IRISH BEACH WATER DISTRICT
MINUTES OF THE MEETING
OF THE BOARD OF DIRECTORS
SATURDAY, September 14, 2002

I. OPEN MEETING

1. CALL TO ORDER AND ROLL CALL: President Ron Frame called the regular meeting of the Irish Beach Water District Board of Directors and the Public Hearing Regarding Proposed Property Assessment to order at 10:00am at the Fire House in Irish Beach (Manchester). Directors Burmania, Frame, Poling, Whitaker and Wolfe were present. Also present was Adam Lindgren, counsel for the District, Doug Dove, District engineer from Bartle & Wells, Mr. Charles Acker, Operations Manager, and Dorothy Cong, the District's Secretary. The public was well represented there being approximately 50 people in attendance.

2. APPROVAL OF MINUTES: Director Poling moved and Director Wolfe seconded the motion that the minutes of the August 10, 2002 meeting be approved. The minutes were approved as presented.

President Ron Frame announced that the meeting would proceed to the

Public Hearing Regarding the Proposed Property Assessment.

President Frame opened the public hearing noting that 4 ballots had come in envelopes different from those provided in the packet that was mailed to property owners. Not realizing they were ballots, the 4 envelopes were inadvertently opened. Only one ballot was seen. The individual was told and had the opportunity to have the district toss the old ballot and vote again. The other 3 ballots were not seen. Following President Fame's opening remarks, Doug Dove from Bartle & Wells presented an overview of the engineering study to the audience and entertained questions.

Many members of the public expressed a great deal of concern over the possibility of future litigation. Other questions asked were: Why did the District gave up $357,000.00 as part of the last settlement agreement? What will happen if the ballot assessment does not pass? Has the permit been renewed for Mallo Pass and can it be taken away? How many lots can be developed if the ballot does not pass?

When members of the audience had exhausted their questions, President Ron Frame announced that voters had the opportunity to submit or change their votes. Once this was accomplished, President Frame announced the closure of the public hearing and directed Secretary of the Board Steve Whitaker to manage opening and counting of the ballots.

Doug Dove and Adam Lindgren opened the ballot envelopes and tallied the votes. The property assessment passed by a vote of 180 "Yes" to 113 "No." 61 properties neglected to check the box for support or opposition. 1 ballot was disqualified because it was a copy. 1 ballot was disqualified because it was received after the closure of the public input partion of the hearing. The public hearing was terminated at 2:06pm.

Director Dean Wolfe agreed to prepare a Resolution to incorporate the results of the election into the District's budget.

Director Frame announced that the public portion of the regular meeting was suspended and that the meeting would continue on Sunday, September 15 at 10:00am at the Firehouse. The Board adjourned to Executive Session at 2:12 pm.

8. Executive Session: Conference with legal counsel regarding significant exposure to litigation pursuant to Government Code Sec. 54956.9(b)
9. **Reconvene Open Session:** At 3:42pm the executive session was adjourned and open session reconvened. District's counsel Adam Lindgren announced that the board had discussed possible litigation and that no direction was given.

Director Poling moved that the board meeting be recessed until Sunday. Director Wolfe seconded the motion. The meeting was recessed at 3:44pm.
I. OPEN MEETING

1. CALL TO ORDER AND ROLL CALL: President Ron Frame recalled the regular meeting of the Irish Beach Water District Board of Directors to order at 10:00am at the Fire House in Irish Beach (Manchester). Directors Burmanija, Frame, Poling, Whitaker and Wolfe were present. Also present was Mr. Charles Acker, Operations Manager, and Dorothy Cong, the District's Secretary. Members of the public in attendance were: Margaret Ballou, Al & Loretta Thompson, Dorothy Engle, Paul DeVaul and Patty Wolfe.

3. COMMUNICATION AND CORRESPONDENCE:
   President Ron Frame referred to a memo from Mr. Bill Moores in which he protested the rate proposal as inconsistent with legal requirements. President Frame drafted a letter to Mr. Moores in response and read it publicly.

4. PUBLIC INPUT:
   Dorothy Cong stated that she had received notice from the Department of Planning that the Trujillos have requested to merge their two lots in a single parcel.

5. REPORTS:
   A. Treasurer - Report on Finances/Approval of Expenditures:
      Treasurer Dean Wolfe reported on the status of Irish Beach Water District cash assets providing a summary of cash flow for the months of July - August. He stressed that all past due bills (legal and DE plant) have been paid. Treasurer Wolfe focused on items that exceeded budget and explained why. He also provided a year to date report.

   B. Water: Operations Manager Charles Acker reported that the polymer system has been completed. He stated that work was done at the upper diversion site to optimize water being caught and the stream was measured. The readings were 60 gallons per minute in the lower diversion and 30 gallons per minute in the upper diversion.
      Mr. Acker met with Mr. Walt Stornetta to discuss using his pumping station at Mallo Pass, crossing the old highway bridge and then veer across the Zamboni property. Both landowners seem to be open minded to the idea. No specifics have been discussed.
      On September 10 PG&E caused a break in the water line near the Acquistapace residence.

   C. Safety: NTR

   D. Fire Department: President Ron Frame reported that some changes have been made.
      Committees have been formed to handle training, equipment, administration, and maintenance.
      President Frame is now the interim Fire Chief.

6. OLD BUSINESS

   A. Review of Action Items: NTR
B. Status of annexation of the Irish Beach Volunteer Fire Department by the Redwood Coast Fire Protection District. Ron will take over responsibility for the annexation project. Dorothy provided him with the data which he has not yet had the chance to review.

C. Replacement of Fire Chief: See 6B

7. NEW BUSINESS:

(Director Poling let the meeting at 12:05 due to a previous engagement.)

A. Draft Budget for Fiscal 2002-2003: (Wolfe) Treasurer Wolfe read Resolution 2002-6 (Resolution of the Board of the Irish Beach Water District Approving Levying of the District-wide Capital Improvement Assessment) which was prepared for adoption as part of the budget approval for Fiscal Year 2002-2003. Director Whitaker moved the resolution be approved as modified. (The modification was to insert the word 'to' between Treasurer and include in the next to the last paragraph) Director Burmania seconded the motion. The vote was as follows: Aye: Directors Burmania, Frame, Whitaker and Wolfe. Absent: Director Poling.

Treasurer Wolfe gave a very comprehensive and detailed explanation of the budget starting with a "Summary and Approach." He covered significant changes from past years and goals for operational reserves. Treasurer Wolfe reviewed each item on the proposed budget and the revenue source for each item. He further provided a little chart demonstrating how the water rates were calculated. More details on the budget are available from the District office.

Following discussion and the suggestion the District upgrade its computer, Director Burmania moved the Board accept the proposed budget as presented. Director Whitaker seconded the motion. Treasurer Dean Wolfe said he would look to modify the budget as presented to include upgrading the administrative computer. The vote was as follows: Aye: Directors Burmania, Frame, Whitaker and Wolfe. Absent: Director Poling.

B. Draft Budget for Fire Department fiscal 2002-2003: Treasurer Dean Wolfe moved the fire budget be approved as presented with the caveat that President Ron Frame will negotiate annexation costs. Director Burmania seconded the motion. The vote was as follows: Aye: Directors Burmania, Frame, Whitaker and Wolfe. Absent: Director Poling.

10. Adjournment:
Director Wolfe moved and Director Whitaker seconded that the meeting be adjourned at 12:54pm.

Respectfully submitted,

______________________________
Ron Frame, President

Prepared by Dorothy Cong

Attest:

______________________________
Director Steve Whitaker, Secretary to the Board
I. OPEN MEETING

1. CALL TO ORDER AND ROLL CALL: President Ron Frame called the meeting of the Irish Beach Water District Board of Directors to order at 10:05am at the Fire House in Irish Beach (Manchester). Directors Burmania, Frame, Poling, and Wolfe were present. Director Whitaker was absent with prior notification. Also present was Mr. Charles Acker, Operations Manager, and Dorothy Cong, the District's Secretary. Members of the public in attendance were: Dorothy Engle, Al and Loretta Thompson, Will and Kathy Edelbrock, Ralph Lubeck, Patty Wolfe and Paul DeVaul.

2. APPROVAL OF MINUTES: Director Poling moved and Director Wolfe seconded the motion that the minutes of the July 13, 2002 meeting be approved as corrected. (The word 'Director' was replaced with 'Treasurer' in the Treasurer's report.) The minutes were so approved.

3. COMMUNICATION AND CORRESPONDENCE:
   President Ron Frame referred to a memo sent to the District from Workman's Compensation that their rates would be increasing. Director Burmania moved and Director Wolfe seconded the motion that President Frame write a letter to State Compensation Insurance protesting the increase in rates on behalf of the Board of Directors. The motion passed.
   An email note from Mr. Walt Rush was read. He asked two questions. 1) If something happened to one of the wells or tanks, is it covered by the insurance of Irish Beach Water District? 2) What type of guarantee do we have if we vote yes to the proposal the money will end up being used for the purposed (sic) intention rather than ending up in someone else's pocket? The second message was sent by Roger Aeschliman, the summary of which was that Roger would vote no on the assessment because of the Mallo Pass "expansion" element. He believes that because of drainage problems the number of buildable lots will decrease in the future. He further believes the District can provide water for far more than 200 homes with its current water sources.

