



March 17, 2023

Dear Neighbors,

I would like to update everyone on the State for the water district, the direction we are heading, what has been accomplished as well as address some miscommunications being circulated.

First, our water quality is excellent. We meet all quality standards and over the past few years have upgraded infrastructure to ensure we stay compliant and can quickly identify leaks as well potential quality issues.

Our operators have done an excellent job of water management and were even able to fill our reservoir to the spillway in the worst drought we have ever experienced.

We were successful in doing long overdue improvements at the weir on Timber Cove creek, working with biologists and State regulators to ensure all environmental protocols were followed without damage to wildlife or environment.

Those improvements enable us to capture more water, more efficiently for longer periods of time, ensuring the long-term availability of water for our community.

This years rain while certainly causing problems for many has at least have a silver lining, keeping our reservoir topped off without the need for pumping.

Our plant has upgraded electronics that assist in automation, and we recently installed a SCADA system (**Supervisory Control and Data Acquisition**) that quickly identifies excess water movement that could be leaks and alerts our operators in real time.

It also measures the reservoir level and designed to measure chemical composition of the water being produced for real-time evaluation by our operators.

We have purchased new meters that will not only more accurately record water use but allow operators to quickly identify individual leaks with a simple drive by thus potentially saving our customers significant loss of water in the event of a leak. Those meters have started to arrive and we will soon begin the process of installation.

We identified an issue with a pressure regulating valve that has failed multiple times over the years. This caused higher water pressure downhill. The only way to repair the valve in the past was by shutting down water service for everyone downhill while the repair was being completed. I'm happy to announce

this new infrastructure is in place and now allows our operators to bypass that valve while servicing it without interruption to the service.

We do regular testing of our water not just for State reporting, but to ensure quality.

We are now positioned to look forward on the future of the district for decades to come.

We also need to clear up some misconceptions and miscommunications in the community.

For those of you who have attended our meetings, you heard that we did not receive the grant we applied for **in this fiscal year.**

Does that mean we will not?

No, we simply did not get in line soon enough to be considered in the current fiscal year. The reason we were delayed was twofold.

Here is a bit of history.

First, we did not have the required financials completed where we could even apply for a loan or engage any firms to apply for any type of grant or loan as we were delinquent on audits going back over 5 years.

In fact, the last audit turned in prior to 2020 was for the 2013/2014 fiscal year and even that was not completed until 2018.

The district was in danger of being dissolved and taken over as a result of that mismanagement.

Recognizing the severity of the problem, the then president, Chris Feddersohn recruited me due to my background in management to assist in January 2020, hiring me as Treasurer after being advised by the districts legal counsel that the Treasurer could not be a board member (nor could secretary) and must be an independent from the board and compensated individual.

The 2014/2015 Water Districts audit was completed in March 2020 and submitted to the county in April 2020.

The Hartzheim CPA firm in Beverly hills explained that they would go weeks, even months without any response on requests for documents from the then treasurer then often, the wrong docs would be sent. In fact, they further explained that only when Melany began helping the district, did they start getting the required documents. Their management reports showed multiple significant material deficiencies in financial management not addressed.

In 2020, I released the Hartzheim firm and contracted with a more local firm. I engaged the Riccardi firm in San Rafael who does auditing for other local water districts in our area in April of 2020.

I then began the process of sorting through the documents that needed to be supplied to the auditor in order to get us caught up.

2015/2016 was a challenge as **ALL** 2016 documents were taken from the office. While many records could be recreated from bank records, unfortunately, the lack of documentation was so severe, the only thing that could be established was the financial standing at the end of the year. A deposition under oath

of an individual in the community revealed that many records were burned by that individual. Its not clear if those records belonged to the district, the HOA or both.

It should also be noted that the then President, Chris Feddersohn put out multiple communications asking people in the community , prior directors and managers to return any records they may have to the district to help us move forward but to no avail.

In late 2021, we became compliant after completion of 2015/2016, 2016/2017, 2017/2018, 2018/2019,2019/2020 audits. I managed that process personally, working with the CPA firm, Melany, our bank representative and our bookkeeper.

