

MINUTES OF DIRECTOR'S MEETING

A meeting of the board of directors of Pinon Pines Mutual Water Company was duly called and held on February 15th 2022 at the Pinon Pines Community Building located at 1001 Coldwater Drive, Frazier Park, CA.

Directors present and participating: Bill Vanek (BV), Vice President; Karen Laumbach (KL), Secretary (Via Zoom); Dave Adams (DA), Treasurer; Roger Huff (RH), Member at Large

Members Not Present Brandon Grosh (BG), President;

Employees Present: Lee "Chuck" Winagura (CW), General Manager; Kelly Mielke (KM), Bookkeeper; Santa Carruth (SC), Bookkeeper Applicant;

Others Present: Carlos Bravo (CB), Self Help Enterprises;

Open Session:

1. Called to order at 6:10 PM by KM.
2. **Update on the Fluoride Mitigation Project:**
 1. Nothing new to mention. Still waiting on the State. Jesse Dhaliwal still had questions and comments. CB will contact Cathy Williams on 2/16/22 to see if the engineers have answered and returned it to Dhaliwal.
 2. KM asked if he found out if we were to be audited based on the previous years draw from the grant. CB asked to be emailed the question and he would double check.
3. **Previous Meeting Minutes:**
 1. RH motioned to approve the meeting minutes from the January 18th board of directors meeting. BV seconded, 3 Ayes, 0 Nays, 2 Not Present. (KL wasn't on Zoom yet)
4. **Questions & Comments regarding items on the Agenda:** None
5. **Items not listed on the Agenda:**
 1. RCAC Loan Commitment Extension. CW shared a printout with the Board for review. The six-month extension costs \$250. KM noticed some incorrect information in the document and asked for it to be fixed. CW will follow up with RCAC for correction before having it signed and returned.
6. **Customer Complaints/Concerns:** None

Financial Matters:

7. Financial Report:

1. KM sent out financials yesterday. A lot of people made payments but payments are still coming in. We can start issuing late fees now but shut offs are still

questionable due to COVID-19. New rules were introduced in January and KM & CW will investigate and begin conversations. KM will send an email out to the Board regarding the ability to shut off water.

2. DA asked if we can accept credit cards for payments. KM, yes, it's approved but every piece we add makes it more difficult (e.g., auto deductions). RH, well what about online payments then? KM, added fees will have to be either on the user or us. I've asked customers if something like this was introduced would they be willing to pay an additional 3% to pay by credit card. People are saying yes.

8. Transition to Outside Payroll Company:

1. KM asked about the different pieces of payroll that companies would offer (e.g. payroll, W-2's, end of year, medical, HR, Work Comp, IRA, etc.) KM reminded we currently have Work Comp and stated PayChex offers the most services. CW stated he had medical concerns over HR support because current coverage would be ending soon. RH asked about insurance and how we did it in the past. KM stated Austin Mielke arranged Covered California and Dental then PPMWC would pick up the bills. KM stated PayChex is offering five different medical packages for consideration. RH, when will CW's current medical end. CW, next month. RH, will ADP offer medical? BV, not in the current discussions. RH, clarified that CW would look into his own medical then? KM, yes it would be in CW's hands. KM, if we went with PayChex would CW be considered an employee of theirs? BV, no he would be our employee but covered by them. Did BG give his input on any of the companies? RH, not leaning strongly towards one over another. Only thing RH knows of PayChex is from the Zoom meeting with the company. KM mentioned the other company she works with uses Payroll People. RH, what do we know about ADP? PayChex has a lot of negative reviews. DA, ADP gets in to HR like PayChex. While PayChex will make the employee happy and get insurance taken care of is that the best choice as a Board? Maybe we just focus on payroll aspect and we look in to other aspects as we move forward. RH likes the idea of focusing only on pay checks for now but worries about HR since laws change all the time and wants HR support in place to help protect CW. BV stated the ADP presentation was straight forward while PayChex seemed like a salesman pitch. RH stated he could go for ADP. KL mentioned ADP has been good and easy to use at her company. ADP is \$66/mo less than PayChex. KM hands out matrix breakdown of PayChex, Payroll People, and ADP for review. RH, at what point do we look at HR if we do just payroll now? DA to KM's point earlier, we already have Work Comp plan. We can look in to HR as we go and CW will find his own health plan.

RH, Motion to accept ADP for payroll only
BV, Seconds motion
4 aye, 0 nay, 1 Not Present

KM asked what we need to do to get started with ADP. BV stated he will be primary contact and get things started. KM asked for her to be included in the emails.

