

**CORBETT WATER DISTRICT
BOARD OF COMMISSIONERS
REGULAR BOARD MEETING MINUTES November 16th, 2021
6:30pm
Meeting Held Electronically through ZOOM**

BOARD MEMBERS PRESENT: Jeff Hargens, Sara Grigsby, and Fred Sanchez

BOARD MEMBERS ABSENT: Dan Graff and Kelly Piper

STAFF PRESENT: Assistant District Clerk Lynda Ronell and Interim Manager/District Clerk Gail Griffith

AUDIENCE MEMBERS: David Jacob of Hydra Engineering, JeanAnne Parker, Michael Arion, Richard Winkel, CPA, Loren Wilton, and Cloudy Sears

President Jeff Hargens called the Zoom meeting to order at 6:30 p.m.

APPROVAL OF THE AGENDA

Fred Sanchez made a motion to accept the November 16th, 2021 Agenda as presented. Sara Grigsby seconded, all were in favor, motion carried. *(3 yes votes: S Grigsby, J.Hargens, F.Sanchez, 0 no votes)*

APPROVAL OF THE BOARD MEETING MINUTES

Regular Board Meeting October 19th, 2021

Sara Grigsby made a motion to approve the October 19th, 2021 Board Meeting Minutes as presented. Fred Sanchez seconded, all were in favor, motion carried. *(3 yes votes: S Grigsby, J.Hargens, F.Sanchez, 0 no votes)*

Special Board Meeting October 20th, 2021

Jeff Hargens asked if there were any changes to the minutes. District Clerk Gail Griffith said that it's been requested that audience member "Victoria Sears" name be changed to "Cloudy Sears". Sara Grigsby made a motion to approve the minutes, with changes requested, of the October 20th, 2021 Special Board Meeting as presented. Fred Sanchez seconded, all were in favor, motion carried. *(3 yes votes: S Grigsby, J.Hargens, F.Sanchez, 0 no votes)*

Special Board Meeting November 8th, 2021

Fred Sanchez made a motion to approve the minutes of the November 8th, 2021 Special Board Meeting as presented. Sara Grigsby seconded, all were in favor, motion carried. *(3 yes votes: S Grigsby, J.Hargens, F.Sanchez, 0 no votes)*

Special Board Meeting November 12th, 2021

Jeff Hargens asked if there were any changes to the minutes. District Clerk Gail Griffith said that it's been requested that audience member "Victoria Sears" name be changed to "Cloudy Sears". Sara Grigsby made a motion to approve the minutes, with changes requested of the November 12th, 2021 Special Board Meeting as presented. Fred Sanchez seconded, all were in favor, motion carried. *(3 yes votes: S Grigsby, J.Hargens, F.Sanchez, 0 no votes)*

TREASURERS REPORT – October 2021

Treasurer Sara Grigsby went over information in the Summary of Accounts and the Revenue and Expenses for October 2021 that was included in the Board Packets. The treasurer noted that many of the budget percentages were either way over 100 % or at 0% due to the staffing shortage. For instance the planned engineering cost of \$15,000 for the fiscal year was already at \$20,788 due to the district manager position needing to be filled as well as the many projects not started for the same reason. Gail noted that although some projects have no associated costs due to the staffing shortage, there are other projects, which while budgeted for, would not have begun during this cycle anyway. The treasurer thanked Interim District Manager Gail Griffith for all of her work in keeping the district running. Fred Sanchez made a motion to approve the October 2021 Treasurers Report as presented. Jeff Hargens seconded, all were in favor, motion carried. *(3 yes votes: S Grigsby, J.Hargens, F.Sanchez, 0 no votes)*

FY20-21 AUDIT REPORT – Richard Winkel, CPA

District Clerk Gail Griffith introduced Richard Winkel and said that he would be presenting the audit findings as well as discussing differences in cash and accrual accounting. Richard Winkel said that the audit was exactly like they hoped it

would be, it was a clean audit and they didn't have any findings. He also said that all the documentation was there, where it should be, that this was a "nice, boring audit". He explained that the water district operates day to day on the cash basis of accounting. For example you don't record revenue until a customer pays their bill, etc. At year end the auditors come in and convert the financials to accrual basis, part of that is showing the pension liabilities for PERS. When the "Statement of Net Position" is created by Auditors who are using Pension accounting to create an accrual based statement, the Corbett Water District shows an unrestricted deficit of (167,746) which does not accurately reflect our financial position. He said that many smaller and midsized governments have gone away from accrual accounting so they don't have to report the pension liabilities (as well as accounts payable and receivable etc). He suggested we move to the modified cash basis of accounting. The auditor report would more closely match what the district sees in their internal financial statements. He suggested that making this switch would also make the information presented in the audit easier to interpret for the board, the staff, and the public at large. Jeff Hargens said that if they made the change, it would start for the next audit, and asked Gail Griffith how it would affect the duties of district clerk position. Interim District Manager and District Clerk Gail Griffith said that the change would be positive as it would more be easier to use with the day to day financial information. Her opinion would be that the district should change to modified cash. Jeff Hargens replied that if that was her opinion, then he agreed. Sara Grigsby and Fred Sanchez concurred. Fred Sanchez asked if there was anything from the audit that Richard Winkel found to be notable. He said that everything looked remarkably well, and that he wanted the board to keep in mind that as they hired a new manager and clerk to maintain a "segregation of duties" in order to maintain control over the assets. Jeff Hargens asked Gail Griffith to draft a resolution to approve the change from accrual to modified cash. Gail Griffith said that the resolution would be available at the next meeting. Fred Sanchez made a motion to approve the audit and Sara Grigsby seconded the motion. *(3 yes votes: S Grigsby, J.Hargens, F.Sanchez, 0 no votes)* Richard Winkel left the meeting at this point.

