**Westport County Water District**

**Board of Directors**

**Minutes of Regular Meeting**

**Thursday, August 8, 2024**

The regular monthly meeting of the Westport County Water District (“District” or “WCWD”)Board of Directors convened at 7:08 pm via zoom on Thursday, August 8, 2024. Notice and the Agenda were previously properly issued, a Board quorum was present, and it was confirmed that each Director was able to hear and be heard by the other Directors and members of the public in attendance.

1. **Roll Call at Inception (7:08 pm):**

Present Board Members: Chairman Lee Tepper, and Directors Ms. Carla Thomas and Mr. Gary Weiss.

Present Staff: Operations Manager and Chief Plant Operator Mr. John Morrill, and Administrator Ms. Kayla Cooper.

Present Members of the Public: Mr. Robert Finnell and Mr. Steve Cardullo (portion of the meeting).

1. **Consent Agenda**
2. **Approval of Minutes (7:09 pm):**

Director Weiss moved that the Board approve the minutes of the regular Board meeting held on July 11, 2024. Director Thomas seconded the motion, which was then unanimously approved by the Board.

Director Thomas moved that the Board approve the minutes of the special Board meeting held on July 23, 2024. Director Weiss seconded the motion, which was then unanimously approved by the Board.

1. **Correspondence (7:11 pm)**

This topic was deferred until later in the meeting. See Section 6.B., below.

1. **Public Comment (7:11 pm):**

Mr. Robert Finnell expressed his appreciation to the WCWD staff and to Director and Temporary Secretary Weiss for their efforts on behalf of the WCWD. He stated that he looked forward to the Board having a full slate of five directors once their appointments become effective in December. He stated that Ms. Cooper had done a good job of publicizing the open board seats to encourage or enable other members of the public to apply for a director position. Ms. Thomas inquired whether the Board or individual directors should consider what action to take if a member of the public other than Mr. Finnell or Mr. Steve Cardullo (both of whom have filed their paperwork for their candidacy for the position of director on the WCWD board) expresses an interest in becoming a director. Mr. Finnell suggested that the Board table that discussion until someone actually expresses such an interest.

1. **Staff Reports (7:11 pm):**
2. **Bookkeeper/Administrator Report (7:14 pm):**

Ms. Cooper led the discussion of the WCWD’s monthly financial report. In advance of the meeting, Ms. Cooper had distributed to all attendees a copy of the August 2024 expense report as well as a current accounts receivable aging summary as of August 5, 2024. She reported that as of the date of the meeting, there was $54,736.62 in the WCWD’s main checking account, along with $15,364.97 in water capital and $15,447.94 in sewer capital.

Ms. Cooper observed that the WCWD’s cash position had improved since a year ago, when the WCWD’s main checking account held $49,533.66, roughly $5,200 less than it holds currently. She added that for each of the past five months, going back to April of 2024, the WCWD’s cash position showed improvement over the corresponding month in 2023.

Mr. Morrill asked Ms. Cooper why the AT&T bill on the current report showed an unusual dollar charge. Ms. Cooper replied that AT&T tacks on additional taxes and fees to the approximately $180 monthly charge.

Ms. Cooper stated that she had no further developments to report regarding any remaining delinquent accounts.

1. **Operator’s Report (7:18 pm)**

Mr. Morrill led the discussion of the August 8, 2024, Operator’s Report he had circulated in advance of the meeting. He reported that WCWD staff morale was good.

Mr. Morrill reported that the District needed to purchase more chlorine for its drinking water treatment plant, and that he had ordered another 50 gallon barrel from Univar at the price of $4.10 per gallon. This constitutes a roughly 8-9 month supply. Mr. Morrill reminded the Board that summer is the highest usage time for the District’s drinking water supply.

Mr. Morrill further reported that wastewater lagoon depth as of July 31, 2024, was 6.5 feet, or 31% of capacity and down from the June 2024 level of 10 feet. He stated that there remain 16 days of spraying to complete.

Mr. Morrill reported that he has been investigating various telephone alternatives to AT&T, which is expensive and provides ineffective performance for the District. One company, RACO Manufacturing & Engineering, provides a cell phone product that could provide a cost-effective improvement. He said the District should consider using the RACO system at its lift station. After a one-time start-up fee of $2,600.21, the phone system costs just $450 per year (as opposed to the AT&T cost of roughly $2,400 per year). He observed that this system may not be appropriate for the water station, as cell phone coverage is spotty there. Mr. Morrill said he will continue to research and explore this and other alternatives to AT&T.

