

IRISH BEACH WATER DISTRICT BOARD OF DIRECTORS
REGULAR MEETING MINUTES
REX DUNNING FIREHOUSE, 15401 FOREST VIEW ROAD, MANCHESTER, CA 95459
Saturday, September 9, 2023 at 10:00 A.M. (ZOOM AND IN-PERSON)

CALL TO ORDER AND ROLL CALL: President Israel called the regular meeting of the Irish Beach Water District Board Meeting to order at 10:00am. Roll call of Directors in attendance: President Israel, Director Hohos, and Director Hackett attended in person. Director Ottoboni and Director Kimsey attended via Zoom. Staff attending via Zoom: District Counsel Emrick, General Manager Acker, Plant Operator Dial, Accounting Manager Murray, and Annette Fromwiller. Staff Assistant Forbes attended in person.

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 it has reviewed the Sub-consultant Agreement between SCI and Hazen & Sawyer, as well as the proposed Amendment to the Consulting Services agreement between the District and SCI. Director Hackett noted that the Committee suggested a few modifications, which SCI is currently reviewing. She indicated that the Committee anticipates that the Consultant Services Agreement Amendment will be signed by President Israel later this month (per the Board's 12/9/22 decision to authorize the Board President to sign agreements with SCI). Hazen & Sawyer's work with the District will begin soon, which will put us on track to commence Prop. 218 proceedings in early 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 water treatment equipment for Well 2 is complete. Pre-treatment chemical testing for Well 2 revealed a few elements that exceed acceptable levels. He indicated that the District knew that iron and manganese would require treatment; however, test results also reflect higher levels of calcium carbonate, which the District will address at the main treatment plant prior to submitting water quality and hydrological test results to the State Water Resources Control Board. Finally, General Manager Acker noted that construction on the Tank 5 foundation has been completed and National Storage Tank will complete the installation of the new tank soon. Staff Assistant Forbes reported that the Grant Committee conducted an internal review to ensure QuickBooks Grant accounts balance with requests for reimbursement and indicated she is in the process of making a few corrections identified during the. Accounting Manager Murray reported that the District received reimbursement for Invoice #6, which totaled \$52,171.91. In addition, she noted that she is conducting a search for 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. Director Hackett reported that one of the issues that has complicated finances is the limit on the District's credit card, which is currently set at \$7,500. She recommended that the District request an increase in the credit limit to \$10,000, which aligns with the spending limits established in Policy 3080. Director Hackett made a motion directing staff to contact Capital One to request an increase in the District's credit limit to \$10,000. President Israel 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.

C. DISCUSSION AND OR ACTION: TECHNOLOGY GRANT IMPLEMENTATION UPDATE ON NEW WEBSITE

Action: The Web Update Team, led by Annette Fromwiller, provided a virtual tour of the District's new website, which is currently under development. After discussing the functionality of the new site, the Board requested that the Team continue to work on updates, including the ability to sign up for notifications via text or email, enhanced eCommerce functionality to view and pay bills and connection fees online, as well as modifications to the customer service phone

numbers to business accounts rather than personal contact information. Finally, the Board requested the Team add a “contact us” tab with an email fill-in form to contact staff with space to submit questions and comments. Director Hackett made a motion to direct staff to purchase mobile phone(s) for use when conducting District business. President Israel 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: STATUS OF SPECIAL DISTRICT ELECTION

Action: The Board accepted Director Hackett’s report that Director Kimsey was sworn in as a member of the Irish Beach Water District Board of Directors on July 25, 2023. She noted that while the Board understood that they were appointing Director Kimsey through December 2025, the County provided Accounting Manager Murray with guidance indicating that the Board appointment would only be effective through 12/1/23, and additional action would be necessary for appointment for the period 12/1/23 through December 2025. Accounting Manager Murray reported that although Director Kimsey submitted a request to the Mendocino County Board of Supervisors, his appointment has not been placed on the agenda. After discussion of the status of appointments for Directors Hackett, Hohos, and Ottoboni, Director Hackett made a motion to direct staff to contact the Mendocino County Clerk to clarify the status of appointment of four directors in lieu of election. President Israel 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.

