

IRISH BEACH WATER DISTRICT BOARD OF DIRECTORS
REGULAR MEETING MINUTES
REX DUNNING FIREHOUSE, 15401 FOREST VIEW ROAD, MANCHESTER, CA 95459
Saturday, March 8, 2025, at 10:00 A.M. (ZOOM AND IN-PERSON)

CALL TO ORDER AND ROLL CALL: Vice President Hohos called the regular meeting of the Irish Beach Water District Board Meeting to order at 10:01am. Roll call of Directors in attendance: Vice President Hohos, Director Ottoboni, and Director Hackett attended in person; Director Kimsey attended via Zoom; and Director Israel was absent. Staff attending via Zoom included: Water System Manager O'Dell, Special Assistant to the Board Murray, and District Counsel Emrick.

PUBLIC INPUT: None

OLD BUSINESS:

- A. **DISCUSSION AND OR ACTION:** ORGANIZATIONAL STRUCTURE COMMITTEE REPORT – CONSIDER IMPLEMENTATION PLAN TO UPDATE DISTRICT BILLING SYSTEMS AND PROCESSES.

Action: Director Hackett provided a recap of the Board's January 2025 decision to transition to the El Dorado Utility Billing system, and introduced Casie Smith, the consultant who is helping the District navigate the transition to the new billing system. Ms. Smith provided an overview of the implementation plan, highlighted a few of the features of the new system and explained that the District will host workshops to help customers set up e-billing, etc. The Board accepted the report and thanked Director Hackett and Ms. Smith for their efforts to modernize District billing processes.

- B. **DISCUSSION AND OR ACTION:** BUDGET & FINANCE COMMITTEE UPDATE REVIEW OF FISCAL YEAR 2024/2025 LINE- ITEM BUDGETED V. ACTUALS.

Action: Director Ottoboni reported that the District has moved to an automated profit and loss statement using a cash basis since recording accruals presents challenges. He highlighted one example of this in line 563.400, which reflects engineering costs accrued in FY 2023-2024, but paid in FY 2024-2025. In addition, Director Ottoboni made note of a change in line 594.130, which budgeted contributions to the greater than 40-year restricted fund. He explained that he is reconsidering the line to be assigned to these transactions, so for the time being he simply deleted the line. Director Ottoboni reported that income and expenses are as expected for this stage in the budget cycle, and the District's financial position is very good. The Board accepted Director Ottoboni's report and thanked him for his efforts to refine financial control and reporting processes.

- C. **DISCUSSION AND OR ACTION:** REPORT FROM THE PROP 218 COMMITTEE. CONSIDER RESOLUTION 2025-4 – ESTABLISHING PROCEDURES FOR THE SUBMISSION AND TABULATION OF PROTESTS IN CONNECTION WITH THE ONE-TIME FEE FOR THE 2002 ASSESSMENT REFUND AND LITIGATION SETTLEMENT PURSUANT TO ARTICLE XIID OF THE CALIFORNIA CONSTITUTION, AS WELL AS NOTICE OF PUBLIC HEARING

Action: Director Hackett reported that the District mailed invoices for the 2024 Upgrade and Sustainability Assessment on 2/17/25. She noted that as of 3/6/25, the District had received remittances totaling \$23,617.32 from 90 parcel owners with several weeks to go before the due date of 4/10/25. She explained that the District will track non-receipts, and those owners who do not remit payment by 4/10/25 will be billed for both FY 2024 and FY 2025 in Mendocino County's next property tax billing cycle. In addition, Director Hackett reported that on 2/21/25 the District issued invoices for the 2002 Capital Replacement Assessment to the 22 parcels not issued property tax bills due to Mendocino County's Low Value Exemption. She explained that as of 3/6/25, the District has received \$0 of the \$1,573.88 due.

Director Ottoboni presented an overview of the 2002 Assessment Refund and Litigation Settlement, which highlighted the need to finance a court-ordered refund, as well as litigation costs for a court case filed in 2009. He reported that the trial court ordered the District to refund certain assessments collected during the period 2002 – 2016 plus interest to

date totaling \$558,684 because the District did not develop Mallo Pass as a source of water; and refund certain assessments collected during the period 2002 – 2017 plus interest totaling \$154,030 because the District did not complete all of the System-wide projects included in the 2002 engineer's report. He explained that in addition to the refunds, the District must pay a settlement and court-ordered fees and costs totaling \$107,265. In total, the District needs \$712,714, and has \$445,641, leaving a shortfall of \$267,073.

Director Ottoboni reported that parcel owners paid varying amounts to the 2002 Mallo Pass and System-wide Assessment funds. He explained that the District carefully reviewed contributions for each parcel, which governs the amount to be refunded, calculated the amounts to be refunded to each parcel and then engaged a team of forensic accountants to verify the amounts to be refunded. Director Ottoboni reported that the District currently has sufficient funds to issue refunds to the owners of undeveloped parcels in Units 1 – 7, who will receive \$1,574, those in Unit 9 will receive \$1,482, as well as owners of select parcels in the cluster homes (Unit 8), who will receive \$997. He then detailed a proposed method to finance the refunds to all of the developed parcels plus the settlement costs through a one-time fee. He explained that parcels connected to the water system in Units 1 – 8 would be charged a one-time fee of \$1,795, and those connected in Unit 9 would be charged \$1,597. At a later date, parcels connected to the water system in Units 1 – 8 would receive a refund \$1,574.00, and those connected in Unit 9 would receive a refund of \$1,482.00. He reported the net cost to property owners connected to the water system in Units 1 – 8 would be \$221, and those connected in Unit 9 would receive a refund of \$115. He proposed that each owner connected to the water system would be given the option of applying their refund to the one-time fee. Individuals selecting this payment option in Units 1 – 8 would pay \$101, and those in Unit 9 would receive a refund of \$4 (after discounting \$120.00 per parcel for simplification of administrative processes). He noted that the full presentation will be posted to the District website for review by those unable to attend the meeting.