1. **Old Business (7:26 pm)**
2. **Procedures and Deadlines for Upcoming Director Application Process (7:26 pm):**

Chairman Tepper reported that he had traveled to Ukiah to complete the paperwork for his application for another term as Director of the WCWD. Director Weiss reported that he had done the same on August 8, 2024. Mr. Morrill stated that he had seen Mr. Steve Cardullo, who reported that he had completed and submitted the paperwork for a 2-year term. Director Thomas and Mr. Finnell likewise reported that they had filed the paperwork for their applications to serve as Directors.

1. **Municipal Service Review & Sphere of Influence Update Requested by Mendocino Local Agency Formation Commission (7:28 pm):**

Mr. Steve Cardullo joined the meeting at 7:28 pm. Mr. Morrill reported that he, Ms. Cooper and Mr. Cardullo had met for 2 ½ hours with Ms. Uma Hinman, Executive Director of the Mendocino Local Agency Formation Commission (“Mendocino LAFCO”). Ms. Hinman had previously written to Ms. Cooper, Mr. Morrill and Chairman Tepper requesting an update on the District’s sphere of influence and operations. Mr. Cardullo said that he had provided historical information to assist in this process. Mr. Morrill stated that Ms. Hinman said that she would schedule another meeting and prepare an updated report which she would distribute to the WCWD Board.

1. **Status of and Next Steps for WCWD Capital Improvement Projects (7:35 pm):**

Director Weiss had, in advance of the meeting, circulated a redlined version of GHD’s draft contract for the wastewater infrastructure system capital improvements containing Director Weiss’s suggested changes. He asked whether other Board members, staff or members of the public had suggested changes or additional suggestions. Director Thomas said that she agreed with Director Weiss’s suggested edits but had a few additional suggested edits.

One suggestion made by Director Thomas was to eliminate in Task 2 (page 3 of the draft) the assumption that “Seismic, structural and foundation assessments of the existing structures are excluded from the scope of work.” Director Thomas stated that with so many buildings used by the District, it may be wise to include an assessment of their seismic and structural condition. Mr. Morrill replied that he plans to advocate for cyder block buildings with metal rooves for their resistance to termites, and that he did not believe a seismic analysis of structures other than the water tank is necessary. Director Weiss replied that he can at least tee the issue up for discussion with GHD by putting a notation in the redlined draft.

Director Thomas also questioned why, in Subtask 3.2 of the draft agreement, GHD excluded from the scope of work the “proper disposal and environmental testing” of contaminated soil. She asked whether this meant the District would be responsible not only for any necessary remediation but also for testing. She noted that CEQUA processes can be cumbersome and expensive, and asked whether GHD’s concern centered on heavy metals or biological contaminants. Mr. Morrill replied that there was no particular issue identified by GHD, and that he doesn’t believe there are any contaminated soils at the lift station, sewer plant of water plant, but he surmised that the most likely issue they would be concerned about is leaking oil. Director Weiss said that he would put a notation in the revised redlined draft so that this issue could be raised and discussed with GHD

Director Weiss requested that any director or interested person with additional comments communicate those to him via a redlined draft, and said he would incorporate them into a revised redlined draft to be sent to GHD.

1. **Discussion of Policy and Procedure for Considering Customers’ Request of Change from Commercial to Residential Service Rates (7:53 pm):**

Mr. Finnell stated that he had researched this issue and confirmed that the WCWD Board had previously passed and issued a policy on handling customers’ requests to change from commercial to residential rates, and that this policy required a one-year notice period before rates could be changed. Mr. Cardullo recalled that this policy had been instituted during a period of financial hardship for the WCWD and said that he does not think such a policy is appropriate at this time. He said, however, that in his view a customer wishing to change their billing status from commercial to residential must show that they have in fact removed their property from the rental market. Mr. Finnell suggested that the Board table this issue until Mr. Cardullo and Mr. Finnell formally join the Board in December.

1. **Status of Timber Harvest Plan on Property Owned by Roger and Michelle Burch Trust (7:59 pm):**

Director Weiss stated that he had previously met with Mr. Clint Doucette of Redwood Empire Sawmills in mid-June to discuss the anticipated harvest plan. Mr. Doucette had said that he expected that the plan would not be prepared until July at the earliest and that he would forward a plan when it was ready. Director Weiss reported that he had heard nothing from Mr. Doucette since that mid-June meeting. Director Thomas said she had asked Mr. Gary Markley whether he had received any new information but had not yet heard back from Mr. Markley. Director Weiss stated that he would follow up with Mr. Doucette and report back to the Board.

