LOS MOLINOS COMMUNITY SERVICES DISTRICT

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L.M.C.S.D.

MINUTES OF BOARD OF DIRECTORS MEETING

AUGUST 13, 2025

A. CALL TO ORDER-
President Gehrung called the herein described August 13, 2025 meeting of the Los Molinos Community Services District's Board of Directors to order at 7:00pm. This meeting was conducted at the Los Molinos Veteran's Memorial Hall, located at 7980 Sherwood Blvd in Los Molinos, CA.

B. ROLL CALL-
Gehrung called roll and confirmed a quorum present. The attending Directors were Todd Hamer, Tom Ware, Darrell Mullin, Paul Murrietta, and Loren Gehrung. District Manager/Secretary, Jim Lowden was present. The public guests present were Joy Otten and Mary LaPrade. RCAC representative Art Arseni was also present.

C. APPROVAL OF MINUTES- Motion by Hamer, seconded by Ware, to approve the July 23, 2025 Minutes of the Board of Directors Meeting as presented. The motion carried by a 5:0 vote.

D. APPROVAL OF ADDITIONAL AGENDA ITEMS- Lowden requested the Board approve an additional agenda item "Approval of Auditor's engagement letter". Motion by Hamer, seconded by Ware to add additional agenda item requested at agenda item G3. Motion carried by the required 5:0 vote.

E. PROP 218 WATER RATE ADJUSTMENT PUBLIC HEARING

1. **CALL HEARING TO ORDER AND INTRODUCTIONS:** President Gehrung called the hearing to order at 7:06pm. Introductions included the LMCSD Board of Director(see above), District Manager Jim Lowden, RCAC rate specialist Art Arseni, and members of the public Mary LaPrade and Joy Otten.
2. **PURPOSE OF THE HEARING:** President Gehrung read the following statement, "The purpose of this public hearing is to consider proposed changes to the District's water charges in accordance with Proposition 218".
3. **STAFF REPORTS AND PRESENTATIONS:** RCAC's representative, Art Arsenti, gave a Power point presentation (see printed copy attached) that explained the new water rates, how the rates were calculated, the reasons for the water rate increase. Staff provided background information during the presentation.
4. **PUBLIC TESTIMONY AND COMMENT PERIOD:** There were public testimonies presented. Joy Otten expressed concern that her income was approximately half the Median Household Income

that was used to calculate the affordability index. Noting that there are many users on fixed income that would have difficulty with the rate increases. Joy Otton submitted a written protest Mary LaPrade which provided her calculations showing the water billing base rate should be approximately $22.00. However, her calculations were flawed using approximately half the actual number of connections. Mary LaPrade submitted a written protest. Being no further testimony, President Gehrung closed the Comment/Testimony Period.

5. **BOARD CONSIDERATION OF WRITTEN PROTESTS:** Dristrict Secretary Lowden reported that the District received and recorded two parcel protests of the 367 eligible voting parcels. After review the board conclusion was the protests submitted did not suggest non compliance with prop 218, and would not alter the necessity for the rate adjustment.
6. **BOARD CONSIDER ADOPTION OF RESOLUTION 2025-67 "RESOLUTION OF THE BOARD OF DIRECTORS OF LOS MOLIONS COMMUNITY SERVICES DISTRICT INCREASING FEES AND CHARGES ASSOCIATED WITH THE PROVISION OF WATER SERVICE"** Secretary Lowden confirmed to the Board that the District's water rate increase process was conducted in accordance with the requirements of Proposition 218, and ultimately lackedf the required number of protests to stop implementation of the proposed rate changes. Motion by Mullins, seconded by Hamer to adopt district resolution 2025-67. The motion carried by a 5:0 vote.
7. **PUBIC HEARING ADJOURNMENT** President Gehrung adjourned the Public Hearing.

F. **APPROVAL OF PAYMENT DEMANDS July 23, 2025 through August 12, 2025 -** Motion by Hamer, seconded by Ware, to approve the Payment Demands for July 23 through Aug 12, 2025 totaling $17,082.58 (see report attached). Motion carried by a 5:0 vote.

G. **FINANCIAL BUSINESS-**

1. **TREASURER'S REPORT as of July 18, 2025-** The Board reviewed the Treasurer's Report. Motion by Ware, seconded by Hamer, to approve the August 12, 2025 Treasurer's Report as follows;

TREASURER'S REPORT- SUMMARY of FUND BALANCES		
	July 18, 2025	**August 12, 2025**
Checking Account	$35,320.75	$30988.47
Bond Redemption Fund	$225,779.77	$225,779.77
Capital Replacement Fund	$160,705.33	$160,705.33
Operating Reserves	$38,038.77	$38,038.83
In-Lieu Fund	$68,459.94	$53,901.44
TOTALS	**$528,304.57**	**$509,413.84**

2. **UPDATE ON PROPOSED WATER RATE INCREASE** No update needed.

3. **CONSIDER APPROVAL OF AUDITORS ENGAGEMENT LETTER –**Motion by Hamer, seconded by Ware, to approve the Engagement Letter from Larry Bain, CPA to perform the 2024-2025 annual audit at a cost not to exceed $5,850. Motion by Hamer, seconded by Ware, to approve the Letter of Engagement and to authorize President Gehrung to sign on behalf of the District. Motion carried by a 5:0 vote.

H. <u>GENERAL BUSINESS-</u>

1. **LMCSD'S TEHAMA COUNTY GROUNDWATER COMMISSIONER'S REPORT-** Director Hamer gave the Board an update on the activities of the Commission. The current activity is concentrated on the Well Mitigation Policy. Work continues on the state plan expected to be released sometime in September.

2. **GENERAL MANAGER'S REPORT-**
   (a) **Review District Operations-**Lowden gave a quick overview of district's operations.
   (b) **Consider a Change to the District's Rules and Regulations-**Lowden will prepare language to modify the Rules and Regulations to better address vandalism to district facilities. Will be present at a future board meeting.

3. ADJOURN- Being no further business the meeting was adjourned.

Respectfully submitted,

James G. Lowden, Secretary