGAL AND ENGINEERING EXPENSES INCURRED BY CHANGES OR PROPOSED CHANGES IN THE "AGREEMENT" OF 7/6/88: Chairman Balzer stated that legal and engineering costs incurred on the #9 well project are not properly the District's obligation. Four items were listed which are outside of the Agreement or are changes or attempted changes in the project since signing the Agreement: A) correction of unauthorized changes in the Unit #9 plans; B) evaluation of attempted substitution for "performance bond"; C) subdivision improvement agreement demanded by the County; and D) evaluation of potential liabilities to the District by the "re-sub" of the four lots which were not a part of the "final map".

Director Scaramella related the background leading up to the Agreement signed July 6, 1988, between the District and developer, William Moores. This meeting was being held to come to a substantive understanding on the differences of opinion since the Agreement was finalized. Director Scaramella then read from the "Summary of Legal Fees and Other Payments Due IBWD by William Moores", attached as part of these minutes. The Agreement provided that the developer advance the cost for inspection and testing on the Unit #9 project, but the \$9,500 advanced by Mr. Moores to cover the engineering on the original agreement had been exhausted. As of 4/1/89 the District is obligated to Mr. Moores for \$10,000 downpayment on the well; Mr. Moores is obligated to the District for \$15,144.50.

Ms. Layton, attorney for the District, gave a synopsis of the problems before and after the 7/6/88 Agreement was signed. She hoped the difficulties between the District and Mr. Moores could all be resolved amicably at this meeting; the Board members concurred in this expectation.

Mr. Moores stated Director Scaramella's summary was thorough, and he agreed that he owed the District \$15,144 but that there were some costs he felt the District should be responsible for, including future inspection costs. The District agreed that interest on the \$10,000 due to Mr. Moores would be owed to Mr. Moores, but that interest earned by delinquent payments from Mr. Moores would probably be a "wash".

There was a long discussion between Ms. Layton and Mr. Moores relative to the 7/6/88 Agreement and what constitutes "changes" from the Agreement. Gordon Moores, William Moores' brother, stated he felt the spirit of the Agreement is that the developer pay for any changes he makes. William Moores agreed that he accepted "C" (subdivision improvement agreement demanded by the County) and agreed to pay the \$2,304.45.

Item "A" (correction of unauthorized changes in the Unit #9 plans): Mr. Moores agreed that the bulk of costs for the changes was probably his obligation, but a definite amount could not be agreed upon.

Item "D" (potential liabilities to the District by the "re-sub" of the four lots which were not a part of the "final map"): Mr. Moores agreed to pay an amount not to exceed \$1,000 and agreed to a \$5,000 engineering advance.

Item "A": After a short discussion, Mr. Moores agreed to accept item "A".

It was agreed that the following legal fees were due to the District from Mr. Moores:

Ms. Layton's services performed regarding the Subdivision Improvement Agreement	\$2,304
Ms. Layton's services for evaluation of attempted substitution for "Performance Bond"	260
Ms. Layton's services for evaluation of potential liabilities to the District by the "Re-Sub" of the four lots which were not a part of the "final map" not to exceed	1,000
Balance due for legal services due prior to signing of 7/6/88 Agreement	<u>2,302</u>
	<u>\$5,866</u>

RECESS: A ten-minute recess was called in the meeting.

When the meeting reconvened, other items on the agenda were discussed:

OBLIGATIONS OF THE DISTRICT WITH REGARDS TO THE PROVISION OF DETAILS OF LEGAL AND ENGINEERING EXPENSES TO WILLIAM MOORES THAT HAVE NOT BEEN BILLED TO HIM:

Ms. Layton advised the District to not turn over detailed legal bills to anyone because it violates attorney-client privilege. In any case, if additional attorney billing details were requested by Mr. Moores, he would have to pay the costs incurred in obtaining them. Mr. Moores felt that this item was settled.

DELINQUENT DEPOSITS: The consensus of the Board and Mr. Moores was that this item on the agenda had already been covered.

