

**Konocti County Water District  
Special Board Meeting Minutes  
March 13, 2024**

**Time:** 1:00 P.M.  
**Location:** Konocti County Water District Business Office

**1.0 Call to Order**  
President Priebe called the meeting to order at 1:00 p.m.

**Board Members Present:**

President Priebe  
Vice President Stanley  
Director Flora  
Director Cook  
Director McKay

**Board Members Absent:**

**Staff Present:**

General Manager Costner  
Auditor/Secretary Gallizioli

**Staff Member Absent:**

**Other Guests:**

Alan Flora Clearlake City Manager  
Dirk Slooten -City Council Member  
Russ Cremer – City Council Member  
Robert Roscoe – City Consultant  
Ann Siprelle – KCWD’s Attorney (by zoom)

**2.0 Public Input - None**

**3.0 Special Items:**

**3.1 City of Clearlake** – Attached is the paperwork that Alan Flora provided at the meeting. The meeting discussed a partnership opportunity between KCWD and the City of Clearlake. The city is wanting KCWD to become a subsidiary district of the City of Clearlake. There was much discussion on the goals of the city, the benefits of the partnership and how it would look if we partnered.

**4.0 Closed Session: 2:42 -3:13**

**4.1 Potential Litigation (Gov.Code section 54956.9 (d) (1).)**

No action taken

**5.0 Adjournment 3:14**

**Please Note:** Agenda items listed with asterisks (\*\*) have additional information available for public review at the business office.

**CONSIDERATION OF ITEMS NOT APPEARING ON THE POSTED AGENDA** – Consideration of items not appearing on the posted agenda, if necessary, requires the following board action prior to consideration; 1) a determination by a majority vote of the board that an emergency situation exists (as defined in section 54956.9 of the Brown Act); 2) a determination by a two-thirds vote of the legislative body or, if less than two-thirds vote of the members are present, a unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of the District subsequent to the agenda being posted.

**REQUEST FOR DISABILITY – RELATED MODIFICATION OR ACCOMMODATION:** A request for a disability-related modification or accommodation necessary to participate in the Konocti County Water District Board Meeting should be made in writing to the Auditor/Secretary at least 48 hours prior to the meeting.

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**Submitted by:**  
**Paula Gallizioli, Auditor/Secretary**

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**Approved by:**  
**Kirsten Priebe, President**

## **A DRAFT Partnership Opportunity between the Konocti County Water District & City of Clearlake**

**KCWD – The City acknowledges and appreciates the hard work, commitment, and vision of the KCWD Board of Directors and General Manager in maintaining and growing the capability of the District. KCWD has outpaced the other districts in and around the City in investment and upgrades to the system. The District is well positioned to respond to the growth underway in the City of Clearlake and to provide a safe and adequate water supply to our community.**

### **City Goals**

- **Ensure reliable, high-quality water at a reasonable price**
- **Provide accountable and transparent governance**
- **Increased system performance and sustainability through thoughtful planning and investment**
- **Support economic development in the City through business creation and expansion**
- **Enhance community emergency preparedness**
- **Increase coordination of capital projects on City streets and in City neighborhoods**

### **Benefits to Overall System Consolidation**

- Improved project coordination. For example, with other City undergrounding projects or street paving or other development projects.
- Easier access to grants and other funds, including tax-exempt financing (Highlands/Golden State), that will allow infrastructure investment with less impact on already overburdened ratepayers.
- Fulfills California State Water Resources Control Board goals of system consolidation.
- Increased resiliency and redundancy with multiple treatment plant infrastructure, interties, etc.
- Increased capacity for emergency response
- Increased coordination and planning between utilities and road, economic development and other infrastructure projects.
- Increase in businesses/development friendly environment in the City, including less entities to coordinate with and filling in gaps in adequate service delivery. Less piecemeal approach to infrastructure investment.
- Utility billing infrastructure will help the City in coordinating and implementing other services, such as permitting, mandatory garbage, etc. Customer benefit with consolidation of billing for services.
- Improved fire flows, enhancing public safety.
- Improve and increase developable properties in the City, increasing revenue and community amenities.
- Improved employee benefits and increased upward mobility for staff.

### **Benefits to a City/Konocti Partnership**

- The City, while small, can bring additional resources to the table to support the goals of KCWD. Some examples include:
  - Upgraded technology (accounting software, access to fiber internet connection, mapping and analysis tools, etc.)
  - More robust legal services.
  - More insurance options.
  - Staff support/redundancy with PW staff cross training
  - Improved succession planning for staff/management
  - Access to more equipment (dump trucks, backhoes, generators, etc.)
  - More robust and coordinated emergency response
  - Better communication and coordination
  - Assistance with cash flow and financial planning
  - Improved infrastructure planning and development
  - Eliminates the threat of Golden State consolidation of all systems

### **Partnership Proposal between the Konocti County Water District and City of Clearlake**

- City and Konocti to agree to a working group to develop a plan for Konocti County Water District (KCWD) to potentially become a “subsidiary district” of the City of Clearlake, or a stand-alone water department within the City. *(As an example the Lake County Sanitation District or Lake County Air Quality Management District are “dependent”/“subsidiary” districts of the County. The Board of Supervisors sit at the Board of Directors, but they maintain a separate identity and organizational structure.)*
- A joint working group would present a plan to KCWD Board of Directors and Clearlake City Council for approval.
- If approved by both KCWD Board and City Council, a joint application would be submitted to LAFCo for approval of organizational change.

*What would this look like? While there are various options and variations, a starting point for discussion could be as outlined below: Other organizational opportunities would be vetted by the joint working group.*

- Konocti County Water District would become a “dependent district” of the City.
- The Board of Directors of the District could be:
  - Current Board of Directors of KCWD
  - Current City Council members
- Decisions on water district business would be considered and acted upon by the joint boards.
- KCWD Board members would receive a \$250 monthly stipend.
- City Council members would not receive any change to their stipend or benefits.
- KCWD General Manager could become a Department Head in the water district/city structure
- All KCWD staff would remain in place under the new organizational structure, with no reduction in pay or benefits.
  - CALPERS retirement formula and benefits of KCWD are currently the same as the City so there would be no change.
  - Transition KCWD staff to the appropriate City bargaining groups and health/dental/vision plan.