

BOARD OF DIRECTORS
Lower Lake County Waterworks District No. 1
Official Minutes of the Regular Meeting Held January 14th, 2020

A. CALL TO ORDER

Chair Frank Haas called the Regular Meeting of the Board of Directors to order at 1 P.M., Chair Frank Haas, Directors Coleta Barnhart-Proctor, Frank McElwain, Martin Schleif, were present, also present were Todd Fiora, General Manager, Mike Kallerman Operator III (Chief), Brianna Cook (to be sworn in to the Board of directors). In the Public was Teresa McElwain, John Spriet, Meri Browning, Cynthia Lebrun, and Dolores Parker, Shelley Reed, and another member of the public that was not introduced.

B. ACCEPT RESIGNATION OF FORMER BOARD MEMBER

On a motion from Director Proctor, seconded by Director McElwain, the motion passed with 4 ayes, 0 nays

C. SWEAR IN NEW BOARD MEMBER:

Ms. Cook was appointed to the Board by the Board of Supervisors on January 7th 2020. Mr. Fiora administered the Oath of Office to Ms. Cook. She then joined the Board as a newly appointed Director

D. NOMINATION AND ELECTION OF CHAIR AND VICE CHAIR FOR 2020

Director McElwain Nominates Chair Haas to remain as Board Chairman and Director Proctor as Vice Chair. On a Motion by Director McElwain, seconded by Director Schleif, the motion passed with 5 ayes, 0 nays

E. APPROVE MINUTES OF THE BOARD OF DIRECTORS MEETING HELD DECEMBER 10TH, 2019, SPECIAL MEETING HELD DECEMBER 13TH 2019, AND SPECIAL MEETING HELD DECEMBER 27TH 2019

After reviewing the minutes for the December 10th meeting Vice Chair Proctor made a motion to approve the minutes, Chair Haas seconded, the motion passed with 5 ayes, 0 nays

After reviewing the minutes for the December 13th meeting Vice Chair Proctor made a motion to approve the minutes, Director McElwain seconded, the motion passed with 5 ayes, 0 nays

After reviewing the minutes for the December 27th meeting Vice Chair Proctor made a motion to approve the minutes, Chair Haas seconded, the motion passed with 5 ayes, 0 nays

F. FINANCIAL:

1. Review and Discuss Financial Statement for December 2018

The General Manager provided the check registers for the month of December and January to date. Mr. Fiora also explained that he did not provide the Financial Statement since the books are out of order and he did not want to present inaccurate statements. Vice Chair Proctor asked why the District changed the check signing process. Mr. Fiora explained his knowledge on the process and why it was changed to the way it is now. Vice Chair Proctor asked that the check signing process be put on the next Agenda. Mrs. Browning (public) pointed out that check #1744 is missing. Mr. Fiora replied that he will look into. Given the circumstances the Board accepted what was provided and unanimously approved the financials on a motion made from Vice Chair Barnhart, seconded by Chair Haas.

G. PUBLIC INPUT: Cynthia Lebrun stated that she thinks that a few items should have been tabled

at the last meeting and should be on the agenda and are not. Those Items being The OSHA Consultation, Action Sanitary, Timecards, and Comp Time. Mr. Fiora said he has gone through the previous minutes and anything that was tabled is on today's Agenda. Mr. Fiora will double check and see if these items were missed and put them on the next agenda if they were in fact tabled. Mr. Fiora also noted that he has not had a chance to go over the Osha Consultation since he has returned and Action Sanitary was billed on December 18th.

Mrs. Parker from Century 21 asked this is the time to speak about the Konocti Rods and Motors Shop. Mr. Fiora Replied that it is on the Agenda already since it was tabled at the December 10th Meeting so she should wait until item J 4

H. CORRESPONDENCE: None

I. GENERAL MANAGERS REPORT

Mr. Fiora started by thanking the Board for bringing him back to Lower Lake Water. Mr. Fiora has been working to get back all the projects back on track from his absence, he has talked to everyone involved in the Intertie Project to continue the Construction Application, and the SRF application to upgrade source and treatment facilities, he is focusing on getting the financials back in order to submit for the construction application. He has been updated from Mr. Kallerman about what has happened in his absence and they are working on Solutions to problems that arose during the PSPS Power Shut offs. Director Schleif asked what we are doing about filling the secretary position, Mr. Fiora replied that he has put items on the to address the current staffing positions.