COSTS FOR ENGINEERING PLANS FOR #9 WELL PROJECT TO BE COVERED BY THE \$25,000 SET ASIDE BY THE DISTRICT FOR THAT PURPOSE: Director Woodward stated that the District had agreed to pay \$25,000 on #9 well installation and that Mr. Moores agreed to pay for "sketch plans" but that Mr. Moores now wants the

District to pay for "engineered" plans which was not a provision in the Agreement. Director Scaramella said that no further engineering costs were to be incurred past the "sketch plans" agreed upon; but Mr. Moores said that the Agreement says the District should pay for all non-construction costs and such costs are not included in the \$25,000. He felt engineering, legal, and inspection costs were non-construction costs. A long discussion was held on "sketch plans" vs. "engineered" plans. There also was a discussion on the substantial billings from Mr. Moores' engineer and surveyor. The consensus of the Board was that the District was responsible only for costs of "sketch plans". After further discussion, Director Edelbrock moved that this item be tabled until the end of the meeting. Director Scaramella seconded the motion, and it carried unanimously.

DISCUSSION OF THE COST DIFFERENTIAL BETWEEN THE "PROJECT COST" AND THE COST FOR A 54 HOOK UP PROJECT: Chairman Balzer read a letter from Dan Counihan, the District's engineer, regarding the work of Mr. Bashford, Mr. Moores' engineer. Ms. Layton stated that when a developer proposes to develop a project, costs incurred in development are incurred by the developer, but a public agency requesting increased capacity would only pay that small portion of the costs which are in addition to the developer's costs without the increased capacity. A discussion followed on a third-party engineer, as provided in the Agreement, to resolve the problems between the engineers of the District and Mr. Moores, but it was agreed to not pursue this path until a reasonable proposal was received from Mr. Moores. Ms. Layton stated that Mr. Moores was submitting an "alternate" project, not the project defined in the Agreement. Director Scaramella moved that the District's engineer and Mr. Moores' engineer come up with an approach for reimbursement based on the letter and intent of the Agreement; it was seconded by Director Woodward, and passed unanimously.

DISCUSSION OF THE ENGINEERING DETAILS FOR THE CONNECTING PIPE BETWEEN THE #3 TANK AND THE WATER SYSTEM FOR UNIT #9: All present agreed that the 2" pipe originally specified on the project would not be adequate to pump water up hill. There was a long discussion on where the pipe should be put, along the road or over the side of the hill. A motion was made by Director Woodward to substantiate the costs, and that the District would pay for the pipe to go down the road, the amount not to exceed \$1,300. The motion was seconded by Director Edelbrock, but after further discussion the motion was withdrawn. A motion was then made by Director Edelbrock that Chairman Balzer appoint a committee to check out Mr. Moores' figures and authorize them to make a decision on which route would be best, not to exceed \$1,300 if it were decided to go down the road. The motion was seconded by Director Woodward and carried unanimously.

ARRANGEMENTS FOR ADEQUATE INSPECTION OF WORK IN PROGRESS FOR #9 WELL, THE 10,000 GALLON TANK AND THE 125,000 GALLON TANK, ALL CONNECTING LINES AND THE ENTIRE UNIT #9 SYSTEM: Chairman Balzer read from District engineer Dan Counihan's letter of April 5, 1989, which referred to the need for the builder having a contractor's license, being bonded, and showing proof of listing the District as an additional insured on their liability insurance for the

*rescinded
at 9/9/89
meeting*


project. It was agreed that notification of inspection needed by the District inspector should be directed to the President of the District or the Vice President in the President's absence. Mr. Moore said he had no problem with the District's inspector being present on the job site at any time.

Ms. Layton went over Mr. Moore's obligations regarding the Agreement. She had drafted a Notice of Amendment which was embodied in a previous letter signed by Chairman Balzer, Mr. and Mrs. William Moores, and Mr. and Mrs. Gordon Moores. After signatures and notarizations are obtained, the Agreement and the Notice of Amendment can be recorded with the County; the need to do this as soon as possible was stressed. A discussion followed on the documents which needed to be signed and notarized.

