

IRISH BEACH WATER DISTRICT BOARD OF DIRECTORS
REGULAR MEETING MINUTES
REX DUNNING FIREHOUSE, 15401 FOREST VIEW ROAD, MANCHESTER, CA 95459
Saturday, November 11, 2023 at 10:00 A.M. (ZOOM AND IN-PERSON)

CALL TO ORDER AND ROLL CALL: Vice President Ottoboni 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 Kimsey, and Director Hackett attended in person. President Israel and Director Hohos attended via Zoom. Staff attending via Zoom: District Counsel Emrick, General Manager Acker, Plant Operator Dial, Accounting Manager Murray, and Staff Assistant Forbes.

PUBLIC INPUT: None

OLD BUSINESS:

A. DISCUSSION AND OR ACTION: REPORT FROM THE PROP 218 COMMITTEE

Action: The Board accepted the Committee’s report that the Consultant Services Agreement Amendment for \$14,185 for additional engineering services was signed by President Israel on September 16, 2023. General Manager Acker reported that the District responded to Hazen & Sawyer’s request for information regarding pipeline details, water pressure and flow, as well as previous improvements. Director Hackett noted that the District anticipates receipt of the preliminary pipeline inventory from Hazen & Sawyer soon. The analysis and recommendations should be complete early in 2024, which will put the District on track to commence Prop. 218 proceedings in 2024

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

Action: The Board accepted General Manager Acker’s report that installation of the ozonator and filtration equipment is complete, as is the chlorination monitoring and injection system. He indicated that pre-treatment sampling revealed elevated levels of iron, manganese, sulfate, and calcium carbonate in the well water. After extensive adjustments to the mini-treatment plant instruments, the crew determined that the filter shipped with the ozonator was the wrong part. Plant Operator Dial indicated that once the missing backwash parts are installed the District will submit post-treatment samples. General Manager Acker explained that National Storage Tank is scheduled to construct Tank #5 beginning November 27th leaving just plumbing and electrical connections to Well #5 and Tank #4, which will be completed soon after the tank is erected. He noted that the final step is identifying an engineer to provide overall review and certification of the three projects in preparation for certification of completion from DWR. Staff Assistant Forbes reported that the District submitted invoice #7 for \$86,354.88 in grant-related costs incurred in June – September. Director Hackett noted that after invoice #7, there is \$35,538.24 remaining in grant funding to cover the final payment for Tank 5, plumbing, electrical, and potential engineering costs. She explained that the District’s share of costs for Tank 2 and Well 2 is \$7,800 due to higher-than-expected material costs because of inflation. Accounting Manager Murray reported that she has been in contact with a vendor to assist with documenting the District’s financial operating procedures and internal controls in a manual (a financial bible), which is one of the requirements of State grant funding and expenditure of project funds. Finally, Director Hackett reported that the Grant Committee plans investigate USDA grant funding to design and engineer a replacement for Tank 0 and a roof for Tank 4.

C. DISCUSSION AND OR ACTION: STATUS OF SPECIAL DISTRICT ELECTION

Action: The Board accepted Accounting Manager Murray’s report that Director Kimsey’s appointment will expire at noon on 12/01/23, so the Board will need to advertise the vacancy then appoint a Director to fill the vacancy. After discussion of the status of appointments for Directors Hackett, Hohos, and Ottoboni, Director Hackett made a motion to direct advertisement of the Director vacancy for 15 days beginning 12/2/23. Director Ottoboni seconded the motion, then called for a vote: Director Hackett – Aye, Director Hohos – Aye, Director Kimsey – Aye, Director Ottoboni - Aye, President Israel – Aye. The motion passed unanimously.

D. DISCUSSION AND OR ACTION: BUDGET COMMITTEE REVIEW OF FISCAL YEAR 2022/2023 LINE-ITEM BUDGETED V. ACTUALS

Action: The Board accepted Director Ottoboni's report on the review of the FY 2022/2023 budget versus actual expenditures, which highlighted the higher than projected costs for legal expenses, as well as the cost of labor and materials for repairs. He noted that the FY 2022/2023 budget did not account for Proposition 218 engineering expenses; however, since the initiative has proceeded slowly, the expenses will be included in the FY 2023/2024 budget. Finally, Director Ottoboni explained that the District will end the year with net operating income of \$67,000, which will go into reserves for potential use in FY 2023/2024. General Manager Acker reported that filing an insurance claim for costs associated with the Arena Circle rupture was not necessary as repair costs were less than the deductible.

E. DISCUSSION AND OR ACTION: REPORT FROM THE BUDGET COMMITTEE – BOARD CONSIDERATION OF THE PROPOSED FISCAL YEAR 2023-24 BUDGET

