

IRISH BEACH WATER DISTRICT BOARD OF DIRECTORS
REGULAR MEETING MINUTES
REX DUNNING FIREHOUSE, 15401 FOREST VIEW ROAD, MANCHESTER, CA 95459
Saturday, March 9, 2024 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 10:03am. Roll call of Directors in attendance: Director Ottoboni, Director Hohos, and Director Hackett attended in person; Director Kimsey attended via Zoom and President Israel was absent. Staff Assistant Forbes attended in person. Staff attending via Zoom: General Manager Acker, District Counsel Emrick, and Accounting Manager Murray.

PUBLIC INPUT: None

OLD BUSINESS:

- A. **DISCUSSION AND OR ACTION:** BUDGET COMMITTEE UPDATE REVIEW OF FISCAL YEAR 2023/2024 LINE- ITEM BUDGETED V. ACTUALS.

Action: Director Ottoboni explained that while expenses currently outpace income, and the District will need to be careful with expenditures, he expects the cash flow issue to resolve itself in the coming months. The Board accepted the Committee's report detailing income and expenses to date in relation to the proposed FY 2024 budget.

- B. **DISCUSSION AND OR ACTION:** REPORT FROM THE BUDGET COMMITTEE – BOARD CONSIDERATION OF RESOLUTION 2024-2 – DOCUMENTING THE APPROVAL OF THE FISCAL YEAR 2023-24 OPERATING BUDGET FOR WATER.

Action: Director Ottoboni presented an overview of the revisions to the proposed FY 2023 – 2024 budget. He explained that water sales have been adjusted downward to project a realistic level impact of income, which will require the use of anticipated DWR grant reimbursements to fund operational expenses instead of operational reserves as planned. In addition, Director Ottoboni indicated that the \$59,000 cash-flow loan from the greater than 40-year fund is budgeted to be repaid over FY 2023/2024 and FY 2024/2025, with approximately \$19,000 of the repayment planned for the current fiscal year and about \$40,000 planned for next fiscal year. Director Hackett made a motion to approve Resolution 2024-2 documenting approval of the District's FY 2023 – 2024 Operating Budget for Water. Director Hohos seconded the motion and called for a vote. Director Hackett – Aye, Director Hohos – Aye, Director Kimsey – Aye, Director Ottoboni – Aye. The motion passed with a quorum.

- C. **DISCUSSION AND OR ACTION:** REPORT FROM THE PROP 218 COMMITTEE – BOARD CONSIDERATION OF RESOLUTION 2024-3 – DOCUMENTING THE APPROVAL OF REINSTATEMENT OF THE 2002 CAPITAL REPLACEMENT PORTION OF THE DISTRICT-WIDE CAPITAL IMPROVEMENT ASSESSMENT.

Action: The Board accepted the Committee's report on the status of the current Proposition 218 initiative and reviewed the recommendations for reinstating the Capital Replacement portion of the 2002 Special Benefit Assessment, as well as the working plan for projects to be funded by Capital Replacement Assessments and those to be included in the 2024 Proposition 218 initiative. Director Hackett explained that Director Ottoboni has been working informally with the Committee and asked that Vice President Hohos formally appoint him to the Prop. 218 Committee so activities related to Special Benefit Assessment activities with Budget formulation and execution functions. Director Ottoboni agreed to the assignment and Vice President Hohos made the appointment to the Prop. 218 Committee effective immediately. After discussion by the Board and comments from members of the public, Director Hackett made a motion to accept the Prop 218 Committee's recommendations to communicate a project scope that includes a working plan for approximately nine improvements to existing facilities and

development of new water sources with supporting facilities in the 2024 2024 initiative. Vice President Hohos seconded the motion and called for a vote. Director Hackett – Aye, Director Hohos – Aye, Director Kimsey – Aye, Director Ottoboni – Aye. The motion passed with a quorum. In addition, the Board considered Resolution 2024-3. After discussion, Director Hackett made a motion to approve Resolution 2024 -3 as amended to document the approval of reinstatement of the 2002 Capital Replacement portion of the District-wide Capital Improvement Assessment. Vice President Hohos seconded the motion and called for a vote. Director Hackett – Aye, Director Hohos – Aye, Director Kimsey – Aye, Director Ottoboni – Aye. The motion passed with a quorum. Finally, the Board directed staff to post the 2002 Bartle Wells Engineering Report to the District website.

D. DISCUSSION AND OR ACTION SMALL COMMUNITY DROUGHT RELIEF GRANT ADMINISTRATION & OVERSIGHT.

Action: The Board accepted General Manager Acker's report that all three grant projects are virtually complete. The new cover for Tank 2 was installed several months ago; Well 2 has been activated; and the replacement for Tank 5 was installed at the end of the year. He explained that the District is still working to treat elevated levels of manganese in Well 2 water and will submit another round of water samples soon. Finally, General Manager Acker reported that the District has identified an engineer to complete a review and certification of the three grant projects in preparation for submission of the completion report to the State. Staff Assistant Forbes reported that the District received reimbursement for invoice #7 totaling approximately \$78,000 and submitted invoice #8 at the beginning of February. Director Hackett explained that once the District obtains final engineering certification, we will submit a project completion report and request release of the 10% retention withheld from previous invoices.

NEW BUSINESS:

A. DISCUSSION AND OR ACTION: REPORT FROM THE LITIGATION COMMITTEE – STATUS OF WILLIAM H. MOORES ET AL. V. IRISH BEACH WATER DISTRICT, MENDOCINO SUPERIOR COURT NO. SC-UK-CV-G-09-0054665-000; FIRST DISTRICT COURT OF APPEAL NO. A151867. (EMRICK, HOHOS, ISRAEL)

Action: The Board accepted the Committee's report that the final judgement was issued February 26, 2024. District Counsel Emrick indicated that the presentation made at the January Board meeting provided a good overview of the financial implications of the judgement; however, he noted that that the plaintiffs will have the opportunity to file one more motion seeking additional costs and fees. Director Hackett made a motion to direct staff to post the summary of the judgement and final judgement to the District website. Vice President Hohos seconded the motion and called for a vote. Director Hackett – Aye, Director Hohos – Aye, Director Kimsey – Aye, Director Ottoboni – Aye. The motion passed with a quorum.

COMMUNICATIONS AND CORRESPONDENCE: None

CONSENT CALENDAR:

- A. TREASURER'S REPORT, CHECKS ISSUED.
- B. WATER STORAGE FACILITIES/CONVEYANCE LOSS REPORT.
- C. ORGANIZATIONAL STRUCTURE COMMITTEE REPORT.
- D. APPROVAL OF MINUTES: JANUARY 9, 2024 REGULAR MEETING AND FEBRUARY 24, 2024 SPECIAL MEETING.

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

ADJOURNMENT: Motion was made by Vice President Hohos, with a second from Director Hackett to adjourn the regular meeting at 10:56am. Vice President Hohos called for a vote. 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. SC-UK-CV-G-09-0054665-000; First District Court of Appeal No. A151867.
- B. **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

Action: The executive (closed) session was adjourned at 11:24am with no reportable actions.

Respectfully submitted:

Susan Israel

Susan Israel, President

Date: May 11, 2024

Attest as Presented:

Heather Hackett

Heather Hackett, Secretary of the Board

Date: May 11, 2024