COSTS FOR ENGINEERING PLANS FOR #9 WELL PROJECT TO BE COVERED BY THE \$25,000 SET ASIDE BY THE DISTRICT FOR THAT PURPOSE (continued): A motion was made by Director Edelbrock to take off the table the subject regarding sketch plans which was tabled earlier in the meeting, seconded by Director Scaramella, and passed unanimously. Ms. Layton stated that it is necessary to verify the costs of surveys and engineering work. Director Woodward suggested paying the cost of the survey but that sketch plan costs be held in abeyance. Director Scaramella suggested paying \$975 for sketch plans which would then be the District's total obligation. Director Woodward was against any payment by the District beyond the \$25,000 as specified in the Agreement. Director Scaramella then suggested that the whole project be dropped and the well not go in at all. He then made a motion that the District stop any further cooperation to implement the Agreement until an understanding is reached relative to cost procedures on the project; however, after more discussion the motion was not acted upon. Director Edelbrock moved that the Board defer this subject to the next regular Board meeting, seconded by Director Woodward, and passed unanimously.

ADJOURNMENT: A motion was made by Director Edelbrock to adjourn, seconded by Director Dunning, and passed unanimously. The meeting was asjourned at 3:05 p.m.

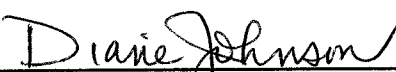
Respectfully submitted,



Rex Dunning, Secretary

Prepared by Diane Johnson

ATTEST:



Diane Johnson, Secretary to the Board

IRISH BEACH WATER DISTRICT

Summary of Legal Fees and Other Payments
Due IBWD by William Moores
as of 4-1-89Legal Fees

Balance outstanding for legal services performed by Attorney Fran Layton to 7-6-88 as set forth in 1-17-89 letter to William Moores by Director Scaramella. \$ 2,302.29

Subsequent billings for legal services performed by Attorney Layton required because of requested changes by Mr. Moores and/or Mendocino County in the 7-6-88 agreement:

September 1988: Matters relating to construction bond, including referral to Attorney Woodyard and phone discussion with President Balzer on escrow account. 260.00

October 1988: No charges -

November 1988: All matters relating to Unit 9 security agreement and prepare resolution for agreement amendment. \$637.00

5/31/88 and 6/26/88 air express charges not previously billed. 48.00 685.00

December 1988: Matters related to changes in subdivision improvement agreement including drafting and editing changes with Mendocino County Counsel. Reviewing revised draft of subdivision improvement agreement. Review Unit 9 plan improvement changes and easements with Dan Counihan. 1,267.89

January 1989: Matters relating to final map. 65.00

Billing by consultant attorney Woodyard for services in connection with security bond. 575.89 640.89

February 1989: Review all documents and letter regarding submittal of final map for Unit 9. Altering and recording deed of trust, determining revised deed of trust value, analysis of revision to Unit 9 final map and re-submission. 610.79

March 1989: Matters regarding deed restrictions and subordination agreement. Phone discussion with Fidelity Title and Coastal Commission. Recording settlement agreement and correspondence with Moores and Balzer regarding deed of trust.

Summary of Fees

Phone discussion with Moores and Balzer regarding special meeting.	377.00	
phone	<u>13.36</u>	<u>390.36</u>
Total charges for legal services to 4-1-89		\$ 6,157.22
Less payment made		<u>400.00</u>
Balance due		<u>\$ 5,757.22</u>
<u>Summary</u>		
Summary of payments due IBWD by William Moores as of 4-1-89:		
1. Legal fees		\$ 5,757.22
District expenses to 7-6-88		2,418.17
2. Advance to cover inspection and testing Unit 9 water distribution facilities		5,000.00
3. Engineering review fees September-December 1988 required by Mr. Moores for Unit 9 plan changes and security bond modifications as per Director Scaramella letter to William Moores 1-17-80		<u>1,969.11</u>
Total outstanding		<u>\$15,144.50</u>

IRISH BEACH WATER DISTRICT
MINUTES OF THE SPECIAL MEETING
OF THE BOARD OF DIRECTORS
WEDNESDAY, JUNE 7, 1989

CALL TO ORDER: Chairman Balzer called the meeting to order at 10:03 a.m. at 44151 Garcia Court, Irish Beach.

ROLL CALL: Directors Balzer, Scaramella, Edelbrock, and Dunning were present at the start of the meeting; Director Woodward arrived at 10:25. Also present were Pep Sammis, Nancy Menken, Kathy Edelbrock, Betty Woodward, Dorothy Engle, David Rosendall, John Acquistapace, and Griff Sieber.

