



# COTTONWOOD WATER DISTRICT

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## MINUTES

### REGULAR BOARD MEETING

Date: November 9th, 2022

Time: 4:00 PM

Location: District Office

#### Board Members

Lewis Presley	Chairperson	Present
Ron Spurgeon	Vice Chair	Present
Art Parham	Board Member	Present
Nick Shidlovsky	Board Member	Present
Vacant Seat	Board Member	Vacant

#### District Staff

John Hollmer	General Manager	Present
Candice Krames	District Secretary	Present

#### AGENDA ITEM(S):

##### 1. Call to Order

- a. The Cottonwood Water District Board of Director's meeting was called to order at 4:02pm by Lewis Presley, Chairman.

##### 2. Comment Period

- a. Persons wishing to address the Board on a matter, which is not listed on the agenda, Pursuant to Government Code Section 54950. (Time Limit may be utilized at the discretion of the Board). Members of the public may address the *Closed Session* matters at the time the closed session is announced.

1. No public comment.

### **3. Consent Agenda Items**

a. Approve minutes of the Regular Board Meeting October 12, 2022.

1. A motion was made to approve the minutes of the Regular board meeting for October 12<sup>th</sup>, 2022 by Spurgeon and seconded by Shidlovsky. Motion passed.

b. Approve Payment of October 2022 bills.

1. A motion was made to approve payment of October 2022 bills by Spurgeon and seconded by Parham. Motion passed.

### **4. Regular Agenda Items**

a. Review and adopt Independent Auditors Report outlining the Financial Statements Dated June 30, 2022.

1. The bound Managerial reports and financial statements were presented to each board member. Question in regards to the receipt needed for the generator sold by the District for \$3,500.00 was confirmed received by John. The Auditors re-visited the General Manager compensatory time paid off and how the wording in the current Employee Handbook and the new memorandum established in 2020 did not clarify if the CT hours are to be a paid benefit at straight time verses time and a half. Not having clarification if the General Manager is non-exempt or exempt is a legal issue with handling compensatory paid time. On the Management report, Item FS 2022-002 for Compensated Time off, the accountants suggest having our legal counsel review the CTO policy for legal compliance. Clarification is needed to see how to handle the banked 300 hours of the General Managers compensated time to be paid out as 1.5 times for each hour accrued or at straight time. John confirmed he has 300 CT straight time hours banked in compensatory pay and is paid now monthly the CT hours split at straight time and not 1.5 times the pay. Note to have the Auditors update their reports to state R-03-2020 and not R-02-2020 like stated. The board members reviewed the employee handbook. Ron Spurgeon asked if John feels an agreement between his employment as General Manager as an exempt employee is agreed. No one feels a legal counsel is necessary. John did agree to be an exempt employee with no qualification for overtime pay and compensatory time to be paid only at straight time. John said he sees where confusion comes from with the memorandum stating the compensatory time to be paid at 1.5 times the rate for on-call vs overtime. John inquired with Candice if he had any rollover on-call time to be paid while he was out on paternity leave, Candice confirmed he has hours to be paid out. A motion was made that the General Manager position is an exempt employee and will be paid compensatory time at a rate of hour to

hour. The next subject was the Bank reconciliation find on the management report. This was a re-cap to last year end of year findings. Candice confirmed the totals of \$4,036.32 deposit in transit was deposits received in the bank dated July but were paid by our customers the end of June. The Auditors did say in the follow up section the review of cash noted did agree with bank reconciliation and the general ledger. They mentioned back dated checks but the journal entry adjustment is done by Craig and should have been noted by him and not Candice. The \$767.94 was uncleared checks from 2015-2018 that never got adjusted prior to Candice employment and again should have been handled by Craig to be adjusted. She confirmed correspondence with him and how he was behind on getting these adjustments complete in time. The Auditors suggested prorating the basic water charge when a customer closes their water account. Our current policy is to get a final read on the day of closing and bill accordingly. Candice manages this closely and keeps focused on when the turn off date is in the month. For example, if they call to close the account on the 7<sup>th</sup> of the month, we do a read and bill them accordingly with no proration since UBMax does not do proration. They would pay that base rate of \$41.00 and more based on usage. If that address goes into a new name that month, that new customer will also pay that base rate which is why the accountant's think it should be evaluated. If they close it around the time we bill monthly, Candice makes it a policy to wait for reads to be done, then close the account without created another final bill. Then when the new customer starts an account, it will be in the next month's billing cycle and no double base rate is charged or paid. This procedure keeps things accurate and fair. If we were to start prorating the final bill, the difference charged to the customers would be just a slight difference and so much more work to be organized. Journal entries would have to be created to make this successful. Candice will need to contact UBMax to see how to prorate in their system and all the steps to make it successful. The board suggests leaving our billing procedure as is for closing accounts. A motion to approve the Auditors report for last fiscal year 2021-22 was made by Spurgeon and seconded by Parham. Motion passed.

