IRISH BEACH WATER DISTRICT BOARD OF DIRECTORS
REGULAR MEETING MINUTES
Saturday, July 12, 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: Director Ottoboni, Director Hohos, and Director Hackett attended in person; Director Kimsey and President Israel were absent. Staff attending via Zoom included: Special Assistant to the Board Murray, Water System Manager O'Dell, and District Counsel Emrick.

PUBLIC INPUT: A member of the public, Emily Thorne, expressed her support for the District's consideration of covering the cost of ACH fees for customers who pay through the new billing system. She explained that she believes covering ACH costs will encourage customers to pay electronically, which will reduce overall District costs.

OLD BUSINESS:

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

Action: Director Ottoboni reported that the District's financials reflect higher than projected income from water use. He noted that expenses are consistent with past reports; however, a water main break which resulted in unforeseen expenses will use the small budget surplus that was projected as part of the last reporting cycle. Director Ottoboni explained that income and expenses are running even, with litigation costs higher than budgeted and salaries lower than budgeted at this stage of the budget cycle, but overall, he has no concerns about the District's financial outlook. The Board accepted Director Ottoboni's report and thanked him for his efforts.

B. **DISCUSSION AND OR ACTION:** ORGANIZATIONAL STRUCTURE COMMITTEE REPORT – EL DORODO BILLING SYSTEM IMPLEMENTATION UPDATE. (HACKETT, HOHOS)

Action: Director Hackett reported that the District completed the first billing using El Dorado on 7/7/25 with the normal hiccups of implementing a new system. She explained that District staff had to mail statements because the print/mail contractor was not alerted to our implementation date, and while printed statements looked good, the invoices uploaded to the customer portal lacked some of the details that customers expect to see; however, these were start-up issues that will be corrected in the next billing cycle. Director Hackett noted that in the first few days of production, about 25% of customers registered their account, 7 customers paid their bill, and 30 signed up for autopay. She stated that several customers provided feedback indicating that the $1.95 charge to pay bills via ACH was a disincentive for using the new electronic payment options. The Board approved Director Hackett's recommendation to cover the cost of electronic payments via ACH.

C. **DISCUSSION AND OR ACTION**: REPORT FROM THE PROP 218 COMMITTEE. (HACKETT, OTTOBONI)
- **ONE-TIME 2002 ASSESSMENT REFUND SETTLEMENT AND LITIGATION FEE –** STATUS UPDATE;
- **2002 ASSESSMENT REFUND TO UNDEVELOPED PARCELS –** STATUS UPDATE
- **CONSIDER RESOLUTION NO. 2025 – 11 -** A RESOLUTION OF THE BOARD OF DIRECTORS OF THE IRISH BEACH WATER DISTRICT CONFIRMING AND ORDERING THE CONTINUATION OF THE LEVY OF ASSESSMENTS FOR FISCAL YEAR 2025-26 FOR THE IRISH BEACH WATER DISTRICT, 2002 DISTRICT-WIDE CAPITAL IMPROVEMENT ASSESSMENT;
- **CONSIDER R ESOLUTION NO. 2025 – 12** - A RESOLUTION OF THE BOARD OF DIRECTORS OF THE IRISH BEACH WATER DISTRICT CONFIRMING AND ORDERING THE CONTINUATION OF THE LEVY OF ASSESSMENTS FOR FISCAL YEAR 2025-26 FOR THE IRISH BEACH WATER DISTRICT, 2024 WATER SYSTEM UPGRADE AND SUSTAINABILITY ASSESSMENT.

Action: Director Hackett reported that the District mailed 209 invoices for the one-time 2002 assessment refund settlement and litigation fee, and as of 7/10/25, remittances were received form 131 customers. She noted that payments are still trickling in, but at some point we will post the one-time fee to water billing statement for collection.

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The Board asked that staff issue a reminder to customers before posting the one-time fee to customer accounts. Director Ottoboni reported that the District is preparing to issue refunds to the 128 owners of parcels not connected to the water system and anticipated sending checks within the next couple of weeks.

Director Hackett explained that the two resolutions before the Board are routine annual actions to reaffirm the Board's order to levy assessments for both the 2002 Capital Reserve portion of the District-wide Capital Improvement Assessment and the 2024 Water System Upgrade and Sustainability Assessment. She noted that Resolution 2025-11 applies a rate increase to the 2002 Capital Reserve portion of the District-wide Capital Improvement Assessment based on the Engineering News Record 20-city Construction Cost Index (ENR CCI) as of January 2025 and orders the levy of assessments in FY 2025-26. In January 2025, the cost index increased 1.6%, however, the procedure provides for the application of prior index increases that exceeded the 3% cap, so the rate increase for FY 25/26 is set at 3%, or $73.69 for every parcel. Director Hackett made a motion to approve 2025 – 11 - A RESOLUTION OF THE BOARD OF DIRECTORS OF THE IRISH BEACH WATER DISTRICT CONFIRMING AND ORDERING THE CONTINUATION OF THE LEVY OF ASSESSMENTS FOR FISCAL YEAR 2025-26 FOR THE IRISH BEACH WATER DISTRICT, 2002 DISTRICT-WIDE CAPITAL IMPROVEMENT ASSESSMENT. Director Ottoboni seconded the motion, and Vice President Hohos called for a vote: Director Hackett – Aye, Director Ottoboni – Aye, Vice President Hohos - Aye. The motion passed with a quorum.