4. PUBLIC INPUT:
   Mr. Will Edelbrock requested a copy of the mediation agreement.

5. REPORTS: (None this month)

6. OLD BUSINESS

   A. Review of Action Items: Action items were quickly reviewed and status' noted.

   B. Status of annexation of the Irish Beach Volunteer Fire Department by the Redwood Coast Fire Protection District. NTR

   C. Replacement of Fire Chief: Dorothy Cong indicated she was attempting to meet with Mike Suddith relative to the possibility that he might oversee the IB volunteers. She also noted that there will be further discussion with all volunteers at a fire meeting about distributing tasks and assigning responsible parties.

   D. Review Newsletter Articles: Director Burmania prepared a summary of the "Notice of
7. NEW BUSINESS:

A. Draft Budget for Fiscal 2002-2003: (Wolfe) Treasurer Wolfe provided an overview of the budget process. He began by showing the income source for the category of expenditure. 1. Expenditures for Capital improvement, 2. Capital replacement >40 year life, 3. 66% of the loan repayment and 4. Mallo Pass development will derive from the assessment if it is approved. Operating costs, 33% of the loan repayment, capital replacement <40 year life and capital improvement not defined are all funded by water rates.

Director Wolfe stressed that the District's budget is crucial as it drives the water rates. Based upon the budget, Director Wolfe said rates may need to be reviewed annually and if necessary, revised. He sated that operating expenses fall into two basic categories, fixed expenses and variable expenses. He further emphasized that each budget item will be reviewed and a determination made if it is fixed or variable as well as showing its designated source (i.e. rates, assessment or reserves). Director Wolfe stressed that water rates are based upon board approval and assessments require board approval followed by voter approval. Reserves are based upon board approval. Everything the board spends will go through the budget process and is subject to board approval. Director Wolfe emphasized that the budget is the control point and has to drive the water rates, the District's only variable source of income.

Each general category will be in separate accounts, i.e. assessment funds, reserves, and operating funds. When the operating reserves reach the goal established by the board of directors, then conceivably water rates could go down.

Director Wolfe finished his report by going over the budget schedule. At the September meeting he will have a draft budget ready for board approval. Also at the September meeting, based upon the budget, he will have a water rate for Board approval. At the October meeting, Director Wolfe stated there will be a public hearing regarding water rates provided there is a need to change the rates.

Discussion led to the public hearing coming up at the September meeting. Director Wolfe moved to have a representative from the engineering firm present at the public meeting. Director Poling seconded the motion and it passed unanimously. Director Poling moved that District's counsel be asked to be present at the public hearing. Director Frame seconded the motion. The vote was as follows: Ayes: Director Poling and President Frame; Nays: Directors Burmania and Wolfe. President Frame stressed that the District cannot afford not to have the attorney at the meeting. Director Poling will contact Adam Lindgren and Director Burmania will contact Doug Love. The District's Office Manager, Dorothy Cong, will search for a 'disinterested party' to count votes.

B. Policy Regarding Designation of Hookup Fees (Wolfe) Director Wolfe prepared a policy pertaining to the designation of funds received from hookup fees. In sum, $150.00 of the hookup fee shall be considered as direct costs of establishing water service. Fees in excess of the direct costs shall be applied toward and restricted to capital improvements within the District. Director Wolfe moved to accept the policy as written. Director Burmania seconded the motion. All favored and the policy passed as written.

8. ADJOURN TO EXECUTIVE SESSION:
Executive session for the purpose of discussion of personnel matters.
The board adjourned to executive session at 12:07pm. Director Poling requested to be excused from the executive session. Her request was so granted.

9. Reconvene to Open Session:
   President Ron Frame adjourned the executive session and reconvened open session at 1:55pm. President Frame announced that the Board of Directors met regarding personnel matters. A decision was made on salary changes to be recommended for the next fiscal year.

10. Adjournment:
    Director Burmania moved and Director Wolfe seconded that the meeting be adjourned at 1:56pm.

Respectfully submitted,

___________________________________
Ron Frame, President
Prepared by Dorothy Cong

Attest:

____________________________________
Director Steve Whitaker, Secretary to the Board
I. OPEN MEETING

1. CALL TO ORDER AND ROLL CALL: President Ron Frame called the meeting of the Irish Beach Water District Board of Directors to order at 10:00am at the Fire House in Irish Beach (Manchester). Directors Burmania, Frame, Poling, Whitaker and Wolfe were present. Also present was Mr. Charles Acker, Operations Manager, and Dorothy Cong, the District's Secretary. Dorothy Engle, Al and Loretta Thompson, Steve Thompson, and Julie of the Independent Coast Observer were also present.

2. APPROVAL OF MINUTES: Director Whitaker moved and Director Wolfe seconded the motion that the minutes of the June 8, 2002 meeting be approved as presented. The minutes were so approved.

3. COMMUNICATION AND CORRESPONDENCE:

NTR

4. PUBLIC INPUT:

Public input was offered but none given.

5. REPORTS:

A. Treasurer - Report on Finances/Approval of Expenditures:

Treasurer Dean Wolfe reported on the status of Irish Beach Water District cash assets. Director Wolfe's new reports reflect the implementation of Resolution 2002-3 approved by the Board in the June meeting. This resolution completely separated any commingling of water and fire funds. Director Wolfe stressed that the figures for the fire department are preliminary only and need further analysis to fine tune. Director Wolfe also reviewed modifications made to the budget as approved in the June meeting and as reflected in the year to date report. Director Wolfe stated that the District looks a lot healthier than it did 6 months earlier. Director Poling moved that the Director's report be accepted as presented. Director Burmania seconded the motion and the report was so accepted.

B. Water: Operations Manager Charles Acker reported that the focus of operations the past couple of months has been planning and preparation for the installation of the serpentine loop pipe project for the treatment plant. Mr. Acker also reported that operations loosened up gravel at the upper diversion to get a better flow after the winter. Mr. Tom Kiernan was on site checking out plant monitoring. Samples have been taken for annual chemical tests. There have been some new requirements added in to check for and the cost of these tests have increased significantly.

C. Safety: The Safety Committee met on March 26, 2002 and again on May 30, 2002. Two videos were viewed from SDRMA insurance company. They dealt with eye and ear protection. This brought up the need for a sink and facility for cleaning because chemicals are handled at the treatment plant. It further brought up the need to have ear muffs available for employees to use when the compressor is running.

D. Fire Department: Fire Chief Dorothy Cong reported that Irish Beach Volunteer Fire Department responded to a small grassfire west of Hwy 1 at Pacific View. Checks have been made in several units within Irish Beach for fire hazards and notices mailed. Homes were also audited at the same time for two hoses with nozzles affixed in working order. Volunteers have painted and greased fire hydrants and repaired the roofs on the hose houses in Unit 9.
E. Other: Office Manager Dorothy Cong stated that septic notices have been mailed.

6. OLD BUSINESS

A. Review of Action Items: Operations Manager Charlie Acker met with Walt Stornetta about his pump station at Mallo Pass. This station has a road and electricity already there. Mr. Stornetta seemed to be receptive to the possibility of working out an arrangement with the Irish Beach Water District.

B. Status on Bartle Wells Associates Water Rate Assessment Structure Analysis and Long-Range Financial Plan (Burmania). Director Burmania reported that the engineer's report has been completed and has been reviewed by the District's counsel for compliance - not technical data. Director Burmania expressed he thought the report was fair and equitable and that he expected a positive response from Irish Beach folks and the developers. Director Poling stated she thought it was an excellent report. The Board further acknowledged that Director Burmania had done an extremely excellent job and expressed their gratitude.

C. Status of annexation of the Irish Beach Volunteer Fire Department by the Redwood Coast Fire Protection District. NTR

D. DE Plant and Renewal of the water license: Mr. Acker reported that the DE plant is complete. The Department of Health Services wants to look at not only the treatment plant, but the entire water system. He anticipates they will do this within the next month.

President Ron Frame called a brief recess at 10:45am. The meeting resumed at 10:54am.

7. NEW BUSINESS:

A. Resolution 2002-5: 1.) Accepting the Rate Study, 2) Conducting an Assessment Ballot Process, 3) Set Time and Place for a Public Hearing: (Burmania) Director Burmania read Resolution 2002-5 which was prepared to formally accept the rate study, the ballot process and setting the date and time for the public hearing. Director Wolfe moved to accept the resolution as read and Director Whitaker seconded the motion. Votes cast as follows: Ayes: Directors Poling, Burmania, Frame, Whitaker and Wolfe. Nays: zero. The Resolution passed unanimously.

B. Notice of Assessment and Public Hearing (Burmania): Director Frame informed the public that there has been extensive effort made to develop a document that is iron-clad with respect to Proposition 218. This process has not been done by small water districts before because many had their rates grandfathered, but we could not. The report and all supporting documentation is a very conservative approach so that the District could have no legal vulnerability in terms of complying with the law. Director Wolfe moved the board accept the "Notice of Assessment and Public Hearing" as authored. Director Whitaker seconded the motion. Directors Poling, Burmania, Frame, Whitaker and Wolfe voted in favor of the motion. The document was accepted as presented.

C. Assessment Ballot (Burmania): Director Whitaker moved the board accept the ballot as presented. Director Wolfe seconded the motion. Directors Poling, Burmania, Frame, Whitaker and Wolfe voted in favor and the ballot was so accepted.

