

MeadowCreek Mutual Water Company

MINUTES

Board of Directors' Meeting - Thursday, June 17, 2021, 6:00 pm Via Zoom

- I. The meeting was called to order at 6:00 pm.

Present at the meeting were: Board members Ken Toy, David Hite, Jeff Ahlstrom, Terry Walker, and staff operations manager Dave Tanksley.

- II. The Minutes of the April 22, 2021, meeting were received; there being no corrections or additions, were approved as submitted.

- III. PRESIDENT'S REPORT

- a. AB 54 State mandated required training. There was an opportunity to take the training through Cal Rural June 14; however, both Terry and Ken were unavailable.

Terry had contacted CalMutal re training. If we are a member, they offer training via online webinar to members free of charge. We fall under the Tier D category to join, which is a cost of \$600 per year; however, Terry received an email from Susan of and CalMutual, and they will allow us to join at the lower threshold of \$350 per year because we are just over the annual revenue for the lower tier. Further, the prorated cost to join for 2021 is \$175. The Board agreed we should move ahead with membership.

- b. Website – Dave Hite is going to contact CBT to help get the website updated. Per our legal counsel, Dave will ask to have the website password protected so the public cannot view our minutes or financial information. Terry will now coordinate having the meeting agenda and notice posted, along with the minutes. The Board will ask Dave Baumwohl how far in advance the Notice must be posted.

- c. Member Guard Insurance Renewal – This has been paid. The cost is \$3600 this year.

- IV. LEGAL

- a. Bar M Easement Agreement Update. Ken gave the following summary: Inyo County Recorder's Office responded and rejected our Agreement because it didn't meet their guidelines. They want us to include all legal metes and bounds from the two existing easements, both the old and new legal descriptions. Ken talked with Mr. Langley and explained the situation. The Agreement will be re-drafted by legal counsel. Only the wording will change, not the substance. Once we receive the new Agreement, it will be signed and notarized and sent to the County for filing.

- V. FINANCIAL REPORT – JoAnn joined the meeting and provided a report.
- a. Review of fund balances. JoAnn read the fund balances, which Grae Brigs had emailed earlier to the Board. If any member would like a copy, please request one from a Board member. Because the Minutes are posted for public viewing on the website, the balances will not be written into the Minutes.
 - b. 2020 Tax Filing. JoAnn voiced concern because we have not heard back from CPA Don Porter. The extensions were due, but we do not know if they were filed. JoAnn is licensed to complete the income tax returns. JoAnn requested bringing the income tax return preparation and filing back to her office and use Mr. Porter’s services to review / audit our financial reports. The reason we would need a CPA is for grants or other situations which may require audited financial statements.

Corporate tax filings were due in April, not May, and we don’t know if the extensions were filed, or the taxes completed. The estimated taxes were paid, and therefore, there should be no penalty. Terry made a motion that JoAnn contact Don Porter and if the extensions have not been filed, JoAnn be authorized to prepare and file the tax returns and the Board will then contact Mr. Porter for follow-up. Jeff seconded and the Motion carries 4-0.

- c. Bar M Expenditure update. A report will be designed and sent to the Board with an update.
- d. Electronic payments via GovCard. As discussed at the last meeting, electronic payments provides the members with the opportunity to pay electronically, rather than by check. The cost is approximately \$200 to set up, with no other costs to the water company; however, members are assessed a fee based on how they pay.

Dave H. reviewed the proposal and recommended we should move forward. Dave made a motion that we move forward with the GovCard contract. Jeff seconded. Jeff asked if we should consider moving our accounts to a bank that allows for payments via Zelle. JoAnn will do more research to see if we can transfer our accounts to a bank that has Zelle. We can move forward with GovCard in the meantime and utilize both GovCard and Zelle if we move accounts. There being for further discussion, the motion was voted on and carried 4-0. We will place on the next agenda discussion for review of current banking institution.