EMPLOYEE PAYDAY -1st READING

Jeff Hargens asked District Clerk Gail Griffith to explain why the then District Manager Tom Edwards decided to change the payday. Gail Griffith explained that payday was on the last day of the month but that was also the last day of the pay period. In the past this has caused problems like payroll being done on the Thursday before the last day of the month and then someone who gets paid for Friday, doesn't actually come in, or if there is a call over the weekend, they aren't paid for that time until the next payroll is run. If we change to payroll being run on the 1st or later (sometimes the payroll date would be as late as the 4th), the issue of posthumously correcting for changes wouldn't happen. Sara Grigsby asked if Tom was the first person to bring this up. Gail Griffith agreed that former District Manager Tom Edwards had changed the payday date but that the board had not officially passed a resolution yet. There was more discussion about signing checks and direct deposit and whether or not there is enough time. Gail Griffith said that everyone is on direct deposit now. Jeff Hargens read the resolution.

CYBER-SECURITY POLICY – 2nd READING – REVIEW-INTERIM MANAGER

Interim District Manager/District Clerk Gail Griffith explained that the Cyber-security policy has been posted online for a full month and that once the policy is read a second time the board can approve the policy. Jeff Hargens made a motion to adopt the policy and Sara Grigsby seconded. Fred Sanchez asked if the policy would be explained to the staff in the form of a training. Gail Griffith replied that the policy would be included in the incoming Manager's packet and that it was up to them to disseminate the information to the staff. Jeff Hargens's Motioned to adopt policy and Sara Grigsby seconded. *(3 yes votes: S Grigsby, J.Hargens, F.Sanchez, 0 no votes)*

RECRUITMENT OF MANAGER POSITION – UPDATE

There is a contingent offer to Adam Medford for the position of District Manager. Sara Grigsby inquired about the status of his position and the communication between him and Jeff Hargens. Gail Griffith explained that the contract had been sent to the attorney for a final ok and once the board approved the final draft of the contract it could be sent to Mr. Medford.

RECRUITMENT OF DISTRICT CLERK

The new District Clerk will be Ana Linden.

DRC David Jacobs asked about the time period between Interim District Manager Gail Griffith retirement on November 30th and the potential start date of December 15th for the new District Manager. He asked if a new interim manager should

be appointed for those 2 weeks. Sara Grigsby asked if there should be another meeting to answer that question and Jeff Hargens said that there should be another meeting to approve the contract in order to get it sent to Mr. Medford in a timely manner.

Jeff Hargens asked if they could have a special meeting to approve the contract.

MANAGERS REPORT

Interim Manager Gail Griffith read from the Managers Report that was included in Board packets (attached to minutes) South Fork is still offline, North Fork is online. The Master Plan quotes are due December 15th. Filter Ponds have been tested and leaned in October and November. There was a boil water notice that affected a few customers. Inlet screen was plugged; David Jacob talked about the heavy rains and its effect on the system. Compared to previous system it is much better. Sara Grigsby asked about the staff. Loren Wilton has not had a 6 month evaluation yet, and is on medical leave. He has a follow up appointment on December 3rd with his doctor to see if he can return to work. Manny Diaz's 6 month evaluation was in October and it went very well.

PUBLIC COMMENTS

Community member Cloudy Sears asked why the south fork is offline. David Jacobs replied that it was done by the previous manager and he had not had the opportunity to inspect the site to see what was going on. It makes sense that during the leaf fall to keep North Fork on as it is the easier location. David Jacobs said that he was hesitant to do anything thing new while the district was so short staffed.

BOARD MEMBER ADDITIONAL ITEMS FOR THE GOOD OF THE ORDER

Fred Sanchez asked if the new Manager had access to supply lists and what types of information had been prepared for him. Also Sara Grigsby asked Gail Griffith to share the discussion between Community member Dennis Wiancko and the district regarding a fallen tree on a reservoir. There are several emails between the community member and property owner Dennis Wianko and the district going back to manager Jeff Busto. Gail Griffith assured the board that although the new manager would have all the information about the Loudon property and emails etc in his incoming information for his reference.

ADJOURNMENT OF MEETING

Jeff Hargens made a motion to adjourn the meeting at 7:30p.m. Fred Sanchez seconded, all were in favor, motion carried.