D. Letter to Property Owners advocating the "Yes" vote on the assessment (Burmania): Director Burmania reported that District's counsel said the letter cannot be included in the mailing
along with the ballots and report to all property owners. The Board of Directors has to remain neutral. However, each director can solicit votes. Mr. Al Thompson from the public asked "What's the bottom line if it doesn't pass." Director Burmania responded that the District can currently serve a little over 200 houses. Because an assessment is the only mechanism legally available to finance expansion of the capacity of the water system, the Water District would be forced to put a moratorium on furnishing any more hook-ups beyond the licensed capacity of the system if the assessment fails. Property values may drop dramatically for bare lot owners. Failure to pass would also limit the District's ability to improve the existing system. The District would have to patch it together. In the long run it will be more costly to the homeowners. For example, if the big tank at the treatment plant would fail, the homeowners would have to pay the entire cost of replacement which would be very expensive.

E. Resignation of Fire Chief: President Ron Frame read the letter of resignation of Fire Chief Dorothy Cong to be effective on July 31, 2002. Ron expressed gratitude on behalf of the Board of Directors to Dorothy for having served as fire chief for the past 2 1/2 years. Dorothy stated that none of the volunteers wished to serve as chief. She has contact Mike Suddith to see if he would be interested in assisting the department. She has also notified CDF Battalion Chief, Dean Watson. Director Frame stated that he would take over the annexation project in lieu of the chief.

F. Review and Approval of Final Payment to Vendor for DE Plant (Wolfe/Acker): Director Wolfe stated that the vendor has done a tremendous job in getting the plant up and running. It does what we want it to do and the vendor has been very supportive. Director Burmania moved the board make the final payment of slightly over $5,000.00 to the vendor. Director Wolfe seconded the motion. Operations Manager Charlie Acker recommended the District pay. The vote went as follows: Aye: Directors Poling, Burmania, Whitaker and Wolfe. Nay: Director Frame. The Office Manager will pay the vendor by Monday, July 15.

G. Newsletter Assignments: Director Poling stated that Monday, August 12, 2002 was the deadline to have the water district newsletter to Loretta Thompson. The board decided that the only item in this newsletter would be a modified version of the Notice of Assessment and Public Hearing. Director Burmania agreed to modify the document. Director Frame stated that he would write a small article for the newsletter as well.

President Ron Frame announced that the meeting would be adjourned to Executive Session at 12:05PM.

8. ADJOURN TO EXECUTIVE SESSION: Executive session for the purpose of discussion of personnel matters.

9. Reconvene to Open Session: President Ron Frame adjourned the executive session and reconvened open session at 12:41pm. President Frame announced that the Board of Directors discussed employee matter and took no action.

10. Adjournment: Director Poling moved and Director Whitaker seconded that the meeting be adjourned at 1:00pm.

Respectfully submitted,

Ron Frame, President
Prepared by Dorothy Cong
IRISH BEACH WATER DISTRICT
MINUTES OF THE MEETING
OF THE BOARD OF DIRECTORS
SATURDAY, June 8, 2002

I. OPEN MEETING

1. CALL TO ORDER AND ROLL CALL: President Ron Frame called the meeting of the Irish Beach Water District Board of Directors to order at 10:05am at the Fire House in Irish Beach (Manchester). Directors Burmania, Frame, Poling, Whitaker and Wolfe were present. Also present was Mr. Charles Acker, Operations Manager, and Dorothy Cong, the District's Secretary. Dorothy Engle was present as a member of the public.

2. APPROVAL OF MINUTES: Director Wolfe moved and Director Burmania seconded that the minutes of the May 11, 2002 meeting be approved as presented. The minutes were so approved.

3. COMMUNICATION AND CORRESPONDENCE: NTR

4. PUBLIC INPUT: Public input was offered but none given.

5. REPORTS: None

6. OLD BUSINESS

A. Review of Action Items: The action items were reviewed and status provided. Add "newsletter articles" to action items.

A. Status on Bartle Wells Associates Water Rate Assessment Structure Analysis and Long-Range Financial Plan (Burmania). Director Burmania reported that the District has received a semi-final draft of the engineers water rate assessment report from Bartle & Wells. Directors Burmania and Wolfe reviewed the draft and noted several errors and changes. The document has been returned to Bartle & Wells to incorporate these modifications. Another draft will be provided to the board within a week and each Director will be given a copy for review. The objective is to have the report finalized for acceptance by Resolution at the July 13 Board meeting. Then the balloting process can begin. Ballots will be mailed in mid July. The public hearing will be held in conjunction with the September 14 Board meeting at which time all protests will be considered and ballots tabulated.

B. Status of annexation of the Irish Beach Volunteer Fire Department by the Redwood Coast Fire Protection District. NTR

C. DE Plant and Renewal of the water license: Mr. Acker reported that the Department of Health Services is reviewing both Elk and Irish Beach. Elk was completed first because it did not have compliance issues. A few things remain to be completed to get our system into compliance, i.e. the polymer loop. Most materials have already been purchased at a cost of $350.00. The area around the back fence where the serpentine pipe will be installed has been cleared. Operations just has to do the work. Mr. Acker also said that Tom Kiernan was on prem again making some changes to the way data is being collected at the request of Health Services.
D. Easement over Zamboni Property for Mallo Pass. NTR.

7. NEW BUSINESS:

A. Water Budget Revisions FY Oct. 1, 2001 - Sept. 30, 2002: Director Poling noted that there was a budget deficit. She suggested that the following two items be incorporated into the budget prior to approval: 1.) Add $350.00 to capital expenses for compliance activities at the treatment plant. 2.) transfer reserves to the income category to match expenses. The Board voted as follows: Ayes: Poling, Burmania, Frame, Whitaker, Wolfe. The budget passed as modified.

B. Resolution 2002-3: Revising Water District Asset and Water Rate Structure: Resolution 2002-3 was read by Director Wolfe. The purpose of the resolution is to completely separate fire department and water district funds in order to bring the District into compliance with recommendations made by District auditors for several years. Funds will no longer be provided the fire department by the water district. Fire department funds from this point on will come only from the County of Mendocino. There were several changes suggested to the Resolution as written, i.e. the title, clarify that the resolution is to bring the District into compliance with District auditors recommendations, .... Director Whitaker moved to accept the Resolution with changes. Director Burmania seconded the motion. The vote was as follows: Aye: Director Poling (with the caveat the changes are to be incorporated as discussed), Burmania, Frame, Whitaker, Wolfe.

8. Adjournment:
Director Poling moved and Director Wolfe seconded that the meeting adjourn at 11:50am.

Respectfully submitted,

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Ron Frame, President
Prepared by Dorothy Cong

Attest:

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Director Steve Whitaker, Secretary to the Board
I. OPEN MEETING

1. CALL TO ORDER AND ROLL CALL: President Ron Frame called the meeting of the Irish Beach Water District Board of Directors to order at 10:00am at the Fire House in Irish Beach (Manchester). Directors Burmania, Frame, Poling, Whitaker and Wolfe were present. Also present was Mr. Charles Acker, Operations Manager, and Dorothy Cong, the District's Secretary. Several members of the public were present.

2. APPROVAL OF MINUTES: Director Whitaker moved and Director Burmania seconded that the minutes of the April 13, 2002 meeting be approved as presented. The minutes were so approved.

3. COMMUNICATION AND CORRESPONDENCE: NTR

4. PUBLIC INPUT: Public input was offered but none given.

5. REPORTS:

A. Treasurer - Report on Finances/Approval of Expenditures:
   Treasurer Dean Wolfe reported that the District had a favorable cash flow for March and April 2002 with a net District cash flow of $11,430.00. The District's total "unrestricted cash assets" amount to $84,982.00 with $42,063.00 belonging to water and $42,919 to fire. However, Director Wolfe stressed that the District's accounts payable is currently $19,643.00 broken down as follows: Legal $13,129.00; DE Plant $5,249.00; Unclaimed property $1,265.00. Therefore, this brings the District's uncommitted assets to only $22,421 for water and a total of $65,340.00.
   Treasurer Wolfe further stressed "over budget items."

B. Water: Operations Manager Charles Acker reported that the most significant single item accomplished since the last meeting was the installation of the "Water Eye System." Mr. Acker brought a lap top to the meeting to display an on-line readout he had downloaded. The water eye provides a much finer look at what is happening with the system. Already a 'mystery' has been resolved - that of why the water pressure surges from time to time in selected areas within the subdivision. Through analysis of data provided by the water eye, it was discovered the surge is related to when one of the pumps comes on. Not all phases of the water eye are yet in place and there is still some fine tuning to do.
   Mr. Acker further reported that there are a couple of compliance issues not yet completed. 1) Installation of the serpentine pipe system. All the parts have been purchased and paid for. 2) Another "T" needs to be installed in the line because we are out of speck on contact time for polymer in terms of water delivery.

C. Safety: The Safety Committee met on March 26, 2002. However, there was no report prepared for this board meeting. It will be covered at the next meeting.

D. Fire Department: Fire Chief Dorothy Cong reported that things have been very quiet and training is proceeding as usual. There was one call out for a chimney fire on Friday, May 10 at the Morgan House. The new trainees arrived on scene to assist Redwood Coast and CDF. Basically the fire was put out by the property owners prior to arrival of fire personnel.
6. OLD BUSINESS

A. Status on Bartle Wells Associates Water Rate Assessment Structure Analysis and Long-Range Financial Plan (Burmania). Director Burmania reported that he and Director Wolfe had met with the engineers who will present the subcommittee with a draft of a timeline for balloting purposes by May 24, 2002. This is to be reviewed and returned to the engineers by May 31, 2002. The timeline is to allow the voting process to be completed by the end of the current fiscal year (September 30). The vote has nothing to do with basic operations. It is a vote for capital expenditures and replacements. Connected users are to pay for all operations and the fee is up to the discretion of the board. Capital expenditures are the responsibility of every property owner within the District. Director Burmania believes that the developers realize it is in their best interest to vote in favor of the assessment. If defeated, Irish Beach Water District will only supply water to the number of homes it has the resources for, probably somewhere around 200. The District would have to put a moratorium on hookups to the system. A negative vote would mean Irish Beach cannot grow. Director Burmania said he would refer the voting format to the District's counsel for their review.