9. Budget:

1. KM, payroll processing fees weren't included. Will add them to preliminary budget. I've put in historical numbers and that is what is proposed. DA, are we voting? KM, we should. I can't put in unknowns like some water fees, bank charges are minimal and the bookkeeper wages. BV, is this enough for education? RH, do we pay for continued education training? Will \$500 be enough? CW, I'll make due with that amount. I've been researching some options for the T2 training and I've been signing up for free CE classes. KM, some of the memberships we have offer CE classes as part of our membership like with AWWA. KM, we have \$10k listed for CW's medical and CW will pay anything over that. RH, unless we add to it. KM, correct. I'd like to put Work Comp at \$6k because we had our first Work Comp claim in November with Austin's hand. Not sure if rates will increase. Licenses estimated a little higher and the maintenance numbers Austin felt good about the \$15k. Outside labor is minimum expense but we can add an employee if needed. RH, is Shawn still working? KM, not this year but has a pay check because of scrap metal. Bookkeeper salary based off of 2021 gross plus 4%. Approximately 30 hours/month will be the average around \$30/hour. KM recommends she moves to hourly and will balance hours between trainee and KM. Board will need to decide what to actually pay the trainee. Postage increased because it is an election year. Software we are paying ABS an increased rate due to more connections. With the transition to a new bookkeeper, we need cloud-based software and storage. MS offers the best all around package. Testing is large due to VOC's this year. DA, how did we get that number? CW, quote from Zalco Labs and based the VOC number off of that. RH, Meter improvement is where? CW, I have 4 meters left to upgrade. I held off after upgrading one since I realized I did not know how to put them in the ABS system or Kamstrup yet. I've had a meeting with ABS since then to learn. KM, we will go over CIP next month.

RH, motion to pass budget without CIP and review CIP next month
BV , seconds motion
4 Aye, 0 Nay, 1 Not in Attendance

10. Bookkeeper Consideration:

1. RH, Bring us up to date on the position. KM, I plan on transitioning out this year. SC is the current applicant and is looking for part time work. She lives here in Pinon Pines and her husband is the manager at Mil Potrero Mutual Water Company. RH, so the aforementioned pay applies to her and she would start when? SC, I'm available to start whenever you would like. DA, That's why we are moving KM to an hourly rate. SC will slowly work more and KM will work less. RH, what's the estimated hours to work. KM, it's the hours we discussed previously, around 30 hours a month. DA, SC have you thought about pay? RH, Just a ballpark figure. SC, My understanding is that is would be around 10 to 15 hours per month and continue to increase monthly. An hourly rate I think would be fair at \$30/hour. I understand there might be a training pay rate which will be different. RH, What's a fair rate? SC, \$30/hour after training.

DA, Motion to hire SC at a training rate of \$25/hour
RH, seconds motion
4 Aye, 0 Nay, 1 Not in Attendance

DA, SC is hired and KM and SC will coordinate a schedule. We can't buy a computer or printer yet until CIP is approved next month. KL, Where did we purchase the last computer? Best Buy has good deals. CW, After the CIP is approved, I will purchase a computer and printer based on research this month. KL, Should we form a contract with SC? KM, Maybe we should look into that. KL, We should speak with the attorney and get a job description and contract. DA, ADP does job descriptions. KL, Are you good with a handshake agreement for now until we can get a contract. SC, Yes.

11. Water quality report:

1. CW, Well 6 still had some Trips due to Unbalanced power but was more stable than last month. Well 6 accounted for 10% this month while the majority still came from well 5 at 50% and well 7 at 40%. Our water table is still above average but I do see some small fluctuations as I track the levels. RH, do you have that data? CW, I check the levels every Tuesday but don't have the numbers currently

with me. RH, Can you email the static levels to me? CW, I'll get them to you soon. BacT's still negative and water is in good standing.

2. 1 leak reported this month, 17.8 GPM being lost. Hired Coldwater Construction to get the job done faster since the leak was under the driveway. RH, Where is this company? CW, right here on Coldwater. Jeff Points is the owner and he lives here on Coldwater. RH, is this the company we will be going with usually? CW, more than likely. He has been quick to respond to any requests, lives in the area, and the rates are fair.
3. Last month I said I would install the 5 last smart meters. I installed one and realized I didn't know how to put the meter in to the software to be read and monitored. I have since had a meeting with ABS to ask some questions and have figured out how to do it in Kamstrup. I'll be setting up times to do the remaining 4-meter swaps now that I know how to get them in to the software.
4. Well 4 I have begun monitoring the flow rate and flushing it once a week. Right now, I am only recording .5 GPM but visually it looks like more. I don't believe the water is filling the PD Meter enough to register properly. I have a wye hooked up to cause a little back pressure to hopefully fill the meter to get a better reading. I'm also planning to reverse the three phase to see if the motor will produce more in the opposite direction. I'll have more information on this next month.

Meeting adjourned at 7:30 PM