1. **Consideration of Resolution to Post Draft Minutes as a Practice (8:02 pm):**

The Board had discussed this proposed resolution extensively at its prior regular meeting on July 11, 2024, and the Directors expressed agreement with both the resolution and the rationale for it (more transparency and more timely information reaching WCWD customers) but did not vote on it. Ms. Cooper inquired whether the Bookkeeper and Operator reports should be published along with the draft minutes. Mr. Finnell stated that in his view they should but said the Board could wait on that issue and vote now only on publishing the draft minutes themselves. Mr. Cardullo stated his agreement with the proposed resolution but noted that the District must then budget for the additional work the resolution would necessitate for staff. Ms. Cooper stated her appreciation of Mr. Cardullo raising that issue and reminded attendees that when she was first hired for 20 hours per week, she understood that her duties were about bookkeeping only, but later other duties (such as creation and maintenance of a website) got added to her plate. She reminded the Board that she can work on WCWD matters only on Mondays and Tuesdays when she has no work at the hotel.

Mr. Finnell offered to take over the duty of posting draft minutes to ease the burden on Ms. Cooper. Mr. Morrill agreed with the rationale for posting draft minutes but expressed concern about Ms. Cooper’s burgeoning task list. Director Thomas said that Ms. Cooper should be paid for the extra hours and that the Board should consider how to budget for this in December, after the Board has a full complement of 5 directors. Director Weiss asked Ms. Cooper to keep track of her hours, so that the WCWD can track and pay her for the extra work she does.

Director Thomas moved to have Ms. Cooper post draft minutes from the prior Board meeting and most recent bookkeeper and operator reports at the same time she posts the agenda for the next upcoming Board meeting, and to replace those draft minutes with final minutes once the draft minutes are approved at the meeting. Director Weiss seconded the motion, which was then approved unanimously.

1. **New Business**
2. **Review of Recently Completed 5-Year Audit (8:33 pm):**

In advance of the meeting, Ms. Cooper had distributed the independent auditor’s draft audit report on the District’s financial statements for the years ended June 30, 2019, June 30, 2020, June 30, 2021, June 30, 2022 and June 30, 2023. This report was requested by GHD as it is one of the required items for grant applications to enable the funding of the various capital improvement projects that will be undertaken by GHD on behalf of the District.

Ms. Cooper asked whether the Board had any questions or comments about the draft report. Director Weiss raised a question and concern about Note K to the financial statements, which states that “the District has an outstanding loan to one of the board members in the amount of $38,709 dating from 2011-2014, and that loan has no due date and no payment due at this time.” Both Ms. Cooper and Mr. Finnell replied that this statement was in error and that the loan had actually been made *by* a Board member *to* the District, and not the other way around. Mr. Cardullo recalled that the director (Chairman Tepper) had given the loan to the District and asked at the time if he could forgive or waive it. Director Weiss then stated that Chairman Tepper had submitted a “no debt” letter to GHD to be filed in support of the grant applications. He suggested that the auditor prepare and submit a corrected audit letter. Mr. Finnell agreed and stated that this error would then be merely a disclosure issue and that the District should inform GHD about the misstatement and then submit a corrected audit letter. He suggested that the District could either ask the lender to waive the debt or have it carried for 10 or more years without interest. Director Thomas and Mr. Finnell stated their agreement that the misstatement was immaterial to the District’s grant application, although they surmised it would have been material to a financing agreement had the District sought one instead of a grant.

Director Thomas noted that the draft audit report mentiones insurance and sought confirmation that the District indeed has insurance. Ms. Cooper confirmed that the District carries insurance and reported that she had just received the latest annual policy.

1. **Review of Letter Received from the Mendocino County Department of Planning & Building Services re Affordable Housing Laws (8:52 pm):**

Mr. Morrill stated that the District had received a letter dated July 1, 2024, from the Mendocino County Department of Planning & Building Services as part of an effort to inform all water districts and sewer districts of the California requirement to grant priority to allocation of resources to lower income housing developments and to request a copy of the District’s policies and procedures for responding to requests to initiate new water or sewer connections. Ms. Cooper read the letter aloud. Mr. Finnell stated that the District ought to defer providing a response at this time and await further requests or clarification from the County on this issue.

1. **Brown Act: Continued Digital/Virtual Zoom Meeting Authorization Pursuant to County Health Department Guidance (8:58 pm):**

Director Weiss moved to continue providing the option for zoom attendance at WCWD Board meetings. Mr. Finnell stated his agreement with holding the meetings by zoom and noted that California is experiencing a wave of COVID cases this summer, making zoom meetings even more appropriate. Director Thomas seconded the motion, which was then unanimously approved.

1. **Adjournment (9:00 pm):**

Upon motion made (Director Weiss) and seconded (Chairman Tepper), the Regular Meeting of the WCWD Board was unanimously adjourned at 9:00 pm.

Respectfully submitted,

Gary Weiss

Temporary Secretary for the August 8, 2024 WCWD Board Meeting