



August 16th, 2025

Western Hills Water District  
Minutes of the Special Meeting of  
The Board of Directors

1. Roll Call of Closed Session 10:00 a.m. adjourned at 11:15 a.m.  
M. Kovich, M. Oliver, and J. Frederick. M. George Johnson. M. Davies in attendance virtually due to illness. In Attendance by teleconference were District Counsel Lemmo and Special Counsel Pearce
2. Motion to approve published agenda  
Unanimously approved by Board members in attendance
3. Public Comments on Closed Session Items/Motion to adjourn to Closed Session  
No public comments. No attendees from Public.
4. Closed session ended  
Closed session items 4 (A), (B), and (C) discussed and concluded
5. Reconvened Open Session 12:00 p.m.  
Roll call was taken M. Kovich, M. Oliver, J. Frederick, M. George Johnson. Mary Davies in attendance virtually due to illness. WHWD Board unanimously approved. Approximately 35 in person attendees. Approximately 25 virtual attendees.
6. Reportable Actions Taken During Closed Session  
None
7. Consent Calendar
  - A. Motion to approve minutes of the July 26<sup>th</sup>, 2025 special meeting.  
Motioned by M. Kovich. 2<sup>nd</sup> by M. Oliver. Unanimously approved
8. Public Comment on Agenda Items  
Doug Moore commented about test well drilling

## 9. Agenda Items

- A. Director Kovich and Director Oliver gave a brief presentation on the following
  - a. Kern County Water Agency – Attorney Pearce had commented
  - b. County of Stanislaus pending property tax sale
  - c. Status of test well drilling
- B. Consider making \$948K interest payment due September 1, 2025, to CFD Bondholders. M. Kovich motioned to withhold payment. M. Oliver 2<sup>nd</sup>. Unanimously approved to withhold.
- C. Publication of vacancy for DG Coordinator volunteer position. Motioned by M. Kovich. 2<sup>nd</sup> by J. Frederick. Unanimously approved.
- D. Consider renting clubhouse for 1 day only to Anthea Hansen on October 14th for \$900 + \$500 deposit. Motioned by M. Kovich. 2<sup>nd</sup> by M. Oliver. Unanimously approved.
- E. Consider spending apx \$90K of CFD funds for two (2) test wells on CFD property. Motioned by M. Kovich. 2<sup>nd</sup> by M. Oliver. Unanimously approved.
- F. Overview of new Board advisory committees (Clubhouse and Bylaws). Both Director Kovich and District Counsel Lemmo presented legal requirements of how the committees will operate, adhere to the Brown Act, and file CA Form 700's. M. Kovich motioned to have Director Davies as the interface between the WHWD Board and Committees. M. Oliver 2<sup>nd</sup>. Unanimously approved.

### Public Comment on Items Not on the Agenda

- Claudia McGuire when test wells are drilled who owns the water rights?
- Lydia Stewart questioned when WHWD will start paying KCWA and will our water be shut off by KCWA by December 31, 2025. Director Kovich could not give a definitive answer.
- John Alvarez inquired about the potential property tax sale. Director Kovich explained and elaborated on the situation.
- An unidentified member of the public claimed that Open AI says the District needs to get a court injunction to stop KCWA from potentially suspending water to KCWA. Director Kovich disagreed.

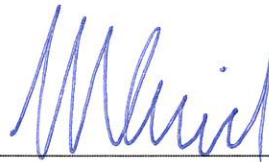
At 12:59 p.m. Director M. George Johnson motioned to adjourn the public meeting. M. Kovich 2<sup>nd</sup>, Unanimously approved.

Respectfully submitted:



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Lori Lawson, Secretary of the Board



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Mark Kovich, Board President

## **EXHIBIT "A"**

### **CONFLICT OF INTEREST CODE**

#### **WESTERN HILLS WATER DISTRICT**

The Political Reform Act, Government Code Section 81000, et seq., requires each state and local government agency to adopt and promulgate a conflict of interest code. The Fair Political Practices Commission has adopted a regulation, 2 Cal. Code Regs., Section 18730, which contains the terms of a standard conflict of interest code ("Standard Code"). The Standard Code can be incorporated by reference and may be amended by the Fair Political Practices Commission after public notice and hearings to conform to amendments in the Political Reform Act. Therefore, the terms of 2 Cal. Code Regs., Section 18730, and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference and along with the attached Appendix consisting of this Exhibit "A" and Attachments "A" through "C", in which members and employees are designated and disclosure categories are set forth, and the place of filing is specified, shall constitute the Conflict of Interest Code of the Western Hills Water District ("District").