E. 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 significant drop in water usage, as well as the anomalies in distribution of labor costs between line items. Accounting Manager Murray reported that labor costs assigned to the Administrative and General Salaries line should be allocated to the customer accounts line. General Manager Acker noted that all the labor costs in Operating Expense lines were lower than usual due to the focus on grant funded projects, as well as the reduction in meter reading costs following the installation of smart meters. Plant Operator Dial explained that the decline in water usage is the result of several factors, including the District’s focus on leak reduction, and the end of COVID shelter in place, both of which swelled past water usage, so FY 2022/2023 usage is probably a more accurate indicator for projections. After discussion of outside water sales, the status of the July/August billing, the status of the insurance claim for costs associated with the Arena Circle rupture, as well as unposted end-of-year expenses, Director Hackett made a motion directing staff to file a claim to recover the costs for the Arena Circle rupture. President Israel 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.

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

Action: Director Ottoboni presented the proposed FY 2023 / 2024 budget, which was based on an analysis of income from 2015 – 2021, as well as expenses over the last couple of years. He noted that projected expenses for contractual services, including legal, engineering, and accounting have been increased, as have labor costs and a few minor administrative costs. Director Ottoboni explained that the decline in water usage coupled with increased expenses related to the proposition 218 initiative result in a budget deficit. He recommended that he work with Accounting Manager Murray to refine the proposed budget, and that once adopted, the Board schedule quarterly reviews to amend the budget based on actuals. Director Hackett made a motion to postpone action on the FY 2023/2024 budget until a future meeting. President Israel 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. Accounting Manager Murray reminded the Board that the District will need spending authority effective October 1, 2023, so Director Hackett made a motion to adopt the fiscal year 2022/2023 budget and to authorize spending authority pending adoption of an updated 2023/2024 budget. President Israel 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.

COMMUNICATIONS AND CORRESPONDENCE

Action: The Board reviewed a customer’s request for a reduction in a large bill and a payment plan to address the unique circumstances. Accounting Manager Murray and Plant Operator Dial explained the events leading to the correspondence, and the Board concluded that Policy 3037 did not adequately address the circumstances resulting from an Administrative error. Director Hackett made a motion to direct staff to discuss a payment plan with the customer based on the provisions of Policy 3037 pending an update of the policy at the next meeting. President Israel 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.

CONSENT CALENDAR:

- A. TREASURER’S REPORT, CHECKS ISSUED
- B. WATER STORAGE FACILITIES/CONVEYANCE LOSS REPORT
- C. COMMUNICATIONS & OUTREACH COMMITTEE RECOMMENDATION: DISTRICT FACEBOOK PAGE
- D. APPROVAL OF MINUTES: JULY 22, 2023 REGULAR MEETING

Action: President Israel made a motion to remove item A, Treasurer’s Report, from the consent calendar. Director Hackett 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. President Israel made a motion to approve the remaining items included in the Consent Calendar. Director Hackett 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. Director Ottoboni explained that while the Treasurers Report includes a cash flow loan from restricted accounts to pay for expenses related to grant projects, it does not currently reflect future accounts receivable grant reimbursements. After discussing the need to address repayment of the loan from the restricted account as part of the discussion of the FY2023/2024 budget, Director Hackett made a motion to accept list of checks issued. President Israel seconded the motion, and called for a 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 President Israel, with a second from Director Hackett to adjourn the regular meeting at 12:05pm. 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 12:21pm with no reportable actions.

Respectfully submitted:

Attest as Presented:

Susan Israel

Heather Hackett

Susan Israel, President
Date: November 11, 2023

Heather Hackett, Secretary of the Board
Date: November 11, 2023