Following roll call, Chairman Balzer announced that a check for over \$6,000 in augmentation funds had been received from Mendocino County which would cover the insurance premium for the fire department for the year; a small additional amount was expected from the County from this fund. Fire Chief Bob Smith and Director Dunning agreed to attend the County's July 10 Board of Supervisors public hearing dealing with the 1989-90 augmentation funds budget.

Chairman Balzer also announced that a safety claims workshop would be held on June 10. It is mandatory that once each year someone from the District attend such a meeting. Our obligation for the year is taken care of, but attendance by someone would earn us a slightly lower premium cost with our insurance carrier.

Resolution Governing Passing of Ordinances: Chairman Balzer explained that there is some confusion over when a resolution is required and when an ordinance is required and that an ordinance can give the power to make changes to that ordinance by means of a resolution. It was decided to table this resolution until further clarification could be obtained on the differences between a resolution and an ordinance.

First Reading of Fire Protection Ordinance: This ordinance would replace the original version adopted in 1979. After a short discussion a small change was made to Article IV to include legal costs involved in enforcement of abatement provisions. A motion to accept the change in the proposed ordinance was made by Director Edelbrock, seconded by Director Woodward, and approved unanimously.

Cross Connection Ordinance: A motion to approve this ordinance mandated by the State Public Health Department was made by Director Edelbrock, seconded by Director Scaramella, and approved unanimously.

Consideration of Rate and Hookup Fees Changed by Ordinance: Director Woodward showed computer comparison of fees and rates compiled from responses to the District's questionnaire to other water districts. The District's rates for water usage are fairly normal according to the study. It was felt, however, that water usage rates should be higher to users where water had to be pumped up from a lower source. Discussion followed on possible different hookup fees for different diameter lines, on a possible two-tier fee schedule, and on old vs. new owner fees.

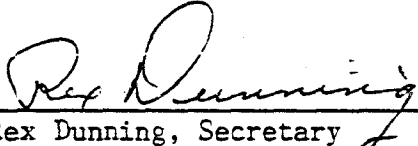
With regard to hookup fees, it was noted that inflation and the need for replacement parts in the present system, as well as mandatory future development, definitely warranted increased hookup fees. Director Scaramella made a motion that if the well for Unit #9 does not supply sufficient water for that unit, necessitating pumping water up the hill from a lower source, that at that time a determination be made of the added costs and that lots on the higher elevation accordingly be charged more than lots on the lower elevation. The motion was seconded by Director Edelbrock, and carried unanimously.

After further discussion on the hookup fees, Director Scaramella made a motion that it is determined necessary to raise the hookup fees at this time and anticipated costs indicate hookup fees should be raised to \$1,800 as soon as can legally be done, if necessary having a special meeting to implement this change as soon as possible. The motion was seconded by Director Woodward, and carried unanimously.

BREAK: Director Edelbrock moved the meeting be recessed for 20 minutes after which the Board would meet in executive session on a personnel matter. The motion was seconded by Director Woodward, and carried unanimously.

After the executive session, Director Edelbrock moved that Ward Anderson of Gualala be hired to review the 1988-89 general ledger accounts and develop a standardized computer system for the District to follow and that he be accountable to the Board through Diane Johnson. The motion was seconded by Director Dunning, and Carried unanimously.

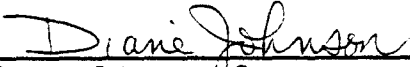
ADJOURNMENT: A motion to adjourn was made at 11:55 a.m. by Director Edelbrock, seconded by Director Dunning, and carried unanimously.



Rex Dunning, Secretary

Prepared by Diane Johnson

ATTEST:



Diane Johnson, Secretary to the Board

MINUTES

SPECIAL MEETING OF THE BOARD OF DIRECTORS
OF THE IRISH BEACH WATER DISTRICT

September 30, 1989

1. The meeting was called to order by the president, Reuben Balzer, at 10:05 a.m.

2. Roll call: All members were present.

3. Scaramella moved and Dunning seconded approval of the agenda. All voted Aye.

4. Approval of budget for fiscal year 1989-90:

Edelbrock and Scaramella urged that a separate budget for the Fire Department be set up to reflect income from augmentation funds and monthly charges, and prorated share of insurance and other overhead, so that the Board may learn if Fire Department income is covering expenses.

