

IRISH BEACH WATER DISTRICT BOARD OF DIRECTORS
REGULAR MEETING MINUTES
September 10, 2016

1. CALL TO ORDER AND ROLL CALL: Director Harley called the Regular Meeting to order at 10:00 A.M. on Saturday, September 10, 2016, in the Rex Dunning Firehouse, 15401 Forest View Road. Roll call of directors in attendance were: Director Harley, Director Drolet, and Director McCormick. Also present was Charles Acker, District General Manager; and District's Legal Counsel, Matthew Emrick. Absent from the meeting: Director Murray and Director Poling.

2. EXECUTIVE (CLOSED) SESSION: NO REPORTABLE ACTION WAS TAKEN.

- 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.
- B. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED/POTENTIAL LITIGATION: SIGNIFICANT EXPOSURE TO LITIGATION PURSUANT TO PARAGRAPH (2) OR (3) OF SUBDIVISION (D) OF SECTION 54956.9: (1 POTENTIAL CASE).

RETURN TO OPEN SESSION AND REPORT. DIRECTOR HARLEY RECONVENED THE OPEN SESSION OF THE IBWD AT 10:20 A.M., AND ANNOUNCED NO REPORTABLE ACTION WAS TAKEN IN THE EXECUTIVE SESSION.

3. APPROVAL OF MINUTES: The Board decided to review and approve the July 9, 2016, Meeting Minutes at the next meeting as there was a question regarding the omission of page 44 of the meeting packet. Treasurer Murray has since reported that she was referring to page 43, a summary of the differences between the 2015-2016 budget and the 2016-2017 budget that was in the meeting packet.

4. COMMUNICATIONS AND CORRESPONDENCE: Communication from William Moores regarding cost of current water lines was discussed in 6.A., Treasurer's Report.

5. PUBLIC INPUT: The President of the Irish Beach Improvement Club, Dean Wolfe, presented the following: There are grant funds available through Cal Fire for reduction of fire fuel and establish fire breaks. President Wolfe proposed to make an application for Cal Fire grant funds as a joint venture between the Irish Beach Water District and Redwood Coast Fire District. Director Drolet volunteered to be the representative for IBWD and put together a plan to apply for the Cal Fire grant funds as an agenda item for the next meeting.

6. REPORTS:

- A. **TREASURER'S REPORT:** In Treasurer Murray's absence, the Board reviewed Cash and Assets Statements pointing out that Cash is \$38,656 and Restricted Assets is \$567,627. The list of Accounts Payable and Checks Issued Report were reviewed for approval. The question from William Moores was reviewed regarding his request to identify which fund expenditures related to which projects. The Board deferred this topic to Treasurer Murray for the next meeting to identify invoices for water pipe replacement projects. Director Drolet moved to accept the Treasurer's Report and approve the Checks Issued Report. Motion seconded by Director McCormick. Roll call: Director Drolet, aye; Director Harley, aye; Director McCormick, aye. Motion carried.

- B. WATER/STORAGE FACILITIES/CONVEYANCE LOSS:** General Manager Acker presented his operations report of the water pipe replacement project as follows: The pipe replacement project for the O’Rorey’s Loop has been completed and pressure tested, and all pipes held at 100%. Installed an additional fire hydrant. In the next week will do new water connections to houses that are occupied, and shut off all old water pipes. The most concerning and largest effort was finding utility lines under water lines, which was accomplished by using the vacuum pump. The service hazards encountered were 12,000 volt Pacific Gas & Electric Company lines (not all marked) buried with and touching existing (old) water mains, which constituted a severe hazard to IBWD workers and contractors during this project. Two photos showing this service hazard encountered are an attachment to these meeting minutes.
- C. SAFETY COMMITTEE:** District General Manager Acker stated he will catch up on safety reports and report to the Board at the next meeting.
- D. LEGAL COUNSEL:** Legal Counsel Emrick stated his presentation will be discussed in 8.A.
- E. DIRECTORS:** Director Harley stated the following: The house owned by Michael Smith, at 15700 Forest View Road, incurred high water usage during this billing period, which was caused by a broken water pipe. Michael Smith inquired if the high water usage could be negotiated with the District. After discussing this issue by the Board, it was agreed that District General Manager, Charles Acker, would compose a letter to Michael Smith stating that it was the Board’s determination that the responsibility for the high water usage resides with the home owner and that payments can be spread over time.

7. OLD BUSINESS:

- A. DISCUSSION AND/OR ACTION: Draft Budget for Fiscal Year 2016-2017. (MURRAY).** In Treasurer Murray’s absence, the Board discussed and reviewed the Draft Budget for Fiscal Year 2016-2017. Director Drolet made the motion to accept the Budget for Fiscal Year 2016-2017, as presented in the meeting packet. The motion was seconded by Director Harley. All in favor voted aye, motion passed 3-0. Motion carried.

8. NEW BUSINESS:

- A. DISCUSSION OF STATUS OF EXISTING ASSESSMENTS FOLLOWING PHASE 3 TRIAL. DISCUSSION OF POTENTIAL FUTURE PROPOSITION 218 VOTE. (EMRICK/HARLEY).**

The Board authorized a potential appeal of the judge’s proposed final decision. While the decision was largely in the District’s favor, the decision in part did not provide realistic compliance timelines for the District on certain matters. The judge’s proposed decision is partially summarized as follows: held in favor of the District with respect to a 2002 Settlement Agreement; validated the fixed capital improvement assessment which will end in 2017; validated the capital replacement assessment but ordered a refund of a collection overage of the reserve fund based on a new interpretation of the reserve calculation; and ordered a refund of the Mallo Pass fund. As a result of the decision, certain future capital and operating costs may need to be paid from water fees, new assessments, or connection fees. A discussion of possible payment options of future potential capital and operating costs will be on the agenda for the next meeting.

ADJOURNMENT: Director Harley moved to adjourn the meeting. Director Drolet seconded. Roll call to vote: Director McCormick, aye; Director Harley, aye; Director Drolet, aye. Motion carried. Meeting adjourned at 12:30 P.M.

Respectfully submitted,

Attest:

Don Harley, President

Jan McCormick, Secretary of the Board

Prepared by Connie Sackman, Clerk/Secretary

Attachments – Pages 1 and 2