B. Status of annexation of the Irish Beach Volunteer Fire Department by the Redwood Coast Fire Protection District. NTR

C. DE Plant and Renewal of the water license: Mr. Acker reported that Mr. Schott from the State who does the license renewals is expected to visit our plant the end of May. He stated that the polymer mixing might become an issue (see water report above). Director Wolfe requested that once Mr. Schott sees the plant perhaps he could provide us with a preliminary "OK" so we can pay the remaining $5,249.00 to GTE Filter.

D. Review of Action Items: The action items were reviewed and status provided. Director Burmania and Charlie Acker were responsible for checking with the Zamboni's regarding an easement over their property for the Mallo Pass pipeline. All routes have problems and will have to be analyzed very carefully.

7. NEW BUSINESS:

A. Audit Review for Fiscal Year 2000 - 2001: Mr. Hubik, the District's auditor, gave an overview on his audit results for the past fiscal year. The financial statements still give a good picture of the water district's finances. The single largest issue is Mallo Pass investments and the lawsuit settlement. Mr. Hubik strongly advised the Water District to issue a 1099 Misc. Mr. Hubik stated the board has no policy regarding hook up fees. Director Wolfe volunteered to write a policy regarding hookup fees by the next board meeting. Mr. Hubik expressed concern about the Fire Department checking account. Director Wolfe moved that Mr. Hubik's report be accepted with profuse thanks. Director Poling seconded the motion. All favored. Director Whitaker was not present having had to leave the meeting at 12:22pm.

B. Response to audit findings: Director Wolfe provided each member of the Board and the District's auditor with a formal response to the audit findings. The document states the action taken on each reportable item. Mr. Hubik insisted the district have a written policy pertaining to hookup fees which Director Wolfe volunteered to write for the next board meeting (See 7A) and revise the District comments accordingly.

C. Budget Revision FY 2001 - 2002 Water & Fire:
Part 1: Budget Revision submitted for specific items: Budget revisions were submitted for the following items:

2002-1). Legal Services for General Counsel $4,500.00 and litigation $6,500.00. Increase beyond existing overrun of about $11,000.00;

2002-2). Water rate structure analysis and financial plan: a) legal support of $14,421.00; b) election costs totaling $2,720.00;

2002-3). Administrative costs due to accounting conversion and director's manual: a) accounting consultant $270.00, b) administrative supplies $235.00, c) accounting software training $300.00. Director Wolfe moved the board approve the budget revisions submitted above and that they be incorporated into the revised budget to carry the district through the end of this fiscal year. Director Burmania seconded the motion. The vote was as follows: Ayes: Burmania, Frame, Poling, Wolfe. Absent: Whitaker.

Part 2: Overall Water and Fire Budget Revisions:

2002-4 Revised Water Operating Budget for FY 2001-2002. Director Wolfe presented an overview of each budget item for the Water District.


The budgets generated a great deal of discussion and input from Mr. Hubik! Due to an effort to both revise and restructure the water and fire budgets at the same time, it became simply too complex. Mr. Hubik, as other auditors in the past, has encouraged the District to completely separate water from fire 100%. He stressed that the District cannot collect fire fees on the water bills. Bearing this in mind, an effort was made to comply with those wishes and revise the fire budget to have its only income derive from County Augmentation funds. Mr. Hubik strongly advised the District to hold an election to apply an assessment for fire. Due to the complexities involved, Director Wolfe suggested that more work would be done in an effort to construct a defendable and realistic budget for the next meeting.

When the suggestion was made to add sufficient funds to the water rate assessment for legal fees and cost of voting, Mr. Hubik pointed out that any legal fees and costs associated with a rate study are normal operating expense and cannot be applied to the assessment charges.

D. Resolution 2002-3: Revising Water District Asset and Water Rate Structure: Tabled until the next meeting.

E. Resolution 2002-4: Cost Control and Project Management: Tabled until the next meeting.

F. Resolution 2002-5: Director's Manual: Director Poling suggest that she could donate her copy of the water code and her subscription to the District for maintenance in the District office. Everything dealing with Proposition 218 needs to be replaced with the appropriate constitutional reference. Everyone needs to read this resolution very carefully and be prepared to discuss it thoroughly at the next board meeting.

G. Resolution 2002-6: Standard procedure for Water Board publications: Director Burmania submitted the context of a resolution that all articles written for publication by a member of the Board representing the views, tenants and positions of the Water Board be reviewed and edited by the Secretary of the Board of Directors prior to publication. The vote was as follows: Aye: Burmania, Poling, Wolfe. Nay: Frame. Absent: Whitaker.

8. Adjournment:

Director Poling moved and Director Burmania seconded that the meeting be adjourned at 2:19pm.
Board Meeting Minutes - May 11, 2002

Respectfully submitted,

___________________________________
Ron Frame, President
Prepared by Dorothy Cong

Attest:

______________________________________
Director Steve Whitaker, Secretary to the Board
I. OPEN MEETING

1. CALL TO ORDER AND ROLL CALL: President Ron Frame called the meeting of the Irish Beach Water District Board of Directors to order at 10:03am at the Fire House in Irish Beach (Manchester). Directors Burmania, Frame, Poling, Whitaker and Wolfe were present. Also present was Mr. Charles Acker, Operations Manager, and Dorothy Cong, the District's Secretary. Members of the public present were Bettye Winters, Kathy Edelbrock, Jan Greene, Dorothy Engle, Steve Thompson, Ralph Lubeck, Paul DeVaul, Patty Wolfe, Nicholas Epanchin, Al and Loretta Thompson and Mackie Pease.

2. APPROVAL OF MINUTES: Director Whitaker moved and Director Burmania seconded that the minutes of the February 9, 2002 meeting be approved as presented. The minutes were so approved.

3. COMMUNICATION AND CORRESPONDENCE: NTR

4. PUBLIC INPUT: Public input was offered but none given.

5. REPORTS:
   A. Treasurer - Report on Finances/Approval of Expenditures:
      Treasurer Dean Wolfe presented an in-depth report based upon various financial documents, historical analysis and interviews with District personnel. The scope of his report was: current nonrestricted fund asset status, cash flow analysis, over budget items, historical analysis, potentially restricted fund analysis, problem and related issues summary, problem analysis and recommendations.

      The District had a negative cash flow for January and February experiencing an operating loss of $14,319.00. The District's total "unrestricted cash assets" amount to $49,915 with $12,829 belonging to water and $37,087 to fire.

      Director Wolfe focused on over budget items and suggested the District
      1) Place a "Stop Work" on all Non-essential activities.
      2) Budget Estimates be prepared for Directors approval prior to any further expenses on: DE Plant (Charlie Acker), Legal support for rate study (Chico Burmania), Legal support for current law suit (Kathy Poling), Routine water board legal support (Kathy Poling), Accounting system upgrade (Dorothy Cong)
      3) Restructure District Rate Structure for operating expenses relative to water/fire.
      4) Propose passing law suit related legal costs to rate payers as they occur, beginning with all outstanding legal bills.

      Further recommendations suggested by Treasurer Wolfe for implementation by 10/1/02:
      1) Convert all budgeting and accounting to Quickbooks.
      2) Adopt a uniform cost estimating policy.
      3) Adopt a defendable Project Management & Accounting policy supported by Quickbooks.
      4) Prepare next year's budget in alignment with the rate study and master plan.
5) Document budgeting, accounting and cost control system.

For implementation by 3/1/03:
1) Convert to Windows based billing system that interfaces with Quickbooks.
2) Document billing system.

Further projects recommended for implementation by 10/1/02:
1) Create a Director's Manual
2) Commence Update of Bylaws and cleanup existing resolutions.

Note: The complete Treasurer's report is in the Director's packet.

B. Water: Operations Manager Charles Acker reported that most activities associated with the DE plant have been normal operating and start up processes. It is operating well. There have been some storm events where there was a need to start up the plant and it worked as was expected. There should not be any further significant expenses associated with the DE plant. The computer has not yet been installed to monitor the plant remotely. The engineer is expected to meet with Mr. Acker in March to proceed with that project.

C. Safety: The Safety Committee met on February 26, 2002. Safety issues dealing with the DE plant were discussed. Tom Kiernan informed Charlie that the little paper respirators operations is using are the correct part number. Charlie also stated that he would find the correct procedures for disposing of the diatomaceous earth "cake."

D. Fire Department: Fire Chief Dorothy Cong presented the following report:
1) There have not been any fire call outs for IBVFD since the first of January.
2) Training as usual - twice per month. A training calendar for 2002 is being put together.
3) Dorothy will attend the Coastal Emergency Services Agency Group meeting on March 12 in Gualala.

5. OLD BUSINESS

A. Superior Court Case #SCUK-CVG-0083939: William M. Moores and Tona E. Moores v. Irish Beach Water District; Superior Court of California, County of Mendocino: "Verified Complaint to Quiet Title and for Declaratory Relief." (Lindgren)

Efforts have been continuing to refine the mediation document. The Board will discuss this item in Executive Session.