- e. Computer – Jeff has received the computer so that is resolved. Susan Distal’s computer is now in Ken’s possession, and he has advised CBT.

VI. OPERATIONS REPORT

- a. Bar M renovation – Dave Tanksley. On page 22 and 23 of the financials, it is noted that the total spent to date is \$134,554, which includes \$3,000 for change orders, but does not reflect \$4000 to Claire Concrete.
The current issue for the Bar M renovation is receipt of material – we’re still waiting on Southern California Edison to provide the electronic panel. We ordered the panel in

January, and they sent the wrong one. Hopefully, we will receive it tomorrow and start next week. We'll need to schedule SCE to come out as well, which will also be an expected delay. Dave still feels confident we'll be on target for the cost, but not the time because of the delays. Further discussion was held on what concrete work, et cetera, will be occurring moving forward.

- b. Shoshone Well Pump. It quit working while Dave was out of town. The pump is 23 years old. There are pressure fluctuations because of this shutdown. Dave is working on getting an estimate for purchasing a new pump (the estimate is due the 7th of July). There is no need for Board approval to move forward as this is an emergency situation. The shutdown impacts fire flow, so therefore it meets the threshold to moving forward as an emergency.

Dave stated that he sees homeowners' sprinklers on at 6:00 am and later, which also adds to the fluctuations. **Landscape watering may occur at night ONLY – between the hours of 9:00 pm and 5:00 am – these are the Board mandated the watering times. You may only water three times a week. Please water responsibly.**

- c. O'Reilly LPG Tank Site Plan – Someone cut the lock on the gate, broke into the control room at the O'Reilly Site and shut off the well pump, but the emergency pump was activated. Dave T. will file a report with the Sheriff's Department regarding the break-in. We paid Tim Rudolph for plans for installation of a new propane tank that have been preliminarily approved. We need to add a larger propane tank to have sufficient fuel supply for a new emergency generator. Emergency generators should be installed ASAP. This will be put on the August agenda for approval, providing time for Dave T to review the plans. If everything is satisfactory, we should move forward in August.
- d. IRWMP Membership – Ken signed the MOU and we're now a member of that organization. It doesn't cost us but gives us support and allows us to participate in grants. Terry noted that in the email from Holly of IRWMP, that it states in order to become a member, we need to sign the MOU and commit to attending the Regional Water Management Group meetings. She asked who will be attending. Ken has been and will continue to attend.
- e. Emergency generators – This item will be moved to the August meeting for discussion and a vote on whether or not to proceed. Tim Rudolph will develop site plans and specs for emergency generators at all well sites. The cost is \$25,000 to develop the plan for each of the three sites (Bar M, Shoshone, and Juniper). We will have to do this at some point so the sooner we have the plans, the better position we will be in to budget or look for revenues, such as grants, to assist with the expenditure.

VII. TERMINATION POLICY – Jeff Ahlstrom

- a. The policy is not complete at this time, but we should have it by the next meeting.

VIII. Extension of System Operators' Contract. This was approved in February.

IX. Future Items

- a. Establish Fee schedule – we need to establish penalties for wasting water, overwatering, past due fees, calling the system operator, et cetera.
- b. Update on cross connection policy – the current policy was sent to the Board. When we have a commercial business dragging their feet, we need legal counsel and that costs money – we need to look at charging the customer for the legal costs. Change in building code – residential construction. We need cross connection protection – there’s potential for contamination due to stagnant water or antifreeze back up into our system so we need a policy requiring cross connection protection be installed and annual testing. We currently have three houses with residential sprinklers.
- c. Capital Improvement Plan (COLA) – it has been three years since we adopted the current rates and have not had a rate increase since. A Reserve Study was prepared prior to establishing the Capital Improvement Plan Rate in 2018. The amount of the increase was approximately 25% less than recommended in the Reserve Study. We need to consider a rate increase for the 2022 budget.

The next meeting is August 19, 2021, at 6:00 pm via Zoom.

There being no further business, the meeting adjourned at 8:32 pm.

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