

RAND COMMUNITIES WATER DISTRICT
REGULAR MEETING
MINUTES

Thursday, September 14, 2023
27804 Comstock Ave, Johannesburg, CA 93528

1. Call to Order

Vice-President Ghulam Din called the regular meeting to order at 5:00 PM.

2. Pledge of Allegiance

The Pledge of Allegiance was recited.

3. Roll Call

Present: Vice-President Ghulam Din, Director Robert Baum, and Director Mark Jones.
Absent: Director Will Liebscher and President Jay Friel.

4. Communications from the Public

No comments were made from the public.

5. Adopt Agenda

Vice President Din made a motion to adopt the agenda. The motion was seconded by Director Baum and was passed with 3 ayes and 0 nays.

6. Discuss/Take Action on Board Member Obligations and Responsibilities

Vice-President Din initiated a discussion on the status of Director William Liebscher position on the Board of Directors. There were a number of concerns regarding his failure to fulfill the duties required of a board member, including his failure to comply with the board member requirement of being an active customer of the water district, and his failure to attend board meetings for an extended period of time.

Regarding the first issue, it had been established in *Resolution #2019-1* that one of the requirements for a position on the Board of Directors is that a director must be an active customer of the water. Following the observation that Director Liebscher was not in compliance with this requirement, he had been notified of his violation several months ago and was given directives to rectify this. However, no response was given, and he has remained in violation until the present.

Regarding the second issue, it had been noted that Director Liebscher has been absent for 10 consecutive meetings, spanning 5 months, and had made no communication with the board since his last attendance on April 6, 2023.

Based on his abandonment of the board and lack of attempt to comply with the board member requirements, the board members discussed a proper course of action to be enacted for this case.

Director Jones made a motion that Director Liebscher be removed from the Board of Directors. Director Baum seconded the motion, and the motion was passed with 3 ayes and 0 nays. The motion was carried and William Liebscher was removed from the Board of Directors.

7. Accept Board Member Resignation

Prior to this meeting, President Jay Friel gave his resignation letter to a board member, which was then presented to the Board of Directors at this meeting. Vice-President Din made a motion to accept the resignation. The motion was seconded by Director Baum, and the motion was passed with 3 ayes and 0 nays. Jay Friel is no longer part of the board.

8. Closed Session: Interview Board Member Applicants

A closed session began at 5:35pm to interview 4 applicants to fill the two vacant positions on the Board of Directors.

9. Return to Open Session

The meeting returned to open session at 6:00pm. Vice-President Din gave a summary of the reportable actions that took place in the closed session:

- The Board has decided to appoint one applicant for the position of Director on the Board of Directors, while the second appointee will be decided on in a future meeting. The applicant that was unanimously selected by the board was Robert Gregory Frazier.

10. Appoint New Board Members and Administer Oaths

With Robert Gregory Frazier being selected by the board, the appointment procedure was conducted. Secretary Tahir administered the Oath of Appointment to Frazier, and he was formally appointed to the position of Director on the Board of Directors.

11. Discuss/Take Action on Board Offices

With the President having resigned, a discussion was set to take place on the designation of the positions of President and Vice-President on the Board of Directors. However, since there are currently only 4 members on the Board of Directors, the board agreed to complete this designation in a future meeting once the other vacancy is filled.

12. Update Banking Signatory List

According to our district's policy, only individuals currently on the Board of Directors are to be authorized signers for our bank account. With the individuals listed as authorized signers for our AltaOne banking account being outdated, modifications were necessary to reflect the current board of directors. The board agreed on the following changes to be made:

The following individuals are to be removed from the signing list:

- Jay Friel (resigned from Board)
- Gregory Thompson (resigned from Board)
- Ernest Napolis (resigned from Board)
- David Perry (resigned from Board)

The following board members are to be added to the signing list:

- Robert L. Baum (current Board Director)
- Robert Gregory Frazier (current Board Director)
- Mark Steven Jones (current Board Director)

The corresponding paperwork was filled out and these changes were reflected therein.

13. Discuss/Take Action on Loan Issued by Self-Help Enterprises

A discussion took place regarding the loan agreement with Self-Help Enterprises. Certain clauses within the loan agreement raised concerns with some board members, such as the conditions regarding the interest being charged. Additionally, small details—such as the mailing address and authorized signer—were noted for correction. After discussion, the board moved on to the next item on the agenda.

14. General Manager's Report

General Manager David Perry gave a report of the notable events and achievements for the month. A summary is given below:

- Fixed 4 service connection leaks in Johannesburg.
- Fixed 1 service connection leak in Red Mountain.
- Fixed 2 mainline leaks in Randsburg.
- Met with Self-Help Organization and helped negotiate the current loan agreement.
- We lost power to Well #2 for two days due to a raven's nest shorting out the transformer.
- Replaced a broken barrier-post on Oompaul and Piute.
- USGS tested Well #2 for depth and temperature.
- Installed an air-vac at Johannesburg tank.
- Vandalism to the Jo'burg tank enclosure was fixed.
- Replaced Booster #2 pump and motor.
- Lee Patton, our risk assessment person with JPIA, let me know that we (board included) will need to attend a sexual harassment training class. The employees will have to attend defensive driving, flagging, and other online classes in order to help keep us safe.
- Located the 4" line at the proposed Booster #4 site.
- Responded to Ryan Avery's request for NV5's request for payment.
- Talked to Carlos Bravo at Self-Help about the need for a new Board President to sign the loan papers.
- Currently working on the electrical wiring at W2, B2, and B3 to balance the motors.
- Installed a new pressure guage at Booster #2, so adjustments can be made to prevent cavitation (air in the water).
- Moved another meter box outside of a customer's fence in Red Mountain.
- A section of the transmission line got washed out with the last rainstorm and I am currently working on a plan to prevent it from happening again in the future. (non-emergency)

15. Discuss Budget

Vice-President Din prepared a draft budget for the board to review for the 2023-2024 Fiscal Year. Some concerns were raised with the financial health of the district, owing to a lack of revenue, unpaying customers, and an increase in operating expenses mainly caused by the pumping electricity cost almost doubling from the cost two years ago. It was noted that we are severely in the negative with our operating expenses and revenue. It is only due to property tax income that we come close to breaking even with our expenses, and this is a risky position to be in as a business. Suggestions were made to

help retain the little revenue we receive, such as by being more strict in our termination policy (ensuring customers pay on time consistently), investing the money we have in CDs, or increasing the rates. After we have a rate study conducted, we will have a better idea of the possibilities for the district.

Overall, the draft budget presented by Vice-President Din appeared reasonable and realistic considering the previous year's finances. A motion was made by Director Jones to adopt the draft budget. The motion was seconded by Director Baum, and the motion was passed with 4 ayes and 0 nays.

16. Pay Bills

Bills were presented and paid.

17. Approve Minutes

Director Jones made a motion to approve the minutes from the April 13, 2023 meeting. The motion was seconded by Director Baum and was passed with 4 ayes and 0 nays.

18. Future Agenda Items

No items were suggested to be tabled for a future meeting.

19. Proceeding Adjournment

Director Baum made a motion to adjourn the meeting. The motion was seconded by Director Jones, and passed with 4 ayes and 0 nays. The meeting was adjourned 7:45pm.

ATTEST: Maaz Tahir
Maaz Tahir, Secretary
RCWD Board of Directors

Minutes Approved with 5 ayes and 0 nays at a special meeting held on October 30, 2023.