B. Status of Diatomaceous Earth Plant (Acker): Mr. Acker reported that he is in the process of updating the District's water permit incorporating the DE plant and the water well. He provided a copy of the document to the Directors spelling out the capacities of the District's water sources. Mr. Acker also reviewed the permit procedure process.

C. Status of annexation of the Irish Beach Volunteer Fire Department by the Redwood Coast Fire Protection District. Dorothy Cong reported that Tom Herman and Associates have just about completed the sphere of influence map. Redwood Coast has passed their resolution of intent. A meeting to discuss asset transfer will be set up soon between RCFPD and IBWD between representative of both board of directors. Dorothy wrote a memo to Mr. Moores asking for a written document outlining his reservations to annexation and what he would propose in lieu of annexation. Battalion Chief Dean Watson met with Dorothy regarding annexation and is completely in favor the
project. Dorothy spoke with Frank McMichael in LAFCO who related his discussions with Bill Moores. Mr. McMichael informed Dorothy that he had written to County Counsel requesting an opinion on several items of concern to him relative to the annexation process. Dorothy does not have a copy of the document at this time.

D. Status on Bartle Wells Associates Water Rate Assessment Structure Analysis and Long-Range Financial Plan (Burmania). Director Burmania reported that the rate restructure project is 80% complete. He expressed that they have run into some structural problems that need to be resolved. The project is on hold until the litigation issue is resolved.

6. NEW BUSINESS:
   A. Grant Status: Mr. Acker stated that the new date to submit the application for the grant is September 1, 2002.
   
   B. Resolution 2002-01: Resolution Establishing A Policy for the Processing of Customer Requested Disconnection and Termination of Service: Director Burmania moved the board adopt the resolution and Director Poling seconded the motion. Voting was as follows: Ayes: Director Kathy Poling, Director Chico Burmania, Director Ron Frame, Director Steve Whitaker, Director Dean Wolfe. Resolution 2002-01 was hereby formally adopted unanimously.
   
   C. Resolution 2002-02: Resolution of the Board of the Irish Beach Water District Establishing a Standard Procedure for Processing of Delinquent Accounts: Director Poling moved the board adopt the resolution and Director Burmania seconded the motion. Voting was as follows: Ayes: Director Kathy Poling, Director Chico Burmania, Director Ron Frame, Director Steve Whitaker, Director Dean Wolfe. Resolution 2002-02 was hereby formally adopted unanimously.
   
   D. Newsletter: Director Poling brought to the Board’s attention that articles would need to be written for the spring issue of the IBWD newsletter which will be mailed along with the IBIC newsletter. Dorothy brought a "sign-up" sheet. She requested that the articles be submitted to her by March 25.

President Ron Frame announced a short recess at 11:59am.
At 12:15pm President Ron Frame announced that the meeting would be adjourned to Executive Session.

7. ADJOURN TO EXECUTIVE SESSION:
   A. Conference with legal counsel regarding Superior Court Case #SUCK-CVG-0083939: William M. Moores and Tona E. Moores v. Irish Beach Water District; Superior Court of California, County of Mendocino: "Verified Complaint to Quiet Title and for Declaratory Relief.” Pr Gov’t Code Section 54956.9a

8. Reconvene to Open Session:
   President Ron Frame adjourned the executive session and reconvened open session at 2:00pm. President Ron Frame announced that the Board of Directors considered a possible settlement to the lawsuit and took action in order to move forward.

9. Adjournment:
   Director Whitaker moved and Director Wolfe seconded that the meeting be adjourned at 2:01pm.

Respectfully submitted,
IRISH BEACH WATER DISTRICT
MINUTES OF THE MEETING
OF THE BOARD OF DIRECTORS
SATURDAY, February 9, 2002

I. OPEN MEETING

1. CALL TO ORDER AND ROLL CALL: President Ron Frame called the meeting of the Irish Beach Water District Board of Directors to order at 10:10am at the Fire House in Irish Beach (Manchester). Directors Burmania, Frame, Whitaker and Wolfe were present. Director Poling was absent with prior notice. Also present was Mr. Charles Acker, Operations Manager, and Dorothy Cong, the District's Secretary. Member of the public present was Bettye Winters.

2. APPROVAL OF MINUTES: Director Whitaker moved the minutes of the January 12, 2002 meeting be approved as presented. Director Burmania seconded the motion and the minutes were so approved.

3. COMMUNICATION AND CORRESPONDENCE:
   NTR.

4. PUBLIC INPUT:
   Public input was offered, but none given.

5. REPORTS:
   No reports this meeting.

6. OLD BUSINESS

A. Superior Court Case #SCUK-CVG-0083939: William M. Moores and Tona E. Moores v. Irish Beach Water District; Superior Court of California, County of Mendocino: "Verified Complaint to Quiet Title and for Declaratory Relief." (Lindgren)
   Director Burmania reported that there was a mediation meeting between the two parties in Santa Rosa on December 17, 2001. Directors Burmania and Poling attended that meeting along with the District's counsel. An outline agreement was approved. However, the finalization of the agreement has been in a state of flux ever since the first draft was received. Much of the final language has to do with "usage" issues.

B. Status of Diatomaceous Earth Plant (Acker): Mr. Acker reported that the diatomaceous earth plant has had several successful runs. It has not been in use constantly because weather has been mild. The final detail associated with the plant installation is to submit a permit revision incorporating the new data about the treatment plant. Mr. Acker has been working on the permit language. The District has received the final bill which will be reviewed by the Treasurer, Director Wolfe, with Mr. Charles Acker prior to payment.

C. Status of annexation of the Irish Beach Volunteer Fire Department by the Redwood Coast Fire Protection District. Dorothy Cong reported that the engineering firm of Tom Herman & Associates, Inc. has nearly completed the finalization of the sphere on influence map for the Irish Beach Water District. Some fairly specific details have been outlined as a starting point to negotiate
with Redwood Coast. President Ron Frame is to issue a letter to the Moores offering to them the opportunity to express their concerns and provide positive input.

D. Status on Bartle Wells Associates Water Rate Assessment Structure Analysis and Long-Range Financial Plan (Burmania). Director Burmania prepared a flow chart that capsulated the complicated cost allocation study onto a single page. The flow chart clarified how funds are to be allocated between connected and unconnected parcels for both "maintenance and operations expenses" and "capital improvement and replacement costs." Great pains have been taken in an effort to distribute costs as equitably as possible. Director Burmania has met with all of the Moores regarding the study in an effort to address issues the developers may have. For example, Bill Moores questioned how the loan was structured originally between connected verses unconnected parcels \textit{(weighted 2/3 connected parcels and 1/3 unconnected parcels)}. The rate study currently has the payments divided equally between the two. Director Burmania stated that he hopes the completed package will be out in one or two meetings.

7. NEW BUSINESS:

A. Review contract from grant consultant Ross Mayfield. Operations Manager Charlie Acker did not obtain a resume from Mr. Mayfield. However, Mr. Acker stated that he can continue to process the paperwork for the grant himself. He suggested that the District not bind itself to a contract, but only purchase the necessary data from Mr. Mayfield. Mr. Acker indicated he already has the document nearly to the draft stage. He expressed that the District's counsel will need to sign off the document he prepares attesting to the type of district we are. Three items needed are: 1) population figures, average income and unemployment figures, 2) legal formation of the district, and 3) why the project is needed including an engineered prospectus. Mr. Acker will have Mr. Mayfield review the draft for completeness. Director Burmania suggested that Mr. Acker proceed to prepare the paperwork for the grant himself. All agreed.

B. Resolution 2002-1: Resolution Establishing A Policy for the Processing of Customer Requested Disconnection and Termination of Service (Wolfe)

The impetus behind this resolution is that there are several vacant parcels that have had meters installed. Due to increasingly high fees on connected parcels, some customers have inquired if they could have their meter removed. There is no procedure to follow regarding this question. In an effort to resolve this issue, Director Wolfe prepared Resolution 2002-1. The essence of the resolution is how to handle an account that wishes to disconnect its water meter. The Board suggested the resolution be rewritten to clearly pertain to vacant lots only. It will be presented for a vote at the next board meeting on March 9, 2002.

C. Resolution 2000-2: Resolution Establishing A Standard Procedure for Processing of Delinquent Accounts: (Wolfe) This resolution consolidates into a single document how the District handles delinquent accounts (late fees, interest charges, termination of service, turning accounts over to the County of Mendocino for collection on the tax rolls). In addition, it provides for a tampering charge, an increased reconnection fee (if service has been terminated) and a security deposit to be held by the District for a five year period which would applied toward a customers bill at the termination of that period. For more details, see the resolution itself. The Board analyzed the resolution and suggested some changes. The resolution will be rewritten and presented at the next board meeting on March 9, 2002 for a vote.

D. Renewal of contract with District auditor Bob Hubik: The district's auditor prepared an audit
engagement proposal and contract for the 2002, 2003, and 2004 audit periods. The document was read by board members. Director Burmanita moved the board approve the renewal of the contract. Director Whitaker seconded the motion. All favored and the motion passed unanimously. Director Poling was absent.

E. Audit fiscal year 2000-2001: The District's Office Manager, Dorothy Cong, said this was only on the agenda because the audit has been completed. Directors will be receiving a copy for review prior to the presentation to the board by Mr. Hubik.