J. OLD BUSINESS:

1. Intertie Update: Lower Lake CWD, Konocti CWD, Highlands MWC

Mr. Fiora updated the Board on the intertie project during his Managers report.
No Action

2. Main Street Office Remodel Update, Consideration to Re- Authorize General Manager to Post Notice Inviting Sealed Bids to Start Public Bidding Process

Included in the Board Packet was the bid documents. Mr. Fiora explained that he was authorized in August 2019 to post this project to Bid as soon as he received all the documents back from Legal Counsel. Since he received them back from Legal Counsel a day prior to his resignation he never was able to post the notice in the paper to start the public bidding process. Mr. Fiora would like to be re-Authorized to post this project for public bidding.

Cynthia Lebrun (Public) asked the Board if they would discuss Item J 4 before making any decision on this item since there was a real estate representative with century 21 in the public that wanted to speak on item. The Board agreed to move to item J4, Chair Haas moved to item J 4

After Item J 4 Chair Haas returned to this item.

Vice Chair Barnhart Motioned to post the ad in the paper and start the public bidding process, Chair Haas seconded, the motion passed with 5 ayes, 0 nays

3. Installation of Pressure Reducing Valve on Spruce Grove Rd for Ranch Sendero Subdivision

Mr. Fiora requested that this be considered an emergency and to hire a contractor to install the PRV Station ASAP since the Ranch Tank is now leaking from the bottom and can potentially create a slide on the mountain where it sits, also to consider the water loss. Mr. Kallerman also expressed the need to get this in too.

Director Schleif made a motion to hire a contractor to install the PRV Station ASAP and abandon the tank, seconded by Director McElwain, the motion passed with 5 ayes, 0 nays

4. Possibly Acquiring of Larger Facility Located on Main Street, Lower Lake

Mrs. Parker from Century 21 passed out 5 copies of the listing and pictures for the of the Konocti Rods and Motors Shop and asked the Board of Directors to consider purchasing the Konocti Rods and Motors Shop instead of remodeling the Districts current main office. Mrs. Parker stated that she believes it is in the communities' best interest to purchase the bigger facility and move the office there. Mr. Parker continued saying the current district office can be sold to pay a portion of the \$710,000 asking price for the Konocti Rods and Motors Shop and as for the legalities she presented the deed to the property and stated that Mrs.

Armstrong's name is not on the deed and therefore it is not a violation to the Brown Act and that it would be a clean transaction. Mrs. Parker asked that the Board Consider creating a committee to evaluate this purchase for consideration.

Mr. Fiora said that he had done some research on with the districts Legal Counsel and although the former Board member is not on the grant deed, her spouse is which makes it a violation to multiple laws and is the same as if she was on the deed. He continued that this was brought up by Mrs. Armstrong in July 2019 and he looked into it then as well and it was advised then to not be brought up do to conflict of interest and that if it were brought up and or considered it would result in a lawsuit with penalties and prison time. It was also a conflict of interest for former Director Evens since she worked for Century 21 and Century 21 was representing the sale. Mr. Fiora informed Director Armstrong of the Legal Counsels opinion back in July and this was supposed to be dropped but he seen that after his resignation it was put on the agenda which has "Tainted it" (Per Legal Counsel). Mr. Fiora stands with the Legal Counsel and advises that this subject be dropped and no longer discussed.

Mrs. Parker recommended that Mr. Fiora get a second opinion. Mr. Fiora informed her that he had three opinions before his resignation and three opinions after his resignation and all were the same.

Director Schleif added that the building seems to be too big to warrant our districts need since we only have 4 vehicles.

Vice Chair Proctor added that we have a lot of other projects and needs to focus on and this isn't the time to consider a purchase of this magnitude when we already own a build free and clear and need to remodel it.

Meri Browning (Public) added that someone needs to review Mrs. Armstrong's form 700 and see if she reported the financial interest in the Konocti Rods and Motors shop. If she did that would be yet another reason to drop this subject.