Persons holding designated positions and designated employees shall file statements of economic interests with the Secretary of the District. Upon receipt of the statements of the various designated persons, the Secretary of the District shall make and retain a copy and forward the original of these statements to the place of filing, as indicated on Attachment "C".

**ATTACHMENT "A"**  
**CONFLICT OF INTEREST CODE**  
**WESTERN HILLS WATER DISTRICT**

**DESIGNATED POSITIONS/ EMPLOYEES**

Under provisions of the Standard Code, designated positions/employees shall file statements of economic interests. Listed below are the designated positions/employees for the Western Hills Water District and the appropriate disclosure categories for filing:

<b><u>POSITIONS/EMPLOYEES</u></b>	<b><u>DISCLOSURE CATEGORY</u></b>
Members of the Board of Directors	I, II
Operations Manager	I, II
District Secretary	I, II
District Counsel	I, II
Members of Board Committees	I, II
Consultants/New Positions(s)	III

## **ATTACHMENT "B"**

### **CONFLICT OF INTEREST CODE**

#### **WESTERN HILLS WATER DISTRICT**

#### **DISCLOSURE CATEGORIES FOR DESIGNATED POSITIONS/EMPLOYEES**

##### CATEGORY I

Investments and business positions in, and sources of income (including gifts, loans and travel payments) that are from, persons or business entities engaged in the performance of work or services, or sources that manufacture, sell, repair, rent or distribute supplies, materials, machinery or equipment of the type utilized by the District, including with regard to current and future operations of the Clubhouse.

##### CATEGORY II

Investments in business entities which do business, plan to do business, or have done business in the District within the past two (2) years, and all interests in real property located in whole or in part: [1] within the boundaries of the District, [2] within two (2) miles of the boundaries of the District, or [3] within two (2) miles of any land owned or used by the District, including any leasehold, beneficial or ownership interest, or option to acquire such interest in real property.

##### CATEGORY III

Consultants/New Positions shall disclose, pursuant to Category I and II, subject to the following limitation:

The Western Hills Water District may determine, in writing, that a particular consultant or new position, although a "designated position", is hired to perform a range of duties that are limited in scope and, thus, is not required to fully comply with the disclosure requirements described in this section. Such written determination shall include a description of the consultant's or new positions duties and, based upon that description, a statement of the extent of disclosure requirements. Such determination shall be a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code.

**ATTACHMENT "C"**  
**CONFLICT OF INTEREST CODE**  
**WESTERN HILLS WATER DISTRICT**

**PLACE OF FILING**

**Where:** Clerk of the Board of Supervisors Stanislaus County  
1010 10<sup>th</sup> Street, Ste. 6500  
Modesto, California 95354

NOTICE OF INTENTION TO AMEND THE  
CONFLICT OF INTEREST CODE OF  
WESTERN HILLS WATER DISTRICT

NOTICE IS HEREBY GIVEN that Western Hills Water District tentatively approved an amended Conflict of Interest Code pursuant to Government Code section 87300. Pursuant to Government Code section 87302, the code designates employees who must disclose certain investments, income, interests in real property and business positions, and who must disqualify themselves from making or participating in the making of governmental decisions affecting those interests.

A written comment period has been established commencing on September 13, 2025 and ending October 27, 2025. Any interested person may present written comments concerning the proposed code no later than the last day of comment period to Western Hills Water District at the address listed below. No public hearing on this matter will be held unless any interested person requests, no later than 15 days prior to the close of the written comment period, a public hearing.

The exact terms of the proposed Conflict of Interest Code, and all of the information upon which the Code is based, are available for inspection and copying by interested persons by contacting the Western Hills Water District representative at the address listed below. Any general inquiries concerning the proposed Code should be directed to the Western Hills Water District representative listed below.

Board of Directors  
9501 Morton Davis Drive  
Diablo Grande, CA 95363