Scaramella suggested that a more comprehensive budget be developed by the income Board through a Board committee working with a professional accountant.

Scaramella suggested that proposed budget A-2 not be considered because it includes an item for building a firehouse, about which the Board has not yet made a decision.

Scaramella moved and Woodward seconded: that the Board recognize that a proposed budget which includes a capital outlay of \$50,000 for building a firehouse be set up in a final way and addressed in a future meeting. All voted Aye.

Scaramella moved and Dunning seconded: Adoption of budget proposal A-1 showing income of approximately \$88,000 and operating expense of \$59,650 with anticipated deficit of \$13,300 (or whatever amount is formally determined) to be made up from reserves. All voted Aye.

5. Consideration and action on report of negotiating committee to resolve location along inside of road and costs of 3" pipeline leading from tank 3 to the 6" Unit 9 water main.

Chairman Balzer reported that Edelbrock, Dunning and Blair, who were appointed in the 7/9 meeting to meet with Wm. Moores regarding these items, set a meeting which did not take place. A letter was sent by certified mail to Moores suggesting a meeting for this afternoon; the return receipt has not come in.

Balzer said that Moores has been told that the Board will not accept a route other than the inside arc of the road, which all engineers who were consulted recommend. Moores seems to be using that route, but claims this route costs more than going up the side of the hill and wants the Board to pay the additional cost.

There was discussion of the fact that prints accepted by the Board show an alternate route, but it is not clear who has the option of deciding on the use of the alternate route. Scaramella said that originally Moores had the pipeline going up the road, but put in irrigation pipe instead of approved pipe; so the Board would not accept it. Moores then decided to use the route over the hill. The plan says if the route up the hill is used, the advice of a geotechnical engineer must be followed. Bashford is a geotechnical engineer, but Chairman Balzer said Bashford's letters of 5/19/89 and 6/13/89 do not propose using the route over the hill.

Edelbrock said this is one of an extensive list of points to be considered when the Committee meets with Moores.

6. Treasurer's report on status of annual payment on Mallo Pass project which was due July 6, 1989.

Woodward said the agreement between the District and Moores called for payment by Moores into the Mallo Pass fund on July 6. On June 24 Woodward wrote Moores that Moores owed \$11,231, which was the amount set by the contract in equal payments for 15 years to provide necessary capital to go into Mallo Pass. This amount was based on the interest rate for the date the contract was signed, i.e., 7.5%.

Moores on July 3 sent \$4930, with the explanation that he was deducting from the payment the equity payment interest that was supplied to the Water Board during the previous year. Scaramella wrote Moores on July 27 that this was not acceptable. Woodward and Scaramella then noted that the contract called for setting of the interest rate as of July 6, 1989, based on C.D. rates set by credible savings and loan companies or banks. They then selected the highest rate, 8.9%, from three sources provided by Kidder Peabody for July 6, 1989. On August 30 Woodward wrote Moores regarding the corrected interest rate and provided a new payment schedule, billing Moores for \$4994, the difference between \$4930 (the amount Moores had paid) and \$9924, which included additional changes required by the State Health Department. Moores has not responded to this letter.

The Board reviewed the section of the agreement which deals with default (page 17, paragraph 4h(3)). It was agreed that Woodward would draft a letter for members' approval demanding payment of the amount due as of July 6 and enclose a copy of the pertinent section of the agreement.

Scaramella said that the Board should withhold approval of any item requested by Moores until his payment is current.

7. Edelbrock moved and Woodward seconded that the meeting be adjourned. All voted Aye.

Respectfully submitted

Betty Woodward

Betty Woodward

Rex Dunning
Rex Dunning, Secretary

(FIRE HOUSE)

