



Timber Cove County Water District

Board Meeting Minutes - September 2024

1. Call to order: 10:02am-

Board- John Gray, Jay Kvapil, Bob Leichtner and John Rea

Guests- Joey Ball, Melany Collett, Yvonne Gray , Nate Desomber, John Dolan, Lorra Stone and Scott Heffner

Guest via Zoom- Spencer Lipp, director

2. Approval of Agenda-

John Gray moved to approve the agenda, Jay Rea seconds; motion passed unanimously.

3. Approval of minutes from July & August 2024

Discussion- Bob Leichtner commented that the minutes should include any/all documents that the board votes on such a resolution or a link provided for that document. Jay Kvapil agreed and noticed one of the links wasn't a live link and the links should be checked prior to publishing.

Bob Leichtner moves to approve the minutes, Jay Kvapil seconds- motion passed unanimously

4. President's Report- John began by stating there has been slow progress on several issues. John reported the coastland study on the plant is nearly complete and Joey will speak to it in his report. John stated while Coastland was out for the plant evaluation, he had them look at Lee drive as he is concerned about the potential loss of the water line should the road collapse further. John stated that Coastland commented that the slide was not a water district issue, but rather a road issue and not our responsibility. John stated together they determined that in the event of a full road collapse (although there would be loss of water) we have the ability to isolate Hwy 1 and Lee Dr. John stated should this occur only one home would be impacted with no water until repairs could be made so it's not a priority for now. John stated the road collapse is a greater danger to PGE as the line is very close to the slide.

John stated that Melany will discuss progress on the OES grant and the challenges with the red tape with governmental agencies. John reported there has been progress made although very slow. John stated that he and Melany have a follow up meeting coming with the USDA Monday on our loan request for infrastructure improvements.

John reported the the office building from Mobile Modular was approved by the HOA . John stated he had met with PRMD on Sept 11, 2024, regarding changing the permit to remove building from scratch and substituting the modular building that Jay had found at a far lower cost. John also stated the county did not request HOA approval, but he thought it best to do so proactively to speed things along in case they requested it later. John said he was given specific direction at that meeting on canceling the old permit and resubmitting the new plans. John was able to get the new grading plan, site map and just received the new foundation engineering Friday. John said he will re-submit them to the county on Monday now that he has obtained all the information they require to move forward. John said the directors will be voting on the building today.

John said Mechanics bank is interested in loaning the District the initial funding for the building and they had contacted him first to make the proposal. John said he would explain later as an agenda item about loan approvals. John said for example a \$300,000 loan would be approximately \$1900 a month for 30 years, \$2,600 for 15, \$5,900 a month on a 5-year loan. John did explain to them the district would be coming back to them for larger loan for infrastructure as USDA does require other loan apps and bridge financing if they approve the loan.

5. Operator's report- Joey Ball read the operator's report. A full copy of the report can be found on our website at <https://www.timbercovecountywaterdistrict.org/files/31e98ff15/September+2024+Operator+report.pdf>

6. Treasurer's report- Melany Collett read the treasurer's report. A full copy can be found on our website at <https://timbercovecountywaterdistrict.specialdistrict.org/2024-09-28-board-meeting>

7. New Business

7.1- Leak forgiveness policy request- Lorra Stone spoke and stated she was contacted by Melany Collett that she had a leak at her property. The leak was between her house and the meter. Lorra contacted a plumber and had the issue repaired. Joey confirmed the loss at 40,000 gallons.

Jay Kvapil moved to approve the leak forgiveness request at .03 cents a gallon, Bob Leichter seconds-motion passed unanimously

7.2-Mechanic's Bank request for the July 2024 minutes formatted for financing-Melany Collett stated that although the board previously approved moving forward with securing financing options for the Lyons Court building it was written in the July minutes as "USDA and other financing". Melany stated when she submitted the minutes with the financial packet Mechanic's bank, they requested that the July minutes be updated to their format to include naming their institution specifically in as opposed to "other financing". Melany stated the next item on the agenda 7.3 is a request to move forward with a loan application with Mechanics Bank and believes that item to be sufficient to cover this request by Mechanic's Bank. John Gray stated item 7.2 and 7.3 of this agenda can be combined. John Gray stated this request doesn't change the minutes just the way Mechanic's Bank is listed. Jay asked if we what would happen if the district applied for a loan with a different bank and they approve it a 6.5% whereas USDA may approve us at 4%. Jay asked if the district would be obligated to go with the loan at the higher rate. John Gray stated the way USDA explained financing is the District needed to secure bridge financing first then goes to USDA and fold the loan into it. Jay Kvapil stated to make certain there is no prepayment penalty on any bridge loan.

Bob Leichtner moves that the District move forward with the loan application with Mechanic's Bank and USDA in the format acceptable to the institutions- John Rea seconds – motion passed unanimously

7.3- Move forward on loan application with Mechanic's Bank and USDA- combined with 7.2

Discussion- John Gray stated he believed the whole project for Lyons Court to be about \$300,000.00, with building, foundation, grading and septic. John stated a \$300,000.00 at the current rate of 6.5% would be \$1900.00 under a 30-year term, \$2600.00 under a 15-year term. John stated there is also a 5 year at \$5900.00. John stated any of those options do fit under the current budget, but the district would not want to spend \$5900.00 a month.

John stated if we go to USDA the loan would be 1.3 million at about \$7500.00 a month at the current interest rate at 30 years . John mentioned that USDA goes to 40 years too. Bob wanted clarification with John if the district got a long-term loan would it be more manageable, and John stated it would be. Bob also stated keeping costs as low as possible. Discussion ensued amongst the directors.

7.4 -Approval of for 25% down payment on Lyons Court building-

John Gray moves to approve the 25% down payment to purchase the Lyons Court building from existing funds, Bib Leichtner seconds- motion passed unanimously

7.5-Personnel update- John Gray stated Drew Ferrante resigned as he got full time employment elsewhere. John thanked him for his time with the district. John Gray

reported that he made an offer to a previous employee Alfonzo Portugal as shift operator part-time. 3-4 days a week Melany Collett stated Alfonzo did accept the offer.

8. Old Business-

8.1 Update on LHMP Grant- Melany stated it has been a really rough process getting the District registered with SAM.gov. but she is working on it.

8.2 Update on financing with USDA- Melany reported that USDA stated we do not qualify for any grants due to the medium household income of Timber Cove. Melany stated that there's a meeting upcoming Monday with USDA.

9. Public comment- Bob Leichtner thanked Joey and Melany the things talked about today, the condition of the plant and operations along with their efforts including budget and financing is an order of magnitude better than the district has ever had historically. Bob stated it matters a lot to the Board. John Gray commented the district is fortunate to have the staff they have. Yvonne Gray commented the water is the best tasting water and she fills up in timber cove and brings it to Santa Rosa. John Gray says our water tastes liked bottled water.

10. Approval of the bills- John Gray moves to approve the bills, Jay Kvapil seconds- motion passed unanimously

11. Setting the Agenda, Time & Place for November 2, 2024- John Gray moved to approve to set the agenda, time, and place at the Fort Ross Conservancy at 10:30 am, Bob Leitchner seconds- motion passed unanimously

12. Adjournment- Bob Leichter moved to adjourn the meeting , Spencer Lipp seconds- motion passed unanimously

Attest: _____ Date _____

The secretary of TCCWD does hereby certify that the above minutes were approved by the board on the above date