Action: Director Ottoboni presented a revised proposal for the FY 2023 / 2024 budget. He noted that expenses are based on a 5-year average, which results in increased projections for contractual services, including legal, engineering, and accounting, as well as the settlement costs for one aspect of the litigation confronting the District. Director Ottoboni explained that the decline in water usage coupled with increased expenses related to the proposition 218 initiative result in a budget deficit of approximately \$73,000. The Board engaged in a robust discussion of the options, including raising usage rates, implementing a one-time assessment to cover the shortfall, and adopting the budget with the deficit and reassessing the shortfall later in the year. Director Hackett made a motion to amend the budget and resolution 2024-1 to reflect a usage rate of \$1.04 per 100 gallons, which reduces the projected deficit to \$60,838. President Israel seconded the motion. Director Ottoboni called for a vote: Director Hackett – Aye, Director Hohos – Aye, President Israel – Aye, Director Kimsey – Aye, Director Ottoboni - No. The motion passed with a quorum. Director Hackett made a motion to adopt resolution 2024-1 as amended to reflect total budget expenses chargeable to usage of \$64,870, total budget expenses and reserve funding chargeable availability of \$330,513, and a usage rate per a hundred gallons of \$1.04. The number of billing periods in the year is unchanged and the availability charge for one month or two months is unchanged. President Israel seconded the motion. Director Ottoboni called for a vote: Director Hackett – Aye, Director Hohos – Aye, President Israel – Aye, Director Kimsey – Aye, Director Ottoboni - No. The motion passed with a quorum.

NEW BUSINESS:

A. DISCUSSION AND OR ACTION: IRISH BEACH WATER DISTRICT POLICY HANDBOOK ADDITION, SERIES 3000 OPERATIONS, POLICY 3036 CUSTOMER WATER SERVICE DISCONNECTION FOR ACCOUNT DELINQUENCY.

Action: Director Hackett explained that she reviewed the District's records related to delinquent accounts and found that prior Boards adopted several resolutions addressing the issue of delinquent accounts; however, District policies were not revised to comply with the requirements of the resolutions due to competing priorities. She reported that new Policy 3036 and updated Policy 3037 comply with the requirements of Water Code Section 35470.5, as well as Health and Safety Codes 116908 and SB998. Director Hackett made a motion to adopt IBWD Policy 3036. Director Kimsey seconded the motion and Director Ottoboni called for a vote: Director Hackett – Aye, Director Hohos – Aye, President Israel – Aye, Director Kimsey – Aye, Director Ottoboni – Aye. The motion passed unanimously.

B. DISCUSSION AND OR ACTION: IRISH BEACH WATER DISTRICT POLICY HANDBOOK ADDITION, SERIES 3000 OPERATIONS, POLICY 3037 CUSTOMER PAYMENT ARRANGEMENTS.

Action: Director Hackett introduced the update to Policy 3037. General Manager Acker noted that historically the District has considered disconnection the last resort when dealing with delinquent accounts. Director Hackett explained that the updated policy does not change the approach; however, the District needs a policy to address account delinquency if efforts to resolve the issue are unsuccessful. Director Hackett made a motion to adopt IBWD Policy 3037. Director Kimsey seconded the motion and Director Ottoboni called for a vote: Director Hackett – Aye,

Director Hohos – Aye, President Israel – Aye, Director Kimsey – Aye, Director Ottoboni – Aye. The motion passed unanimously

COMMUNICATIONS AND CORRESPONDENCE

Action: The Board reviewed a customer’s request for a payment arrangement to resolve a large bill resulting from an administrative error. The Board concluded that the customer is not questioning the calculation of the past due bills, but is protesting the delay in presenting the bill, and requesting a payment arrangement to reduce the monthly rate to something that is more manageable by spreading the costs over time. Director Hackett made a motion to direct staff to suggest a payment arrangement spanning 24 months, which will result in a monthly payment that the customer has indicated would be acceptable. Director Ottoboni seconded the motion and called for a vote: Director Hackett – Aye, Director Hohos – Aye, President Israel – Aye, Director Kimsey – Aye, Director Ottoboni – Aye. The motion passed unanimously.

CONSENT CALENDAR:

- A. TREASURER’S REPORT, CHECKS ISSUED
- B. WATER STORAGE FACILITIES/CONVEYANCE LOSS REPORT
- C. COMMUNICATIONS & OUTREACH COMMITTEE REPORT
- D. ORGANIZATIONAL STRUCTURE COMMITTEE REPORT
- E. APPROVAL OF MINUTES: SEPTEMBER 9, 2023 REGULAR MEETING

Action: Director Ottoboni made a motion to accept all items included in the Consent Calendar. Director Kimsey seconded the motion. Roll-call vote: Director Hackett – Aye, Director Hohos – Aye, Director Kimsey – Aye, Director Ottoboni - Aye, President Israel – Aye. The motion passed unanimously.

ADJOURNMENT: Motion was made by Director Hackett, with a second from Director Kimsey to adjourn the regular meeting at 11:42am. Roll-call vote: Director Hackett – Aye, Director Hohos – Aye, Director Kimsey – Aye, Director Ottoboni - Aye, President Israel – Aye. The motion passed unanimously, 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 BEACHWATER DISTRICT, MENDOCINO SUPERIOR COURT NO. SC-UK-CV-G-090054665-000; FIRST DISTRICT COURT OF APPEAL NO. A151867.
- B. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED/ POTENTIAL LITIGATION:** SIGNIFICANT EXPOSURE TO LITIGATION PURSUANT TO PARAGRAPHS (2) OR (3) OF SUBDIVISION (D) OF SECTION 54956.9: (1 POTENTIAL CASE).

Action: The executive (closed) session was adjourned at 12:10pm with no reportable actions.

Respectfully submitted:

Attest as Presented:

 /s/ Susan Israel
Susan Israel, President
Date: January 13, 2024

 /s/ Heather Hackett
Heather Hackett, Secretary of the Board
Date: January 13, 2024