IRISH BEACH WATER DISTRICT
PRELIMINARY BUDGET FOR 1989-90
PREPARED BY: WOODWARD 8/31/89

Without funds
Reserve Dept A-1

DESCRIPTION	BUDGET 1988-89	ACTUAL 1988-89 ESTIMATED*	DEVIATION	PROPOSED 1989-90 BUDGET	REMARKS
INCOME:					
INCOME-HOUSE USAGE	\$12,949	\$16,132	\$3,183	\$17,392	
INCOME-HOUSES FLAT RATE	\$26,550	\$26,973	\$423	\$27,348	
INCOME-LOTS FLAT RATE	\$28,200	\$28,687	\$487	\$27,431	
INCOME-HOOKUP & METERS	\$2,400	\$16,496	\$14,096	\$5,622	<i>3 meters</i>
X INCOME-AUGMENTATION	\$800	\$8,268	\$7,468	\$8,684	
INCOME-DONATIONS	\$0	\$300	\$300	\$8,000	
INCOME MISCL	\$1,173	\$224	(\$949)	\$1,200	
INCOME DEVELOPMENT	\$0	\$710	\$710	\$500	
TOTAL INCOME:	\$72,072	\$97,790	\$25,718	\$96,177	
COST OF SALES					
<i>etc meter rates</i> <i>15 new hookups</i> <i>8 billing plan am</i>					
EXPENSES					
WAGES-PUMPING PERSONNEL	\$12,255	\$12,612	(\$357)	\$12,500	
WAGES & SALARIES-ADMIN <i>mg</i>	\$11,000	\$5,760	\$5,240	\$11,000	
OUTSIDE SERVICES-PUMPING	\$400	\$3,600	(\$3,200)	\$400	
OUTSIDE SERVICES-ADMIN <i>Co. A-1</i>	\$0	\$5,490	(\$5,490)	\$2,000	
VEHICLE MILEAGE-PUMPING	\$300	\$1,254	(\$954)	\$300	
VEHICLE MILEAGE-ADMIN	\$300	\$218	\$82	\$300	
MAINTENANCE-SOURCE	\$91	\$0	\$91	\$100	
MAINTENANCE-TREATMENT	\$100	\$0	\$100	\$100	
MAINTENANCE-PUMPING	\$2,000	\$643	\$1,357	\$1,000	
MAINTENANCE-WATER	\$1,000	\$300	\$700	\$500	
MAINTENANCE-TRANSMISSION	\$900	\$1,675	(\$775)	\$1,000	
UTILITIES-PUMPING	\$900	\$720	\$180	\$900	
UTILITIES-TREATMENT	\$400	\$334	\$66	\$350	
UTILITIES-FIRE	\$0	\$360	(\$360)	\$400	
SHOP/OP/EQUIP	\$0	\$0	\$0	\$200	
OPERATING SUPPLIES-WATER	\$1,100	\$438	\$662	\$500	
OPERATING SUPPLIES-TRANS	\$0	\$120	(\$120)	\$150	
CUSTOMERS ACCTS-METERS	\$700	\$1,251	(\$551)	\$1,200	
OFFICE EXPENSE	\$3,000	\$2,372	\$628	\$2,500	
OFFICE RENT	\$0	\$0	\$0	\$0	
INSURANCE-GENERAL	\$8,328	\$9,308	(\$980)	\$9,500	
INSURANCE-WORKERS COMP	\$2,125	\$1,422	\$703	\$1,500	
LEGAL EXPENSES	\$8,500	\$12,650	(\$4,150)	\$10,000	
PAYROLL TAX EXPENSE	\$1,000	\$45	\$955	\$50	
AUDIT EXPENSE	\$800	\$800	\$0	\$1,000	
MISCELLANEOUS EXPENSE	\$0	\$266	(\$266)	\$500	
TELEPHONE-ADMINISTRATION	\$500	\$1,285	(\$785)	\$750	
LICENSES/PERMITS/BONDS	\$0	\$383	(\$383)	\$400	
MEMBERSHIPS/DUES/SUBS	\$0	\$275	(\$275)	\$250	
BANK CHARGES	\$0	\$301	(\$301)	\$300	
TOTAL EXPENSES	\$55,699	\$63,882	(\$8,183)	\$59,650	
OPERATING INCOME [LOSS]	\$16,373	\$33,908		\$36,527	