Director Hackett reported that Resolution 2025-12 applies a rate increase to the 2024 Water System Upgrade and Sustainability Assessment based on the Engineering News Record 20-city Construction Cost Index (ENR CCI) as of January 2025. She noted that in 2025, the cost index increased 1.6%, and while the procedure provides for the application of prior index increases that exceeded the 4% cap, this is a new assessment, so there is no "pool" of unapplied increases, so the rate increase for FY 25/26 is set at 1.6%, or $262.13 for every connected parcel and $99.61 for unconnected parcels. In addition, the Resolution sets the contribution to the Assessment fund for general public benefit at $8,664.45, which will be funded from District operational funds. Finally, Director Hackett explained that delinquent Assessments for FY 24/25 would be referred to the County for collection and made a motion to approve 2025 – 12 - A RESOLUTION OF THE BOARD OF DIRECTORS OF THE IRISH BEACH WATER DISTRICT CONFIRMING AND ORDERING THE CONTINUATION OF THE LEVY OF ASSESSMENTS FOR FISCAL YEAR 2025-26 FOR THE IRISH BEACH WATER DISTRICT, 2024 WATER SYSTEM UPGRADE AND SUSTAINABILITY ASSESSMENT. Director Ottoboni seconded the motion, and Vice President Hohos called for a vote: Director Hackett – Aye, Director Ottoboni – Aye, Vice President Hohos - Aye. The motion passed with a quorum.

D. **DISCUSSION AND OR ACTION**: SPECIAL ASSISTANT TO THE BOARD REPORT – AUGUST 26, 2025 ELECTION: MENDOCINO COUNTY BOARD OF SUPERVISORS ACTION TO APPOINT IN LIEU OF ELECTION.

Action: Special Assistant to the Board Murray reported that the terms for Directors Israel and Kimsey will expire in December, and neither filed for reelection. She explained that two candidates: Reynolds and Ken Weston applied to fill the Director positions, and since the applicants did not exceed the number of terms up for reelection, the Mendocino County Board of Supervisiors appointed in lieu of election. She welcomed the two new Board members wished Directors Israel and Kimsey the best. Vice President Hohos, thanked Suzy and to Mel for their service and welcomed to John and to Ken.

NEW BUSINESS:

A. DISCUSSION AND OR ACTION: REPORT FROM THE BUDGET COMMITTEE – BOARD CONSIDERATION OF THE PROPOSED FISCAL YEAR 2025-26 BUDGET..

Action: Director Ottoboni explained that the proposed fiscal year 2025 – 2026 budget is similar to the budget for the current year; however, he is recommending an increase in the level of funding for outsourced activities for maintenance and repair, as well as increases for insurance costs. The Board thanked Director Ottoboni for his analysis and asked him to consider whether to apply a COLA to all salaries and to think about whether the purchase of District truck would need to be covered by operations expenses or could be made with Assessment funding since it is necessary to effectuate capital projects.

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COMMUNICATIONS AND CORRESPONDENCE.

Action: Director Hackett reported that on 7/10/25 the District received a message from Director Mel Kimsey resigning from the IBWD Board of Directors effective 7/10/25. She thanked Director Kimsey for his contributions over the last two years and explained that the District would post the opportunity to volunteer for a limited time appointment to the Board.

CONSENT CALENDAR:

A. TREASURER REPORT, CHECKS ISSUED.
B. OPERATIONS REPORT.
C. APPROVAL OF MINUTES: MAY 10, 2025 REGULAR MEETING AND JUNE 6, 2025 SPECIAL MEETING.

Action: Director Hackett made a motion to accept the accept the treasurer's report, checks issued, Operations report, and the meeting minutes included in the consent calendar. Director Ottoboni seconded the motion, and Vice President Hohos called for a vote: Director Hackett – Aye, Director Ottoboni – 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 10:59am. 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

Action: Vice President Hohos reported that the executive (closed) session was adjourned at 12:30pm with no reportable actions.

Respectfully submitted:
/s/ Danielle Hohos
Vice President
Date: July 12, 2025

Attest as Presented:
/s/ Heather Hackett
Secretary of the Board
Date: July 12, 2025

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