2020/2021 was completed and submitted on time enabling the district to move forward now being current on all required financial disclosures. The 2021/2022 audit information has all been submitted and we will soon have that audit as well.

I resigned my compensated position in November 2021 after managing the process getting the board complaint and putting in processes and a checklist in place to ensure we did not fall back in that trap.

I ran for the board primarily to help install guardrails to avoid future mismanagement and abuses of the past processes that I discovered while Treasurer.

We did in fact establish guardrails by adding financial transparency and director accountability to our rules and regulation. Those new rules were passed by the board 4-1.

Why we were allowed to become so far delinquent is a mystery. There was a claim that a former employee had taken the records, however that employee had left the district before the fiscal years missing records had even begun.

In August 2021, being now compliant with all financial disclosures, the board under Chris Feddersohns leadership assigned a committee to evaluate the priorities to develop a plan for future infrastructure improvements and repairs.

The committee had 2 engineers, 1 retired lawyer and senior vice president/general counsel for a large environmental firm and a long-term director with hands on knowledge of our system. Certainly, a competent and qualified group.

They worked on the plan for a solid year meeting twice a month to come up with a plan. They experienced many obstacles due to the lack of available records, thus the reason for the extended timeframe. They consulted with the engineering firm who had prepared many plans and acted as a consultant to the district over the years.

The plan was then presented to the district in July of 2022 but one director who disagreed with the priorities began a campaign to discredit the plan as it did not align with their priorities.

The board delayed accepting the plan due to the amount of public comment wanting more time to digest the plan. That delay also delayed our ability to contract with a grant writer. Whether that delay caused us from being considered for this fiscal year in unclear, but it certainly pushed us behind other districts also applying for grants.

The State is however still accepting grant applications and our application has been accepted. That does not mean we will receive the grant but we are in fact in line.

Please keep in mind, our plan calls for a full system evaluation by an unbiased 3rd party engineering firm that specializes in water distribution to determine the priorities to ensure the district is pursuing the most pressing issues first.

The evaluation may very well call for replacement of the Concrete asbestos pipe and I tend to think it may identify the need but I for one am not willing to spend that much public moneys absent an unbiased real evaluation by a 3rd party with no stake in which projects are the top priority.

Once again, I have never been opposed to that project. I only oppose spending the funds not having an expert, unbiased evaluation on priorities.

There is a claim of asbestos contamination.

That is simply not true. In fact, made up.

This type of pipe is common in our country and widely used.

The water has been tested multiple time by an independent State certified laboratory.

There was no trace of contamination found.

If we were to ever find that to be true, I would push for an immediate fix.

The claim that one of our directors stated it falls within guidelines is misstated.

The report from ASBESTOS TEM LABORATORIES, INC reads.... **"No Asbestos Detected"**

The message conveyed was misstated by the individual sending it out. There is a big difference between "falling within tolerance" and "No Asbestos Detected".

New construction however no longer uses this type of pipe for distribution, thus my opinion it may need replacement.

There was also a claim that our water is acidic. Perhaps in the past when the district was so poorly managed and they ran the reservoir out but according to the independent State certified laboratories who we regularly test our water, the PH regularly tests at 7.5, right where it should be and has been at least for the past several years. PH would need to measure below 7.0 to be considered acidic.

We don't just test to hit minimum State safety requirement, we test for quality.

There is a claim that everyone paid \$14,000 and that a promise to replace that section was not honored.

Once again, if you review that actual bond, there is no language of the specifics on which lines would be replaced. In the 1980's, those lines were obviously in far better condition than the rusting cast iron pipes, many above ground that were replaced. Once again, 25-30 years later, we may need to look at replacing those lines but absent a non-biased evaluation from a 3rd party, I'm unwilling to move that to the project to first in line given our limited resources. it may end up being our 1st priority, it may not. That's why we need from an unbiased expert 3rd party.