F. Consider heating system for firehouse: Dorothy Cong stated that she had Robertson Heating from Fort Bragg submit a proposal for a heating solution to the firehouse. The recommendation was a propane hanging unit heater at a cost of $1,575.00. Dorothy said she realizes this is not a good time fiscally to actually do the work, but thought it would be worthwhile in order to get some idea what it would cost should the district have any financing in the future. This item was tabled for the present time.

8. Adjournment:
Director Whitaker moved the meeting be adjourned. Director Burmanita seconded the motion and the meeting was adjourned at 12:43pm.

Respectfully submitted,

Ron Frame, President
Prepared by Dorothy Cong

Attest:

Director Steve Whitaker, Secretary to the Board
IRISH BEACH WATER DISTRICT
MINUTES OF THE MEETING
OF THE BOARD OF DIRECTORS
SATURDAY, January 12, 2002

I. OPEN MEETING

1. CALL TO ORDER AND ROLL CALL: President Ron Frame called the meeting of the Irish Beach Water District Board of Directors to order at 10:04am at the Fire House in Irish Beach (Manchester). Directors Burmania, Frame, Poling, Whitaker and Wolfe were present. Also present was Mr. Charles Acker, Operations Manager, and Dorothy Cong, the District's Secretary. Members of the public present were Russell Passqualetti, Dorothy Engle, Betty Winters, Kathy Edelbrock, Sally Thompson and Lou Gardner.

2. APPROVAL OF MINUTES: Director Whitaker moved and Director Poling seconded that the minutes of the December 8, 2001 meeting be approved as presented. The minutes were so approved.

3. COMMUNICATION AND CORRESPONDENCE: Dorothy Cong related that at least two customers had communicated to her about the high fees they have to pay to the district because they have a water meter on their vacant lot. They were wondering what could be done to cease paying this monthly fee. Dorothy suggested one possibility would be to have the water meter removed. There is nothing specifically relating to a procedure on how to handle this issue. Director Dean Wolfe and Dorothy had discussed this matter. Out of this discussion Director Wolfe prepared a draft resolution suggesting a means of handling this question. It could not be addressed at this time and will be on the agenda at the February meeting.

4. PUBLIC INPUT: Public input was offered but none given.

5. REPORTS:
   A. Treasurer - Report on Finances/Approval of Expenditures: Secretary Dorothy Cong reviewed the financial report covering expenses and income for the months of November and December 2001. She reviewed balances in the various funds, period Trial Balance, Check Register, Fire-Water Fund Reconciliation, and summary of financial activities over the past two months. 177 connections were billed in December 2001 (Zamboni still connected). Total income from customer billing, Fire Department augmentation funds from the County of Mendocino and two new hookups was $31,141.00. Expenses for November and December totaled $41,887.00.

   Capital and operating expenses, except for legal expenses were reported to be within budget. Legal expenses are significantly over-budget. Dorothy reported that there are insufficient funds in the District's checking account to pay the most recent legal bill of $14,900 in the month of January 2002. A significant discussion was held regarding this situation. Dorothy related that when District customers pay recently mailed water bills, there will be sufficient funds in the account to meet this payment. It was decided to delay paying the most recent legal bill until District income can provide the funds required. Also consideration should be given to drawing from reserves (currently invested in CDs) to pay this bill.

   Dorothy also reported about three very delinquent accounts which combined total almost $2,000. One account has already been taken to small claims with the court ruling in the district's favor. The second delinquent account is in Chapter 13. Dorothy reported that she plans to take the third delinquent account to small claims. A discussion of these delinquent accounts proceeded with a
general discussion of District policy regarding delinquent accounts. See New Business item 6E for details.

The treasurer's report was accepted as presented.

B. Water: Following are highlights of the water report presented by Operations Manager Charles Acker: Operations repaired a break in the water line up Irish Creek. The County Health Department inquired about a high bacteria count from Mr. Zamboni's water tank. The cause was not water from Irish Beach, but something in his tank. The bulk of Mr. Acker's report dealt with the DE plant which was installed in December. See Old Business Item #5B.

C. Safety: The Safety Committee met and most discussion centered around safety issues involving the new DE plant. The new safety concern deals with handling of the diatomaceous earth itself requiring a basic 3M mask.

D. Fire Department: Fire Chief Dorothy Cong presented the following report:
1) The department responded to 1 incident - a trailer fire New Year's Eve at Point Arena Rancheria. Called out at 4:10am to fully engulfed structure fire (arson related). 2) 1,600 feet of new fire hose was received and last training session devoted to marking and replacing old hose on both trucks with the new. We now have nearly 100% backup of good quality hose.

5. OLD BUSINESS

A. Superior Court Case #SCUK-CVG-0083939: William M. Moores and Tona E. Moores v. Irish Beach Water District; Superior Court of California, County of Mendocino: "Verified Complaint to Quiet Title and for Declaratory Relief." (Lindgren)
   There was a mediation meeting in Santa Rosa on December 17, 2001..

B. Status of Diatomaceous Earth Plant (Acker): Mr. Acker reported that the Diatomaceous Earth Plant has been installed, and at a time when we were getting very heavy rains (which was fortunate). The DE plant got a true stress test, as did the operators, in learning how to understand the plant and balance the type of diatomaceous earth vis-à-vis our type of turbidity. It has been a challenge, but the plant has already proved itself. The district would have been very close to having to issue a "boil water order" if not for the new plant. When asked if the plant was reliable, Mr. Acker stated that the longest time the DE filter was able to be kept on line to date was 50 hours before it required attention. He also started the filter is performing tolerably, but it has not been producing water at the designed flow rate of 15gpm. The engineer, Tom Kirnan, is examining the pump size and flow control device that regulates it. He will be doing some modifications before the end of January to correct the problem. Mr. Acker expressed that the flow rate will have to meet the design standard before he signs off on the project as complete. Mr. Acker also stated that there are still additional modifications being made to the existing plant to make it more efficient; i.e.: the polymer contact system is being revised and there are revisions being made to the turbidometers.
   Mr. Acker's Operations Report showed that for the month of December he had worked 111 hours. This was 61 hours beyond his contracted amount of 50 hours per month. The board stated that Mr. Acker should be paid for his extra hours (the rate is $20.00 per hour).

C. Status of annexation of the Irish Beach Volunteer Fire Department by the Redwood Coast Fire Protection District. Dorothy Cong reported that the ad hoc committee to discuss asset transfer, insurance and hydrant maintenance had met. Some progress has been made in terms of
coming up with dollar amounts, but nothing formal has yet been drafted. Nor has the committee met with Redwood Coast. Director Poling was replaced on the committee by Director Frame. Because of dissent from the developers, Director Frame was requested by the board to write a letter to Margaret and Gordon asking them to participate in the negotiations.

D. Status on Bartle Wells Associates Water Rate Assessment Structure Analysis and Long-Range Financial Plan (Burmania). Director Burmania reported that the rate restructure effort is nearly done but some issues remain up in the air. This is a very complicated project. The District will probably be prepared to discuss it at the February meeting and present it to the public at the March meeting.

6. NEW BUSINESS:

A. Election of officers to the Board of Directors: Director Poling nominated Ron Frame for President and Steve Whitaker for Secretary. Dean Wolfe nominated Kathy Poling for Vice President. Chico Burmania nominated Dean Wolfe for Treasurer. Director Whitaker seconded the slate of nominations. Votes were as follows: Poling, Aye; Burmania, Aye; Frame, Aye; Whitaker, Aye; Wolfe, Aye. The officers to the board for this coming year are: Ron Frame, President; Kathy Poling, Vice President; Steve Whitaker, Secretary; Dean Wolfe, Treasurer.

B. Formally add computer upgrade to DE plant: Mr. Acker explained that installation and equipment charges of $3,000.00 were waived by GTE Filter as mentioned in the last board meeting. The board is to formally make the decision today if it wants to proceed to have the computer upgrade installed and pay the $135.00 operating cost per month. Mr. Acker stated that we have to sign up for a minimum of one year. Director Burmania moved the Mr. Acker be authorized to proceed with the computer upgrade to work with the diatomaceous earth plant. The motion was seconded, passed unanimously and Mr. Acker was so authorized to proceed immediately. He indicated the installer would be on prem. in about one week.

C. Budget Revision: Dorothy Cong revised the budget as directed by the board at the December meeting. She explained the revisions which incorporates the monthly income for the 5 new hookups and adds in the operating cost of the computer enhancement to the DE plant. Director Poling moved to accept the budget revisions. Director Whitaker seconded the motion and it passed unanimously.

D. Review contract from consultant to look for a grant for IBWD: Mr. Acker brought a draft copy of a contract from Mr. Ross Mayfield who is a grant writer. Mr. Mayfield has been 100% successful in obtaining grants for Elk. In his contract he suggests that his cost would not exceed $2,000.00. The Board directed Mr. Acker to provide a resume on Mr. Mayfield for the next board meeting. Director Burmania moved to table this topic until the February meeting of the board. All agreed.

E. Delinquent accounts: Director Wolfe presented a draft of a resolution pertaining to the standard steps to follow for processing delinquent accounts. The document itself could not be specifically reviewed since it was not on the agenda, but since its contents directly pertain to the subject of delinquent account, it was discussed in general. The district currently has procedures it follows in dealing with delinquent customers, but they are not detailed in a single document and this resolution would do just that. In addition, since the district already has a contract with the County of Mendocino to collect delinquent fees, this resolution specifically states that is what will be done. It goes further to handle reconnection fees and a security deposit. This will be on the agenda at the
February meeting.