DESCRIPTION	BUDGET 1988-89	ACTUAL 1988-89 ESTIMATED*	DEVIATION	PROPOSED 1989-90 BUDGET
OTHER INCOME				
INTEREST INCOME	\$8,000	\$7,788	(\$212)	\$8,250
OTHER NON-OPERATING INCOME	\$0	(\$592)	(\$592)	\$0
* FIRE DEPARTMENT (AUG FUNDS)	\$0	\$940	\$940	\$8,000
TOTAL OTHER INCOME	\$8,000	\$8,136	\$136	\$16,250
OTHER EXPENSES				
ELECTION EXPENSE	\$0	\$0	\$0	\$0
INTEREST EXPENSE	\$11,499	\$8,708	\$2,791	\$8,700
FIRE DEPARTMENT	\$4,580	\$9,497	(\$4,917)	\$8,000
DEPRECIATION EXPENSE	\$0	\$15,168	(\$15,168)	\$15,377
PROJECT DEVELOP COST				\$18,000
TOTAL OTHER EXPENSES	\$16,079	\$33,373		\$50,077
TOTAL INCOME				
TOTAL OPERATING INCOME	\$72,072	\$97,790	\$25,718	\$88,177
TOTAL OTHER INCOME	\$8,000	\$8,136	\$136	\$16,250
TOTAL INCOME	\$80,072	\$105,926	\$25,854	\$104,427
TOTAL EXPENSES				
TOTAL OPERATING EXPENSES	\$55,699	\$77,171	(\$21,472)	\$59,650
TOTAL OTHER EXPENSES	\$16,079	\$33,373		\$50,077
TOTAL EXPENSES	\$71,778	\$110,544		\$109,727
PROFIT OR (LOSS) BUDGETED				(\$5,300)

*15,000 will
3,000 budgeted
etc.*

*+ 8,000

13,300*

Revised A-2

IRISH BEACH WATER DISTRICT
PRELIMINARY BUDGET FOR 1989-90
PREPARED BY: WOODWARD 8/31/89

DESCRIPTION	BUDGET 1988-89	ACTUAL 1988-89 ESTIMATED*	DEVIATION	PROPOSED 1989-90 BUDGET
INCOME:				
INCOME-HOUSE USAGE	\$12,949	\$16,132	\$3,183	\$17,392
INCOME-HOUSES FLAT RATE	\$26,550	\$26,973	\$423	\$27,348
INCOME-LOTS FLAT RATE	\$28,200	\$28,687	\$487	\$27,431
INCOME-HOOKUP & METERS	\$2,400	\$16,496	\$14,096	\$5,622
INCOME-AUGMENTATION	\$800	\$8,268	\$7,468	\$8,684
INCOME-DONATIONS	\$0	\$300	\$300	\$0
INCOME MISCL	\$1,173	\$224	(\$949)	\$1,200
INCOME DEVELOPMENT	\$0	\$710	\$710	\$500
TOTAL INCOME:	\$72,072	\$97,790	\$25,718	\$88,177
COST OF SALES				
EXPENSES				
WAGES-PUMPING PERSONNEL	\$12,255	\$12,612	(\$357)	\$12,500
WAGES & SALARIES-ADMIN	\$11,000	\$5,760	\$5,240	\$11,000
OUTSIDE SERVICES-PUMPING	\$400	\$3,600	(\$3,200)	\$400
OUTSIDE SERVICES-ADMIN	\$0	\$5,490	(\$5,490)	\$2,000
VEHICLE MILEAGE-PUMPING	\$300	\$1,254	(\$954)	\$300
VEHICLE MILEAGE-ADMIN	\$300	\$218	\$82	\$300
MAINTENANCE-SOURCE	\$91	\$0	\$91	\$100
MAINTENANCE-TREATMENT	\$100	\$0	\$100	\$100
MAINTENANCE-PUMPING	\$2,000	\$643	\$1,357	\$1,000
MAINTENANCE-WATER	\$1,000	\$300	\$700	\$500
MAINTENANCE-TRANSMISSION	\$900	\$1,675	(\$775)	\$1,000
UTILITIES-PUMPING	\$900	\$720	\$180	\$900
UTILITIES-TREATMENT	\$400	\$334	\$66	\$350
UTILITIES-FIRE	\$0	\$360	(\$360)	\$400
SHOP/OP/EQUIP	\$0	\$0	\$0	\$200
OPERATING SUPPLIES-WATER	\$1,100	\$438	\$662	\$500
OPERATING SUPPLIES-TRANS	\$0	\$120	(\$120)	\$150
CUSTOMERS ACCTS-METERS	\$700	\$1,251	(\$551)	\$1,200
OFFICE EXPENSE	\$3,000	\$2,372	\$628	\$2,500
OFFICE RENT	\$0	\$0	\$0	\$0
INSURANCE-GENERAL	\$8,328	\$9,308	(\$980)	\$9,500
INSURANCE-WORKERS COMP	\$2,125	\$1,422	\$703	\$1,500
LEGAL EXPENSES	\$8,500	\$25,939	(\$17,439)	\$10,000
PAYROLL TAX EXPENSE	\$1,000	\$45	\$955	\$50
AUDIT EXPENSE	\$800	\$800	\$0	\$1,000
MISCELLANEOUS EXPENSE	\$0	\$266	(\$266)	\$500
TELEPHONE-ADMINISTRATION	\$500	\$1,285	(\$785)	\$750
LICENSES/PERMITS/BONDS	\$0	\$383	(\$383)	\$400
MEMBERSHIPS/DUES/SUBS	\$0	\$275	(\$275)	\$250
BANK CHARGES	\$0	\$301	(\$301)	\$300
TOTAL EXPENSES	\$55,699	\$77,171	(\$21,472)	\$59,650
OPERATING INCOME [LOSS]	\$16,373	\$20,619		\$28,527

