

# **RAND COMMUNITIES WATER DISTRICT**

## **Special Board Meeting**

# **MINUTES**

Wednesday, December 30, 2020

501 Comstock Ave, Johannesburg, CA 93528

### **I. Call to Order**

President Cliff Kennedy called to order the regular meeting of the Rand Community Water district at 7:00 pm on Wednesday, December 30, 2020 in Johannesburg, California. The Pledge of Allegiance was recited.

### **II. Roll Call**

Present were President Cliff Kennedy, Director Tom Williams, Director Ghulam Din and Director Brent Brown. Vice-President Ernest Napolis was absent.

### **III. Adopt Agenda**

Director Williams made a motion to adopt the agenda, seconded by Director Din. Motion passed with four ayes and one absent.

### **IV. Communications from the Public**

No comments from the public were given.

### **V. Rate Increase Discussion**

President Kennedy said that CoBank told us we needed to raise our rates in order to get a line of credit to service the grant. The lawyer, Steven Kennedy, was contacted by Office Manager Jones, who came back with everything that would have to be done to achieve this. President Kennedy explained why we needed the line of credit, that its purpose was for us to be able to pay the contractors while waiting to be reimbursed by the grant. This is standard practice.

Director Din said that to raise the rates would be a long process and he didn't know if we had that much time. Director Williams suggested sending out a letter to a public about the rate increase stating what we needed to do, and give them an opportunity to say yes they agree or no they don't want it. 51 percent of the people have to disagree in order for a rate increase not to go through. Director Williams also suggested adding 500 gallons to the minimum. Office Manager Jones said it is CoBank requires a debt service coverage of 1.10 percent in order to lend to us.

Director Brown suggested sending the paperwork from the last rate increase done to the attorney to find out if it was done legally. He also suggested contacting Alta One about a line of credit.

Director Brown said to ask NV5 how big a lump sum of money we will need for 30, 60, 90 days to pay contractors. Director Kennedy said to send the lawyer the paperwork from the last rate increase. Director Williams said a rate increase was needed just to survive. President Kennedy said he would call NV5.

Director Williams made a motion for President Kennedy and Office Manager Jones research it a little further before we can make a decision and bring it up again at the next meeting. The motion was seconded by Director Din. Motion passed with four ayes and one absent.

**VI. Adjournment**

Director Din made a motion to adjourn the meeting, seconded by Director Williams. Motion passed with four ayes and one absent. The meeting was adjourned at 7:50 PM.

ATTEST: \_\_\_\_\_  
Debbie Jones, Recorder