President Ron Frame announced that the meeting would be adjourned to Executive Session at 12:08pm.

7. ADJOURN TO EXECUTIVE SESSION:
   A. Conference with legal counsel regarding Superior Court Case #SUCK-CVG-0083939: William M. Moores and Tona E. Moores v. Irish Beach Water District; Superior Court of California, County of Mendocino: "Verified Complaint to Quiet Title and for Declaratory Relief." Pr Gov't Code Section 54956.9a.

8. Reconvene to Open Session:
   President Ron Frame adjourned the executive session and reconvened open session at 2:20pm. President Ron Frame announced that the Board of Directors was presented with a proposed mediation settlement to the lawsuit and it was voted to accept the settlement.

9. Adjournment:
   Director Wolfe moved and Director Whitaker seconded that the meeting be adjourned at 2:25pm.

Respectfully submitted,

________________________________________________________________________

Ron Frame, President
Prepared by Dorothy Cong

Attest:

______________________________

Director Steve Whitaker, Secretary to the Board
IRISH BEACH WATER DISTRICT
MINUTES OF THE MEETING
OF THE BOARD OF DIRECTORS
SATURDAY, December 8, 2001

I. OPEN MEETING

1. CALL TO ORDER AND ROLL CALL: President Ron Frame called the meeting of the Irish Beach Water District Board of Directors to order at 10:03am at the Fire House in Irish Beach (Manchester). Directors Burmania, Frame, Poling and new director Wolfe were present. Also present was Mr. Charles Acker, Operations Manager, and Dorothy Cong, the District's Secretary. Members of the public present were Ralph Lubeck, Kathy Edelbrock, Dorothy Engle, and Brad and Casey Dyson. The first order of business was an introduction by President Ron Frame of new board member, Mr. Dean Wolfe.

2. APPROVAL OF MINUTES: The minutes of the November 10, 2001 meeting were approved as presented.

3. COMMUNICATION AND CORRESPONDENCE:
   Dorothy presented a document relating her conversation with a customer she had taken to small claims just to apprise the Directors of the attitude of the individual.

4. PUBLIC INPUT:
   Public input was offered but none given.

5. REPORTS:
   No reports this meeting.

6. OLD BUSINESS

   A. Superior Court Case #SCUK-CVG-0083939: William M. Moores and Tona E. Moores v. Irish Beach Water District; Superior Court of California, County of Mendocino: "Verified Complaint to Quiet Title and for Declaratory Relief." (Lindgren)
      Directors Burmania and Poling reported that there will be a "mediation" meeting on December 17, 2001 in Santa Rosa. Director Poling explained the mediation process.

   B. Status of Diatomaceous Earth Plant (Acker): Mr. Acker reported that the new plant has been installed and is making clean water. The old plant would have been shut off at present due to the heavy rains. Mr. Acker further reported on the various activities associated with installing the plant and bringing it up and running. One turbidity unit was added so incoming water could be read. Some plumbing was added so water could go either through the new plant or directly to the old system. Mr. Acker explained about the handling of diatomaceous earth, the product the plant runs on.
      Currently during the winter months the system needs to produce about 15 GPM maximum. With the new system, when running side by side with the old, operations can produce up to as much as 40 - 50 GPM.
      Mr. Acker discussed the possible "computer upgrade" to the plant. It is not a State requirement, but the reports it generates are. Charlie explained the current process whereby John Acquistapace take one sample per day. The State says that now we will have to take six samples per day and they would like us to be taking samples on a 15 min. interval. Operations now has to monitor 3
turbidometers and Schott (from the State) wants us to install a 4th. With a computer upgrade, all the monitoring can be accomplished automatically. Charlie stated that Glenn Reynolds has waived the $3,000.00 installation fee, but a $135.00 per month operating cost would be associated with a computer upgrade. This fee would cover equipment repair or replacement. The Board directed Dorothy to prepare an amendment to the budget incorporating the increased $135.00 per month operating cost for the next budget meeting.

Mr. Acker briefly discussed the water permits for both Irish Creek and Mallo Pass. They have both expired. Charlie filed for renewals last year and has to prepare an environmental checklist prior to renewal.

B. Status of annexation of the Irish Beach Volunteer Fire Department by the Redwood Coast Fire Protection District. Dorothy Cong provided a status to date on the annexation project. A resolution of intent has been prepared and is on the agenda (Item 7A). We need to meet to discuss asset transfer, insurance and hydrant maintenance. Directors Poling and Burmania will meet with Dorothy following the board meeting to discuss these items.

D. Status on Bartle Wells Associates Water Rate Assessment Structure Analysis and Long-Range Financial Plan (Burmania). Director Burmania reported that he and Director Poling met with William Moores and the attorneys for both parties in Santa Rosa because the lawsuit significantly affects the rate restructure. The basic document is in reasonably good condition, but there are some inputs that will affect the final numbers: i.e. the $135.00 operating expense and the increased income from the new hookups.

7. NEW BUSINESS:

A. Resolution 2001-5: Irish Beach Water District Resolution of Intent whereby the Irish Beach Water District intends to express its support for the annexation by Redwood Coast Fire Protection District of the area within the Irish Beach Water District into its fire protection district for purposes of providing fire protection services to said area, and its inhabitants.

Director Poling moved the resolution be adopted. Director Burmania seconded the motion and the resolution was passed as written. Votes were as follows: Director Poling: Aye, Director Burmania: Aye, Director Frame: Aye, Director Wolfe: Aye. Director Whitaker was absent.

B. Resolution 2001-6: Commending and thanking Mr. Ralph Lubeck for his services to the Irish Beach Water District

The board formally expressed its gratitude to Mr. Lubeck for his many years of service as director and treasurer of the board. Director Poling moved the resolution be passed as presented. Director Burmania seconded the motion and the resolution was passed as written. Votes were as follows: Director Poling: Aye, Director Burmania: Aye, Director Frame: Aye, Director Wolfe: Aye. Director Whitaker was absent.

C. Possible procurement of grants for infrastructure items within the Irish Beach Water District: Operations Manager Charlie Acker explained that gathering of the data to write a grant request is an arduous task. The Elk Water District has hired a consultant who has been 100% successful in securing grant funds for Elk. He has looked at the data for Irish Beach and feels that Irish Beach fits the population income and unemployment figures even better than Elk. Mr. Acker would like to have the consultant present a contract at the next board meeting for the board to give him approval to look for a grant. His fees are $50.00 per hour and are covered under the grant. There will be some minimal attorney work involved.
D. Election of officers of the Board of Directors: Tabled until the January 2002 meeting.

President Ron Frame announced that the meeting would be adjourned to Executive Session at 11:37am.

8. ADJOURN TO EXECUTIVE SESSION:
   A. Conference with legal counsel regarding Superior Court Case #SUCK-CVG-0083939: William M. Moores and Tona E. Moores v. Irish Beach Water District; Superior Court of California, County of Mendocino: "Verified Complaint to Quiet Title and for Declaratory Relief." Pr Gov't Code Section 54956.9a

9. Reconvene to Open Session:
   President Ron Frame adjourned the executive session and reconvened open session at 12:41pm. Vice President Kathy Poling announced that the Board of Directors discussed litigation and gave no instructions.

10. Adjournment:
   Director Burmania moved the meeting be adjourned. Director Wolfe seconded the motion and the meeting was adjourned at 12:42.

Respectfully submitted,

______________________________
Ron Frame, President
Prepared by Dorothy Cong

Attest:

______________________________
Director Steve Whitaker, Secretary to the Board
I. OPEN MEETING

1. CALL TO ORDER AND ROLL CALL: President Ron Frame called the meeting of the Irish Beach Water District Board of Directors to order at 10:00am at the Fire House in Irish Beach (Manchester). Directors Burmania, Frame, Poling and Whitaker were present. Director Ralph Lubeck was absent due to illness. Also present was Mr. Charles Acker, Operations Manager, and Dorothy Cong, the District's Secretary. Adam Lindgren, District's counsel, Doug Dove and Sophia Skoda, engineers working on the rate restructure project from Bartle Wells Associates, were added to the meeting via conference call about 11:30am. Members of the public present were Russell Passqualetti, Al and Loretta Thompson, Dorothy Engle, Sue Whitaker and Dean Wolfe.

2. APPROVAL OF MINUTES: Director Whitaker moved and Director Poling seconded that the minutes of the October 13 meeting be approved as presented. The minutes were so approved.

3. COMMUNICATION AND CORRESPONDENCE:
   There was some brief discussion pertaining to the unauthorized hookup to the water line in Unit 7.

4. PUBLIC INPUT:
   Public input was offered but none given.

5. REPORTS:
   A. Treasurer - Report on Finances/Approval of Expenditures:
      Secretary Dorothy Cong reviewed the financial covering expenses and income for the months of September and October 2001, balances in the various funds, period Trial Balance, Check Register, Fire-Water Fund Reconciliation, and summary of highlights over the past two months. Total deposits from customer billing came to $18,319.31 with $1,933.28 belonging to the Fire Department. Refunds from Workman's Compensation Insurance totaled $2,224.30. Expenses totaled $16,656.42. Highlights of expenses for September and October were: legal: $1,902.50. Litigation expenses for this fiscal year total $20,879.60. Total legal expense this fiscal year: $32,872.61. Engineering expenses came to $2,138.32. State Compensation was $526.17. Fire Department expenses were $2,138.32 - $728.23 for painting of the exterior of the firehouse, $308.08 for vehicle maintenance, $276.24 the FD share of workman's comp. insurance and the remaining for miscellaneous small equipment and supplies for the department. 172 connections were billed in September and 173 in October (Zamboni was temporarily connected again). Accounts receivables for October billing period totaled $20,336.99. Starting in October, $5.00 will be collected on each connection which will go toward repayment of the capital fund for purchase of the DE treatment plant. Director Poling moved the Treasurers report be accepted and Director Burmania seconded the motion. The report was so accepted.

