

PO box 3675
Rolling Hills Estates, CA 90274



Klondike Canyon
Geologic Hazard Abatement District

KCGHAD@yahoo.com
KCghad.org

September 22, 2025, KCGHAD minutes

The Chairman, Steve Cummins, called the scheduled Meeting of the Board of Directors, of the Klondike Canyon Geologic Hazard Abatement District, to order via Zoom after the executive session. It was noted there were no actionable items taken and litigation was discussed.

Roll Call – Director’s present - Cummins, Freeman, Grillo, Hotchkiss

Consent Calendar

Approval of Agenda-September 22, 2025

Approval of Minutes – August 25, 2025

September 22, 2025, agenda and minutes of August 25, 2025, were presented. It was moved by Nic Grillo and seconded by Drew Freeman, that agenda and minutes, be approved as presented.

The vote was: Ayes: Cummins, Freeman, Grillo. Hotchkiss, the motion passed.

Approval of Maintenance & Operations Warrant Register September 22, 2025

The Maintenance & Operations Warrants for September 22, 2025, were read by the clerk. Mr. Cummins noted that 46,020.99 of the warrants were for legal, \$61,000 to wells.

Maintenance & Operations Warrant Register

Date: September 22, 2025

1. *Cal Water-Sept	325.59 pd ck1056
2. *SCE - Sept	3,364.42 pd ck 1057
3. Colleen Miller -Sept	1,400.00 pd ck 1714
4. Postage -USPS	31.20 debit
5. *Brad Woodruff – well reading	460.00 pd ck 1058
6. *City Service Paving – inv CM-57927-I	31,150.00 pd ck 1053
7. Ervin Cohen & Jessup, Robert Waxman – legal	33,210.00 pd ck 1712
8. Ervin Cohen & Jessup, Robert Waxman – legal	9,470.00 pd ck 1713
9. Garrett & Tully, APC –. 61374 legal defense corres with clients and council	2,828.00 pd ck 1715
10. Ervin Cohen & Jessup, Robert Waxman – Legal correspondence with carrier	450.00 pd ck 1716
11. *Mike Drews - #2764 Wheel loader, water truck, 60 loads of asphalt grinding	4,600.00 pd ck 1059
12. Steve Cummins – fedex Express reimbursement	62.99 pd ck 1717
13. *Pump Systems Unlimited - #Q8743531 WW5 stuck pump, construction, parts	21,684.69 pd ck 1060

\$109,036.89

*RPV Loan Account

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A motion was made by Judith Hotchkiss to approve Maintenance & Operations Warrant Register for September 22, 2025, seconded by Drew Freeman. All approved and the motion passed.

District Clerk matters- Nic Grillo made a motion to extend the state of Emergency, Drew Freeman seconded the motion. Roll Call – All approved and the motion passed.

There is a legal claim from Martin Pascale and Barbara Kordek, who do not live in the KCGHAD district.

The board voted unanimously to reject the claim.