Mrs. Lebrun (Public) added that the district can sell the current office as is for \$200,000 to \$225,000 and put it towards the Konocti Rods and Motors Shop.

Vice Chair Proctor had a copy of a loan from the county recorders office that is tied to the Konocti Rods and Motors Shop and also Mr. Armstrongs current residence and the signors on the loan is Mrs. Armstrong and her Spouse and that adds to the conflict of this subject.

Shelly Reed with Century 21 then reiterated what Mrs. Parker presented and stated that this is there last attempt to get the district to purchase the Konocti Rods and Motors Shop.

John Spreit (Public) added that he agrees with Director Schleif that the building is overkill and added that the property taxes would be outrages.

Vice Chair Proctor called a motion to remove this item from the agenda and not consider this purchase, Director Schleif seconded. The motion passed with 5 ayes 0 nays

5. Starnik Billing and QuickBooks Accounting Software Quotes

Vice Chair Proctor Requested that this be removed from the agenda since the Software's we currently have are fine and the information that was given previously about our current software's were inaccurate. Mrs. Browning added that she would not want to work with QuickBooks, and she upgraded Calleyomi to Sage 2 years ago since QuickBooks does not work with the County Checks and it is not a double entry program.

Director Schleif called a motion to remove this from the agenda, Chair Haas Seconded the motion, the motion passed with 5 ayes 0 nays

K. NEW BUSINESS:

1. Consideration of adopting New Proposed Organization Chart

Mr. Fiora presented a copy of the current and a new proposed Organization Chart for the Board to consider. After the Board reviewed the Organization Chart. The current Organization Chart has the office personnel under the Board and the field personnel is under the General Manager. The new Organization Chart creates a Clerk of the Board position under the Board of Directors and moves the Office Staff to be under the General Manager.

Mrs. Lebrun added that the new proposed Organization Chart is the way most districts are set up.

Vice Chair Proctor made a motion to adopt the newly presented Organization Chart. Seconded by Director McElwain, the motion passed with 5 ayes, 0 nays

Mr. Spriet then asked if we can move to Item K12 since he has to leave shortly. The Board excepted his request and move to Item K12

2. Consideration to review/Update/Change Job Description/Policy #2310 and 2330, Administrative Secretary II

Mr. Fiora Presented the Current Job Description Administrative Secretary II and the proposed Bookkeeper/Internal Auditor policy. Mr. Fiora Recommended that we Delete Policy Number 2310 and 2330 Administrative Secretary II and Adopt Policy # 2330 Bookkeeper/Internal Auditor.

Vice Chair Proctor made a motion to delete Policy Number 2310 and 2330 Administrative Secretary II and Adopt Policy # 2330 Bookkeeper/Internal Auditor, seconded by Chair Haas, the motion passed with 5 ayes, 0 nays

3. Consideration to Adopt Job Description/Policy 2310, Clerk of the Board

The Board reviewed the proposed Job Description

Vice Chair Proctor Motioned to adopt the Clerk of the board Job Description, seconded by Chair Haas the motion passed with 5 ayes, 0 nays

4. Consideration to Appoint Interim Clerk of the Board

Mr. Fiora recommended that the Board appoint Meri Browning as the Interim Clerk of the Board. Meri has helped the district with new hires for the past two years and currently is part time Clerk of the Board for Calleyomi County Water District. Director Schleif asked if we need to put a time limit on the appointment since it is Interim. Mr. Fiora advised that per Legal Counsel we are not required to have a time limit but can if the Board feels it necessary. Mr. Fiora recommended that we match Mrs. Browning's pay at Calleyomi Water of \$24.04 per hour and allow her to work as many hours she can around her current job in order to get our books back in order.

Vice Chair Proctor motioned to appoint Meri Browning as Interim Clerk of the Board for \$24.04 per hour and authorize the hours needed to get the books back in order. Seconded by Director McElwain the motion passed with 5 ayes, 0 nays

Chair Haas then moved back to Item J3 Old Business

5. Consideration to Review/ Update/Change Policy # 2340 Administrative Secretary I

Mr. Fiora presented the current Administrative Secretary I job description and a proposed Accounting Clerk Job description and recommended that the Board delete Policy 2340 Administrative Secretary I and Adopt Policy 2340 Accounting Clerk. The Board discussed the proposed Job description.