DESCRIPTION	BUDGET 1988-89	ACTUAL 1988-89 ESTIMATED*	DEVIATION	PROPOSED 1989-90 BUDGET
OTHER INCOME				
INTEREST INCOME	\$8,000	\$7,788	(\$212)	\$4,650
OTHER NON-OPERATING INCOME	\$0	(\$592)	(\$592)	\$3,000
FIRE DEPARTMENT	\$0	\$940	\$940	\$8,000
TOTAL OTHER INCOME	\$8,000	\$8,136	\$136	\$15,650
OTHER EXPENSES				
ELECTION EXPENSE	\$0	\$0	\$0	\$0
INTEREST EXPENSE	\$11,499	\$8,708	\$2,791	\$8,700
FIRE DEPARTMENT	\$4,580	\$9,497	(\$4,917)	\$10,000
DEPRECIATION EXPENSE	\$0	\$15,168	(\$15,168)	\$15,377
PROJECT DEVELOP COST	\$0	\$10,000	(\$10,000)	\$68,000
TOTAL OTHER EXPENSES	\$16,079	\$33,373		\$102,077
TOTAL INCOME				
TOTAL OPERATING INCOME	\$72,072	\$97,790	\$25,718	\$96,177
TOTAL OTHER INCOME	\$8,000	\$8,136	\$136	\$15,650
TOTAL INCOME	\$80,072	\$105,926	\$25,854	\$111,827
TOTAL EXPENSES				
TOTAL OPERATING EXPENSES	\$55,699	\$77,171	(\$21,472)	\$59,650
TOTAL OTHER EXPENSES	\$16,079	\$33,373		\$102,077
TOTAL EXPENSES	\$71,778	\$110,544		\$161,727
PROFIT OR (LOSS) BUDGETED				(\$49,900)

TRISH BEACH FINANCIAL STATEMENT
PREPARED BY WOODWARD 9/28/87

NAME	TYPE	AMOUNT	ACCOUNT #
AMERICAN SAVINGS	CKING	\$3,307	#6003-351649-3
GLENDAL FEDERAL S & L	CD	\$28,640	#887-015247-3
KIDDER PEABODY	CD	\$5,579	#81J-15567-041
HOME FEDERAL S & L	CD	\$32,679	#1399-162665-5
GREAT WESTERN S & L	CD	\$10,600	#389-600423-5
SECURITY PACIFIC BANK	CD	\$3,008	#517-117-806
TOTAL CASH ASSETS:		\$83,813	

MALLO PASS FUND

NAME	TYPE	AMOUNT	ACCOUNT #
AMERICAN SAVINGS & LOAN	CKNG	\$4,930	#6003-351649-3
KIDDER-PEABODY	ANNUITY	\$31,629	#81J-41332-041
HOME FEDERAL S & L	CD	\$28,687	#1399-162647-7
TOTAL FUND		\$65,246	