

**Riviera West Mutual Water Company
Board of Directors Meeting
Friday, January 15, 2010
Held at Riviera West Clubhouse**

MINUTES

- I. CALL TO ORDER:** The meeting was called to order at 6:00 PM by President Jan Worswick.
- II. ROLL CALL:**
Board Members present:
President – Jan Worswick
Vice President – Jim Snodgrass
Treasurer – Linda McPherson
Secretary – Sharon Beeson
Director – Dave Worswick
- III. CONSENT CALENDAR:**
Minutes – Motion M/S/C/ to approve November 20, 2009 Minutes
- IV. COMMITTEE REPORTS:**
President Jan Worswick introduced:
Director (Dave Worswick): Operations/Maintenance: Dave stated there continued to be a big concern regarding water, even though the lake has risen due to the rain we have received. Emergency cutoff pumps and switch have been approved and installed.
Treasurer (Linda McPherson): Linda reported on P & L for a 2 month period. Said there were the usual assets and main liability was the 8 year old State loan.
- V. OLD BUSINESS:**
President (Jan Worswick): Jan stated the State Regional Control Board's discretionary fine is still active and being reviewed. Jan explained the original complaint and fine were removed, as they are viewed as no longer consistent with enforcement policy statutes. Still the State has the option of the discretionary fine and we have no idea of the penalty, instead of the fine. Our attorney states it is negotiable at the time it is made and advised us to "Let Big Dogs Sleep". Jan further stated our Discharge to Land Permit continues to work through the County and State permit process with Civil Engineer, Scott DeLeon, resolving issues as they come up. Architectural Overview is required to determine there are no Indian burial grounds or other problems. Bids were requested and two of the three bids are still due in. We will have to deal with this process as required items come up.

VI. NEW BUSINESS:

President (Jan Worswick): Jan stated that water operator, Jerry Lyken, is hoping to retire in the next year. He has lost his assistant and the plant needs two operators. The plan to advertise, interview and hire has been implemented, with three interviews this past week and followup interviews set for next week. The person hired needs to work as Jerry's assistant until Jerry retires and as that timeframe approaches, interviews for the second operator will be in order.

Due to a "Cease and Desist" letter received (copy included) from attorney Scott Lewis on behalf of unnamed client/clients (copy sent to our attorney for advice) Jan Worswick and Dave Worswick, on advice of said attorney, have stepped back and the meeting was turned over to Vice President, Jim Snodgrass.

Jim Snodgrass asked that he be allowed the courtesy of addressing the grievances and/or allegations that had been put forth by some residents with no interruptions. (It should be noted here that he was pretty much interrupted and heckled throughout his explanations) He stated he should have addressed them sooner (before he stepped down to Vice President due to business obligations and time constraints), but was trying to take the high road and not re-visit the past. He said he was advised against not getting past problems out in the open and told he would regret it. He noted that turned out to be true.

Jim Snodgrass asked if anyone had not received or read the letter of "Cease and Desist", some had not, therefore the letter was read aloud. Jim pointed out that the letter refers to both client and clients, so he did not know if it was one person or a group. Nina Pohl stated "We contributed".

Jim Snodgrass noted that November 21, 2008, was the first time that *this* Board was aware of the 4 mil fine, when an official notice was received. **This fine was due to missing State Discharge reports from January 1, 2004 to July 1, 2007.** The Board had one month to respond and were advised to sign a waiver so we would have time to address the issues. Also noted was that the attorney advised that a low profile be kept, due to the problem of "Piggy Back" legal cases that could occur. Jim also noted that as of August 20, 2004, then president, Ray Oliva, stopped State mail from coming to the business office by putting in a change of address from the Association to his personal residence and changed the State email to his personal email. **It was also noted that most of the 4 mil fine occurred under Mr. Oliva's presidency.** Following Mr. Oliva's resignation and Jim's election to the Board, Jim asked for the files pertaining to the Water Company. Mr. Oliva denied having them, however, they were not with the rest of the files at the office.

Jim addressed the fact that Jan Worswick had been asked by the Water Board in an open board meeting (minutes posted to the web site) on January 16, 2009, to research the paperwork regarding the State that was stored in archive boxes, retrieve pertinent information

and achieve a viable resolution. He stated that she did far more than retrieve information: she was lobbying more than 55 legislative analysts and water agency members throughout California to enlist their support to change the legislation and statutes under which we were being charged.

He said the two of them discussed payment and he had offered an amount that was (to him) embarrassingly low and she countered at \$23/hour which he accepted. Jan accepted that offer and it was negotiated solely by himself, he then asked the other board members if that was acceptable and they agreed. Time was of the essence and we needed to act immediately. Jim said at that meeting he presented the idea and there was absolutely no resistance. This action was legal according to a provision in our bi-laws.

It has been wrongfully alleged that Jan Worswick paid herself and that she took the liaison position to benefit herself.

Jim stated that at this point in time, \$8,477.63 already had been paid to the attorney. He further stated that the Board was advised by the attorney to have someone else do this lobbying as it would cost \$350 to \$500/hour if they did it. He said Jan was paid \$9,949.92 representing 472 hours of work over the last ten months and that did not include the extra work she continued to do for the Association at no charge. 472 hours times \$350 is \$165,200.00 if the attorney, or a lobbying firm had done the same work as Jan.

The next part of the response to the "Cease and Desist" letter made the allegation that Dave Worswick was receiving monies to which he was not entitled. Jim stated that Dave has performed numerous unpaid services for this community, has been paid from invoices clearly listing the amounts spent, much of which was for materials and hardware. Jim made it clear that Dave has received \$2,445.94 for services rendered and that the homeowners had received quite a lot more than was billed, including computer hardware and time not charged for by Dave. Also addressed was the video surveillance requested repeatedly by homeowners which was purchased and installed by Dave with low compensation for his time. Dave has not charged the homeowners for his ongoing weekly review of the security equipment or for making adjustments and checking the equipment. Jim went on point by point addressing and refuting all the allegations and/or grievances that have been presented.

At one point a verbatim (word for word) record was begun and it was my intent that each and every point be addressed and recorded here, but it became quite lengthy and burdensome, and in the interest in keeping the minutes to a manageable length it is my suggestion that it would be best if each homeowner viewed the video recording for themselves. However, if it is felt to be mandatory that the rest of Jim's point by point information be made part of the minutes, I can certainly make an addendum.

VII. OWNERS FORUM: Chaos ensued as multiple homeowners spoke at once without being recognized by the President. Most were speaking regarding various emails they had written or received. Ray Oliva managed to speak at a higher volume. His statement was "I have been in ongoing contact with Bruce and Amy at the State and the Regional Board's Chief Counsel on the other fine matter."

Further chaos, with no response to calls to come to order, made continuation impossible and President Jan Worswick adjourned the meeting at 8:10 PM.

VIII. NEXT MEETING: Friday March 19, 2010 6:00 pm

IX. ADJOURNMENT: Motion M/S/C to adjourn meeting 8:10 pm.

Respectfully submitted,

Sharon Beeson, Secretary