Finally, Director Ottoboni briefed the Board on the Proposition 218 process which guides implementation of the proposed one-time fee. He explained the requirement to give affected property owners notice of the proposed fee and the date of a public hearing (May 10, 2025), tabulate written protests to implementation of the proposed fee, and consider protests before making a final decision regarding the one-time fee.

Director Hackett made a motion to approve Resolution 2025-04 – Procedures for the Submission and Tabulation of Protests in Connection with the one-time fee for the 2002 Assessment Refund and Litigation Settlement Pursuant to Article XIID of the California Constitution, and direct staff to issue notice of public hearing no later than 3/18/25. Director Hohos seconded the motion and called for a vote: Director Hackett – Aye, Director Ottoboni – Aye, Director Kimsey – Aye, Vice President Hohos - Aye. The motion passed with a quorum.

NEW BUSINESS:

A. DISCUSSION AND OR ACTION: CONSIDER RESOLUTION 2025-5 – DOCUMENTING THE DECISION TO MODIFY RESOLUTION 2002-02 - PERTAINING TO DELINQUENT ACCOUNTS.

Action: Director Hackett explained that In late January, 2025 District staff began issuing disconnection notices to delinquent accounts. She reported that most of the notices have resulted in payments; however one account has not been responsive and will likely have service disconnected. Director Hackett noted that the District has not updated the fee to reconnect service or the security deposit guidelines since 2002. She explained that the reconnection fee is currently set at \$100 and the security deposit for approximately 2 billing periods is set at \$200, neither of which reflect current labor costs or water services charges. Director Hackett reviewed Resolution 2025-05, which details the labor costs of disconnecting the meter at the box, reconnecting the meter at the box once the bill is paid, as well as administrative and management time for disconnection actions and notices. She made note of a typographical error, which appears in two sections of the resolution: "Prior to reconnection of any customer disconnected for delinquent charges, all past due charges (see above) must be paid, a ~~\$447~~ \$270 delinquent account reconnection fee must be paid, and a ~~\$544~~ \$556 (approximately 2 billing periods) security deposit must be paid. Security deposits shall be held by the District for a five-year period. If after five years a customer pays all billings on time and the account is not allowed to become delinquent, the security deposit shall be applied as a credit against future bills." Director Hackett made a

motion to approve Resolution 2025-05 – Documenting the Decision to Modify Resolution 2002-02 - Pertaining to Delinquent Accounts, as amended, and to direct staff to issue notice to customers. Vice President Hohos seconded the motion and called for a vote: Director Hackett – Aye, Director Ottoboni – Aye, Director Kimsey – Aye, Vice President Hohos - Aye. The motion passed with a quorum.

COMMUNICATIONS AND CORRESPONDENCE.

Director Hackett reported that the District received communication from Ken Terry on January 24, 2025, regarding the maintenance of Pomo Lake. She explained that the Irish Beach Improvement Club (IBIC) maintains Pomo Lake and the District does not; however, if IBIC actions to address the current status of the Moores Creek outflow into Pomo Lake require District action, the Board will consult with District Counsel and report at a future meeting.

Director Hackett reported that the District received a request for several documents related to pending litigation from Bill Moores on February 12, 2025. She noted that District staff referred the matter to District Counsel Emrick to prepare a response to the discovery request.

CONSENT CALENDAR:

- A. TREASURER REPORT, CHECKS ISSUED.
- B. OPERATIONS REPORT.
- C. SPECIAL ASSISTANT TO THE BOARD REPORT – AUGUST 26, 2025 ELECTION: TWO IBWD BOARD OF DIRECTORS POSITIONS.
- D. APPROVAL OF MINUTES: JANUARY 11, 2025 REGULAR MEETING.

Action: Director Hackett made a motion to accept the Treasurer's report, Operations report, Special Assistant to the Board report, and meeting minutes included in the consent calendar. Director Ottoboni seconded the motion. Vice President Hohos called for a vote: Director Hackett – Aye, Director Ottoboni – Aye, Director Kimsey – Aye, Vice President Hohos - Aye. The motion passed with a quorum.

ADJOURNMENT: Vice President Hohos made a motion, with a second from Director Hackett to adjourn the regular meeting at 11:24am. The motion passed with a quorum and the meeting then convened into executive closed session.

EXECUTIVE (CLOSED) SESSION.

- A. **CONFERENCE WITH LEGAL COUNSEL** – EXISTING LITIGATION: SUBDIVISION (A) OF CALIFORNIA GOVERNMENT CODE §54956.9: WILLIAM H. MOORES ET AL. V. IRISH BEACH WATER DISTRICT, MENDOCINO SUPERIOR COURT NO. 23CV00273
- B. **PUBLIC EMPLOYMENT** (Govt. Code § 54957): OPERATOR – LEVEL 2 (WATER SYSTEM MANAGER)

Action: The executive (closed) session was adjourned at 11:42am. Vice President Hohos reported that the Board directed the Organizational Structure Committee to offer the permanent Operator Level 2 (Water System Manager) position to Brant O'Dell effective March 1, 2025.

Respectfully submitted:

Attest as Presented:

President
Date:

Secretary of the Board