   B. Water - Following are highlights of the water report presented by Operations Manager Charles Acker: Much of operations efforts have been related to treatment plant preparation, i.e. building a shed for the generator which was housed in the treatment plant, meeting with GNT engineers, reviewing filter plans and so on. The polymer contact vessel was moved out of the existing plant to
make more room and Mr. Acker is attempting to find a buyer for it. There was a sizeable leak near the real estate office caused by electrolysis. Mr. Acker expressed the hope this was an isolated situation, but it could possibly be happening anywhere.

C. Safety: NTR.

D. Fire Department: Fire Chief Dorothy Cong presented the following report:

1) The department responded to 3 incidences: A) Trailer fire at Pacific View. IBWD first engine on scene. B.) Grassfire caused by vulture hitting power line on road to AT&T plant in Manchester. C.) Trailer fire at Manchester Rancheria. Training: auto extrication at Point Arena Rancheria and hose handling and pumper training provided by CDF. Attended chief's meeting in Elk. Did not get the grant the department put in for so ordered additional hose.

5. OLD BUSINESS

A. Superior Court Case #SCUK-CVG-0083939: William M. Moores and Tona E. Moores v. Irish Beach Water District; Superior Court of California, County of Mendocino: "Verified Complaint to Quiet Title and for Declaratory Relief." (Lindgren) NTR.

B. Status of Diatomaceous Earth Plant (Acker): Mr. Acker reported that the tentative date to install the DE plant is at the end of the month. Mr. Acker stressed there were some issues that need to be discussed. In terms of compliance, the new DE filter plant is OK. However, that does not mean the existing plant is up to standards. A new turbidity measuring device is needed which costs around $1,500.00. The problem with the existing device is that the chart recorder quit functioning. The hope was that all the water would be going through the new plant, but sometimes we may need to use both so operations does need to purchase a new measuring device to bring the District into compliance.

Mr. Acker further stated that a chlorine analyzer should be added onto the new plant. This would allow operations to be able to better control the amount of chlorine added to the system so they are not putting in anymore than needed. This is not mandatory, but is well worth the expense. New standards will be coming into effect in the near future which the district will have to comply with. It is best to incorporate them now rather than later.

There is one additional enhancement that costs about $3,000.00. This is the installation of an automated system. The 3K includes a PC and all the connections. The software collects data pertinent to running the plant and enables operations to pick up the data on line. The plant can be monitored from a remote location. Presently daily checks require someone to be on location. The installation of this system would automate system checks, reports, etc. and result in fewer operator hours, potentially a savings in payroll. It would also put Irish Beach on the cutting edge of technology.

Mr. Acker expressed that he felt it was best to go ahead and include the enhancements along with installation of the plant. Should the District lose one operator, then the plant could be managed from a distance. The total cost of the add on amounts to about $6,500.00. Due to financial concerns, the Board balked at installation of the enhancements now. Director Poling moved that the basic plant be installed but that all prep work for the enhancements be put in place at the time of installation so they can be added at a later date. Director Whitaker seconded the motion.
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motion passed as presented.

C. Status of annexation of the Irish Beach Volunteer Fire Department by the Redwood Coast Fire Protection District. Dorothy Cong provided a status to date on the annexation project stating that she, Fred Patton of Redwood Coast Fire Protection District, Frank McMichael of LAFCO and Tom Herman, an engineer who will draw the maps, had met in Ukiah. The first concern of the group was how the district would go about divesting itself from its fire protection powers. The question was resolved by county counsel, Peter Klein, as well as the district's counsel. Redwood Coast is the lead agency and is in the process of preparing the "Proposal Application and Justification" and the "Plan for Service." There is likelihood that this project will qualify for a Categorical Exemption under CEQA. Fred Patton is preparing a list of the assessed properties for LAFCO that lie within the proposed area to be annexed and within 300' of its boundaries. He will be providing Frank McMichael with zoning and mailing addresses. LAFCO also requires a list of registered voters which Dorothy Cong has obtained from the county and will send to Mr. McMichael.

Adam Lindgren, District counsel, prepared a "draft" Resolution of Intent. Director Poling discussed the draft resolution and noted some changes, i.e.: RCFPD should replace Irish Beach Water District in the last paragraph. Directors Poling, Burmania and Dorothy Cong were authorized and directed to act on behalf of the Board of Directors and their names are to be inserted into the Resolution. The Board directed Dorothy to send a copy of the resolution to Frank McMichael for his review. The resolution will be on the agenda to be voted on at the next meeting. (Documents related to this discussion are in the Director's packets).

D. Status on Bartle Wells Associates Water Rate Assessment Structure Analysis and Long-Range Financial Plan (Burmania). Director Burmania reported that the project is approximately 90% completed but that there were still some issues up in the air. This is a very complicated project. There is a possibility that the District will soon be able to present it to the public at large.

6. NEW BUSINESS:  
   A. Nothing

President Ron Frame announced that the meeting would be adjourned to Executive Session at 11:37am.

7. ADJOURN TO EXECUTIVE SESSION:  
   A. Conference with legal counsel regarding Superior Court Case #SUCK-CVG-0083939: William M. Moores and Tona E. Moores v. Irish Beach Water District; Superior Court of California, County of Mendocino: "Verified Complaint to Quiet Title and for Declaratory Relief." Pr Gov't Code Section 54956.9a

8. Reconvene to Open Session:  
   President Ron Frame adjourned the executive session and reconvened open session at 1:00pm. President Ron Frame announced that the Board of Directors had received a report from general counsel and did not provide any specific additional direction.

9. Adjournment:  
   It was moved and seconded that the meeting be adjourned.

Respectfully submitted,
IRISH BEACH WATER DISTRICT
MINUTES OF THE MEETING
OF THE BOARD OF DIRECTORS
SATURDAY, October 13, 2001

I. OPEN MEETING

1. CALL TO ORDER AND ROLL CALL: Vice President Kathy Poling called the meeting of the Irish Beach Water District Board of Directors to order at 10:00am at the Fire House in Irish Beach (Manchester). Directors Lubeck, Burmania, Whitaker and Poling were present. Director Frame was delayed but reported into the meeting later. Also present was Mr. Charles Acker, Operations Manager, Adam Lindgren general counsel and Sophia Skoda engineer from Bartle Wells Associates. Dorothy Cong, the District's Secretary, was absent with prior notice. Some members of the public were also present.

2. APPROVAL OF MINUTES: The minutes of the September 8, 2001 meeting were accepted as presented.

3. COMMUNICATION AND CORRESPONDENCE:
NTR.

4. PUBLIC INPUT:
Public input was offered but none given.

There were no reports this meeting.

5. OLD BUSINESS

A. Superior Court Case #SCUK-CVG-0083939: William M. Moores and Tona E. Moores v. Irish Beach Water District; Superior Court of California, County of Mendocino: "Verified Complaint to Quiet Title and for Declaratory Relief." (Lindgren)
NTR.

B. Status of Diatamaceous Earth Plant (Acker): Mr. Acker reported that the machine has been built. Representatives from the GTE filter company will be coming up in a few days to check out the layout of the plant. An engineer will also be coming along who will be writing the report that the State requires pertaining to the plant.

C. Status of annexation of the Irish Beach Volunteer Fire Department by the Redwood Coast Fire Protection District. Dorothy Cong left a document to read into the minutes pertaining to the status of the annexation project. She stated that a meeting has been set in Ukiah to be held on October 24. The attendees will be Fred Patton from Redwood Coast, Tom Herman, engineer, Frank McMichael of LAFCO and Dorothy Cong representing Irish Beach. The purpose of the meeting is to assay what LAFCO expects in order to proceed with the project.

D. Status on Bartle Wells Associates Water Rate Assessment Structure Analysis and Long-Range Financial Plan (Burmania). NTR.

6. NEW BUSINESS:

A. Resolution 2001-4 authorizing Mr. Charles Acker to complete and sign application for the safe drinking water state revolving fund grant/loan. Resolution 2001-4 was read as presented. The board requested input from counsel who had no comment. The Resolution was adopted and signed. AYES: Directors Poling, Lubeck, Whitaker and Burmania. Absent: Director Frame.

Vice President Kathy Poling announced that the meeting would be adjourned to Executive Session.
7. ADJOURN TO EXECUTIVE SESSION:
   A. Conference with legal counsel regarding Superior Court Case #SUCK-CVG-0083939: William M. Moores and Tona E. Moores v. Irish Beach Water District; Superior Court of California, County of Mendocino: "Verified Complaint to Quiet Title and for Declaratory Relief." Pr Gov't Code Section 54956.9a

8. Reconvene to Open Session:
   Vice President Kathy Poling adjourned the executive session and reconvened open session. Adam Lindgren, general counsel for the District, announced that the Board of Directors had received a report from general counsel and did not provide any specific additional direction.

9. Adjournment:
   Director Lubeck moved and it was seconded that the meeting be adjourned.

Respectfully submitted,

___________________________________
Ron Frame, President
Prepared by Dorothy Cong

Attest:

______________________________________
Director Steve Whitaker, Secretary to the Board