The Koftinow project was looked at by the committee who recommended the pumping station due to cost constraints and verified with the firm who a prior board had worked with that agreed it would solve the pressure issue. The project to install a pump station was recommended not just because of cost but the length of time it would take to get proper environmental approvals from the coastal commission as well as Native American tribes whom has jurisdiction on environmental issues in our area. I'm not even sure we would be permitted to cross or go under a creek given the amount environmental of hurdles we had faced to even repair existing infrastructure in Timber cove creek at our weir and source of our water. It certainly would face additional scrutiny and delay as well additional cost.

There is communication circulating that we need to replace our water plant. That will be discussed at our upcoming meeting.

What I can tell you is the information being circulated on the issues the plant had are not current.

Our operators have solved most issues and the plant was inspected by a representative from the California Rural Water Association who was complimentary of the fixes put in place and commented that replacing the plant was like your car running out of gas so you replace your car.

We had an issue with TTHM's (a sanitation byproduct and potential carcinogenic) that had been identified for a number of years that went unaddressed until the then chief operator brought it to Chris Feddersohn's attention. They moved quickly to address it and that issue has been solved due to new infrastructure installed. Once being made aware, Chris pushed the board on the fixes and was successful in solving that issue that had long been neglected.

The district has upgraded electronics and automation at the plant, installed electronic SCADA and is operating efficiently, meeting all water quality standards

Once again, the miscommunications being circulated conveniently leaves these messages out.

Lastly, there is opposition to our work to have a functional office and sanitary facilities for our employees.

The fact we have employees who do not have access to sanitary facilities is not just disgusting, its unlawful.

Imagine this... We have employees making potable water for us to drink that do not have access to sanitary facilities, have to use outhouses and have no hot running water to wash their hands.

Why has this been allowed for so long??

The structure that is currently on the site is only permitted as a storage building. I have been notified by the county that the only thing it may be used for is that purpose. The foundation was never engineered and after digging around it, we found it is only 10 inches deep below grade. (The required below grade foundation calls for 36-48 inches below grade as determined by a licensed geo tech engineering firm)

The center of the structure is supported by a chassis and jack stands on wooden blocks sitting directly on dirt.

There is no engineering on that so called "foundation."

The "foundation" is nothing more than a perimeter footing around what was once a job site trailer.

I had a geo tech engineering firm (they determine foundation requirements for the soil present) inspect it and they notified us in writing complete with a stamped engineering certification that the structure did not have a proper foundation or meet standards.

Please keep in mind that an effort to legalize this structure started in 2004. That effort failed to legalize it as anything other than storage which was approved as such in 2005.

County Code enforcement notified me that we are lucky to even be allowed to keep it as storage as typically, a structure put up without permit in many cases would be required to be removed.

The fact we have no sanitary facilities violates both State health codes and Cal-OSHA requirements.

The current structure is also non-compliant with ADA requirements.

The claim that it would be more cost effective to simply remodel that structure is pure folly. If it was possible, then why has no one been able to do so since it was 1st proposed in 2004-2005 and again in 2016 through 2021 and failing to even obtain a coastal permit for a retrofit.

You may have heard the claim that they were “so close” to getting a coastal permit for the retrofit that they had been working on for years and rejected.

Well, we now **do have** a coastal permit for a new building but not for a retrofit. It took only as long as it was required to have the various agencies scheduled to complete the proper studies and reports.

A spreadsheet being circulated indicating a lower cost to retrofit that structure is pure nonsense. It has no engineering or architectural specifications or even a stamped confirmation that any engineering or architectural certification of such.

The current board and I have been subject to much criticism. Mainly though by those who were responsible for the prior mismanagement we have been faced with cleaning up to move us forward.

I am sending this message in attempt for all to get a better understanding of the reason we are moving in certain directions and to correct the misinformation being circulated.

The circulation of misinformation and half-truths need to be understood as just that....

half-truths, convenient omissions, and in some cases, even fabrications.

My goal as is most of our directors to work in the best interests of the entire community with transparency and adherence to the law.

What a concept.

I would like to encourage all to attend our meetings in person and observe the board conduct the business of the district and if you have concerns or questions, take advantage of the public comment portion of the meeting to express yourselves.

I realize this is a lengthy message.

It is my hope that all understand our desire to ensure we serve the entire community and clear up miscommunications.

Thank You,

John Gray

President TCCWD