- b. Review of Management Report and execution of Management Representation Letter.
  - 1. See above for motion to approve.
- c. Discuss opening office hours back up to normal Pre-Covid business hours.
  - 1. Ron Spurgeon addressed the subject to re-open the District office back to normal business hours like the County has. Remarks that business might be missed with our Covid plan hours of 3 days a week open to the public. Candice, the District Secretary, said she understands that she took the position offering Monday thru Friday workweek from 8:30am to 4:30pm but for the board to consider how successful things have ran since the closure and how little traffic this District has. Candice has ran the District working in the office Monday, Wednesday and Fridays 9:00am to 3:00pm open to the public. She completes her 40-hour workweek with the District customer service phone calls all transferred to her cell phone in which is

answered Monday thru Friday 8:00am to 5:00pm. Tuesdays and Thursdays Candice has the opportunity to work from home if she does not have task to be done in the office. She is still responsible for completing all job duties including answer all customer phones calls. John gave his view as he agrees being open to the public is important but watching how the past employee was stuck in the office while no foot traffic can be wearing on an employee and not effective. Candice suggested considering other options to re-open the District office to the public. Board members agreed to re-visit this subject at the December meeting to approve in the new year. The way Candice functions remotely now two days a week is by a laptop and using the customer portal that is Cloud based. No action taken.

d. Discuss options to mitigate leak in I5 Bridge.

1. John received an email from Caltrans that was urgent stating they have discovered a leak on the bridge for Gas Point Road that goes over I-5. It is leaking water onto I-5 and needs to be repaired immediately. They notified John in October but have known about it since August. John said it is an 8" pipe with a 16" steel casing. Our crew could not isolate the leaking by shutting off the line since this same line supplies water to the North Cottonwood School and the Holiday Market Plaza. Site Works came out on October 25<sup>th</sup> and installed a shut off valve along with others so the line can be shut off to mitigate the leak temporarily until a more permanent solution can be done. The next plan is to wait for Site Works to get our District on their schedule and try to fix the leak on the embankment on the side with hopes that isolates the leak and can be repaired on the spot. The pipes are enclosed in the bridge which poses a major problem. The responsibility falls on the District to maintain the line leak. The line leak may need to be re-sleeved and remove the old piping so more planning would go into that if this problem surfaces. John will advise with the Board before any major works needs to be completed, even if a special meeting is required so all costs are discussed and approved. Ron suggested reaching out to the State to see if they will help our District with the finances of this emergency since this is a public roadway. An encroachment permit has been issued with Caltrans.

e. General Manager update.

1. Trying to keep Russell Roberts on as an on-call, emergency repair employee does not seem it will work as promised. Since he is a current CalPERS employee with his new job it poses problems with employing him part time with us. Reporting his payroll with on -call time is not a clear situation and we were advised by our Accountant's that paying him as an outside contractor would pose more legal problems with CalPERS. Russell was unavailable for this leak discovered on the bridge recently so he stays busy with his current employer. The Board asked if John plans to start looking for a new hire. John suggested to wait until slow season is over but I think all agreed it may be the best time to search for a new hire and train them. John advised with Art Parham, who sits on the Board at the Cottonwood Fire Department about the paint our District supplied them to help paint the fire hydrants. No work has been completed yet and he would

like to go forward with this project. They will follow up on this subject later. So much got accomplished with a new employee on staff. The Board had made a suggestion to reach out to the Smart Business center to find a new hire but John feels to find someone equivalent to Russell's skills sets, you won't find him through that type of agency. John suggests he may know of a few people he knows on a personal level.

- 5. Closed Session** the Board members requested a closed session with just the four board members. This closed session began at 5:08pm. The closed session ended at 5:20pm. No action taken.

**DISCUSSION:** John and Laurie, from PACE, are in motion with the grant process. A technical memo was sent and updated that our request was denied for a new well grant due to our District not being in financial need for this but more wanting to grow the community by installing a new well. Our current wells meet demand needs. The request for a grant to rehab Well ##2 is in along with fund request for generators. The security gate project is on hold until the District finds a good contact for a decent quote.

**ADJOURN:** With there being no further business, The Cottonwood Water Board of Director's meeting was adjourned by Lewis Presley at 5:21pm.

In compliance with the Americans with Disabilities Act, the Cottonwood Water District will make available to any member of the public who has a Disability a needed modification or accommodation, including an auxiliary aide, or service, in order for that person to participate in the public meeting. A person needing assistance should contact the District office by telephone @ (530) 347-3472 or by mail @ PO Box 2130, Cottonwood, CA 96022 At least two business days in advance. Accommodations may include assistance, seating, or alternate format. If requested, this document and other agenda materials can be made available in an alternative format for person with a disability who is covered by the Americans with Disabilities Act.