- 1. Well update, Flow Meter update** – Steve Hinchliffe reported that the maintenance on WW5, WW6 and the new WW7 is complete. WW5 is pumping 206 GPM and set at a depth of 104'. WW6 is pumping 167 GPM and set at 119'. The new WW7 is now online and pumping 323 GPM and set at 152'. KCGHAD is pumping over 1 million gallons per day. All wells are pumping. The damage to WW5 and WW6 is repaired, and the pumps were lowered. He noted they are being careful not to let the pumps get above the water level. The well pumping numbers are super impressive. Mr. Barth asked how much the DDW wells from the city of RPV are pumping. Ara Mihranian reported that DDW1 is offline, DDW2 is pumping 90GPM, DDW3 is pumping 70 GPM, DDW4 is pumping 50 GPM, DDW5 is being redrilled and offline. DDW6 is pumping 75 GPM. It was noted by Mr. Barth the huge numbers coming from both the City and KCGHAD.
- 2. Video, website, and social media update** – Nic Grillo stated there is not that much to update. The website is being maintained and updated weekly.
- 3. Financial Report, Assessments** – Mr. Barth went over the budget. He noted the city loan payment will be about \$160,000 per year and the loan will come due in December of 2026. It will need to be accounted for in the 2026-2027 budget. He is hoping the legal expense will not be so high and the budget will not have to be increased.
Q: Patty Perkinson would like to know where the gravel mentioned in the M & O's brought in by Mike Drews construction is going? **A:** Steve Cummins explained that the gravel is for the 48" drainpipe and for the newly graded area near Yacht Harbor Dr. for channeling the water to the ocean.
- 4. Klondike Canyon Drains, Channel Maintenance, Well Maintenance** – Steve Cummins started off by explaining how WW7 is now up and running. It is set at 175', the casing is bigger, 10" casing and operating at 480 volts. It's more efficient. There is a plan to convert WW5 and WW6 to 480 volts as well. The 48" pipeline is close to starting. He has met with contractors and made changes to the original design. He is waiting for a firm contract price. It should start in 2 weeks and take about 4 weeks to complete. He noted that Nic Grillo walked the canyons with the City and Klondike Canyon is still in good shape from last years winterization. The next big project will be the ancient beach club slide. He is starting to look at back-up generators for the new wells. They are in the \$50,000-\$60,000-price range and will be more efficient and be able to run on propane.

New Business – Q: Sha T added to Patty P's earlier question about what the asphalt grindings were for and where was it being used? The clerk read Mike Drews Construction invoice in detail to Sha T. The invoice explained where the asphalt grindings were going, how many loads and what equipment used to do this.

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Audience Items – Bob Locke informed the participants he has asked questions of Terry Baily with ACTs legal about not having KCGHAD be a part of the litigation. He would like KCGHAD to be removed from the lawsuit that encompasses Cal Water, the city of RPV and other entities. Mr. Locke states he was never informed initially by the law firm, that KCGHAD property owners would need to fund the defense against this lawsuit. “We are suing ourselves”. He states he has called the ACTs’ attorney multiple times, and they will not return his calls. He wants the participants to know “we are suing ourselves”. He noted the Sea View neighbors refused to pay their KCGHAD assessments because of this litigation. Bob Locke would like to propose Klondike Canyon Geological Hazard Abatement District be removed from the ACTs lawsuit. He notes the litigants are paying to defend themselves against themselves. He would like other neighbors to request KCGHAD be removed. He asked “Who is going to pay for the claims” “We are suing ourselves”.

Steve Cummins added that Michael Barth has been a volunteer for KCGHAD and has connected the district with the proper attorneys for defense. Mr. Cummins asked if anyone else wanted to speak on this matter. At that time Mr. Barth took the time to explain that KCGHAD pays two insurance companies. There are 4 lawsuits, not just one. The insurer denied coverage on all lawsuits. Mr. Barth contacted a “bad faith” attorney to try to get the insurance company to step up and represent the district. He is still waiting for response. He would like the insurance company to reimburse KCGHAD for the money already spent but is doubtful that will happen. He has tried to get ACTS to remove KCGHAD from the lawsuit. The plaintiffs’ attorneys do not want KCGHAD to have what’s called an “empty chair”. All lawyers agree they will not remove KCGHAD from the suit. The procedure is moving slowly. They are holding off for discovery and soon it will all heat up and this is when the HUGE expenses will occur. There is a possibility the district will not have to pay these claims, but we would all like KCGHAD out of this mess. Until it’s dropped, KCGHAD is still in the defensive fight.

Q: Sha T – what is the reason for the insurance refusing and rejecting these claims. A; Mr. Barth: they state that they have looked at the claims and they do not show enough reason for KCGHAD to be responsible. He believes the indemnification should extend to legal defense fees. He explained there is liability – look at the claims and Directors errors and omissions insurance which basically said, “me too”, same answer as the liability insurer. He feels this justified hiring the bad defense attorney. He is hoping the insurance will provide defense.

Judith Hotchkiss motioned to adjourn, and Nic Grillo seconded the motion. Meeting adjourned.

Next meeting October 27, 2025

Respectfully submitted: Colleen Miller – Executive Director, Clerk

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