Vice Chair Proctor motioned to delete Policy 2340 Administrative Secretary I and Adopt Policy 2340 Accounting Clerk, seconded by Director Schleif, the motion passed with 5 ayes, 0 nays

6. Consideration to Review/ Update/Change Policy # 2080 Employee Status and Class

Mr. Fiora presented Policy #2080 and recommended that we revise this policy to delete Policy #2080.2.2 that states the Bookkeeper works at the pleasure of the board of Directors that way does not conflict with the Job Descriptions and new Organization Chart.

Director Proctor Motioned to delete Policy #2080.2.2, seconded by Chair Haas, the motion passed with 5 ayes 0 nays

- 7. Consideration to Review/Update/Change Policy #2010, Hours of Work and Overtime**
Vice Chair Proctor recommended that we do not offer the 4/10 schedule to the office staff. Mr. Fiora recommended that we just add to the Policy that this does not apply to the office personnel.

Vice Chair Proctor motion to add to the policy under 4/10s that this does not apply to the office staff, seconded by Director McElwain

- 8. Consideration of resolution Amending By-Laws to Change Time of Regular Meetings**
After discussion the Board agreed to change the Regular meeting times back to 4:00PM by adopting Resolution Amending By-Laws 2020-01 on a motion by Vice Chair Proctor, seconded by Director McElwain, the motion passed with 5 ayes, 0 nays

- 9. Dissolve all previous Committees**

Vice Chair Proctor made a motion to dissolve all current Ad- Hoc Committees, seconded by Director McElwain the motion passed with 5 ayes, 0 nays

- 10. Appoint Ad Hoc Committees for Budget, Policies and Procedures, Capital Improvement, Rates and Charges**

Chair Haas named off the Committees so the Directors could volunteer for the ones they wanted to be on. The results were Budget: Director Schleif and Vice Chair Proctor. Policies and procedures: Vice Chair Proctor and Director Cook. Capital Improvement: Chair Haas and Director McElwain. Rates and Charges: Chair Haas and Director Schleif.

On Motion by Vice Chair Proctor, seconded by Haas, the motion passed with 5 ayes, 0 nays

- 11. Request for Review- Lake County Cannabis Club Address 8466 Lake St. Lower Lake, CA 95457**

After reviewing the plans there was no action to be taken.

- 12. Consideration to Approve and send letter to Previous Employee Requesting That Overpayments and Miss-Payments Found be Payed Back to District, and to Approve Letter to Current Employee Requesting that Over Payment Found be Payed Back to The District**

Mr. Fiora Explained that while preparing the termination check for the Administrative Secretary II it was found that there were multiple miss-payments and over payments amounting to around \$3,000.00 and that the district is obligated to recover those funds. Legal Counsel advised to send a letter to propose a payment schedule be set up with the employee. There was also a small miss payment to the current Administrative Secretary I for around \$500.00 and it was advised to also send her a letter too.

Mr. Spreit (Public) Stated that is a misuse of public fund or embezzlement and whoever is responsible needs to be held to the full extent of the law.

Vice Chair Proctor motioned to send a letter to both employees, seconded by Director McElwain, the motion passed with 5 ayes, 0 nays

L. CONSIDERATION OF ITEMS NOT APPEARING ON THE POSTED AGENDA

Mr. Fiora proposed adding review of the General Managers Job Description to the agenda since he did not put it on the agenda by mistake. The Board decided to wait until the next meeting.

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M. ANNOUNCEMENTS

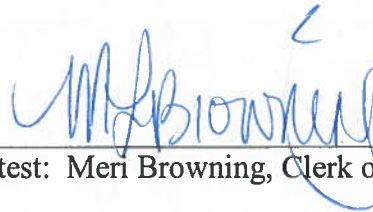
Next Regular Meeting to be held February 11th at 4:00 P.M

N. ADJOURNMENT AT 3:01 P.M.

There being no further business a motion for adjournment was made by Vice Chair Proctor, seconded by Director Schleif, 5 ayes 0 nays



Frank Haas, Chairman



Attest: Meri Browning, Clerk of the Board

Approved: February 11th, 2020