

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 3rd, 2020 at the Pinon Pines Community Building located at 1001 Coldwater Drive, Frazier Park, CA.

Directors present and participating: Brandon Grosh, President; Larry Borcharding, Vice President; Dave Adams, Treasurer; Karen Laumbach, Secretary

Members Not Present: John Everroad, Member at Large

Employees Present: Austin Mielke, General Manager; Kelly Mielke, Bookkeeper

Others Present: Stan Eisman (board member from LOWMWC)

Open Session: 6:30 PM (Due to several directors being late the meeting was postponed for 30 minutes and the closed session was moved to the end of the meeting)

1. Call to order: Brandon Grosh
2. Manager's contract tabled until the end of the other business on the agenda.

Old Business:

3. Approval of the December 17th board of directors meeting minutes:
Karen Laumbach Motioned, Larry Borcharding seconded. 4 in favor, 0 opposed, 1 not present.
4. Austin updated the board on the fluoride mitigation project grant application. The SWRCB environmental department is working on updating the cultural survey that was completed in 2008. The financial department is still working with us on making sense of our income projections.
5. **Public Presentations:** None
6. **Questions & Comments regarding items on the Agenda:**
 - a. None
7. **Items not listed on the Agenda:**
 - a. Dave Adams needs to take the AB54 board member ethics class.
8. **Customer Complaints/Concerns:**
 - a. None

Financial Matters:

9. **Financial Report:** Kelly reported on the financial status of the company and the financial happenings of the previous month. Kelly transferred the ~\$88,000 collected for capital improvements from the checking account to the savings account. This month ~\$400 was paid to the DMV for registration and most everyone is paid up as of the 4th quarter

billing cycle. The house on snowline that was for sale has sold and escrow should close next week. Another house on Sutter is in escrow as well.

10. New Billing Software: Kelly presented the billing software she would like to purchase. The annual subscription for maintenance and support is ~\$700. American Business Software assures their customers that they maintain bank level security for their cloud based system and their customer service has been excellent so far. Kelly plans on running the systems in parallel for the first quarter. Brandon Grosh motioned to purchase the quoted American Business Software billing and service order modules. Kareen Laumbach seconded, 4 Ayes, 1 not present.

11. Mutual Benefit Corporation Update: The 2019 tax liability will be calculated based upon our net income for the year, excluding that amount collected for capital improvements, less the calculated depreciation of our assets. Until these calculations are completed by the CPA Kelly does not feel that a resolution to adjust the Capital Assessments is necessary.

Operation Matters:

12. Manager's Report: Austin reported on the system's water production, water table level, and the operations of the water company over the past month.

- a. Water conservation discussion: The board would like Austin to look into writing excessive usage and conservation education letters for heavy users.
- b. Water Quality Report: No new information.
- c. Meter Installation Project: All pilot meters are installed plus 2 more that were installed since Austin had to repair a leak at a future installation site.

13. Meter Project Schedule: Austin presented the projected schedule of installations for this year. The schedule projects 25 meters to be installed by April 1st and another 25 every other month thereafter.

14. Meter and Supplies Order Approvals: Austin requested approval for three orders to purchase 25 meters and the necessary supplies to install them. Also, Austin requested the purchase of the meter reading equipment to start reading the meters remotely.

Open Session of the Meeting adjourned: 7:30 PM

2. Discussion on the manager's contract: Austin and the board of directors discussed the renewal of Austin's contract.

Meeting adjourned at 8:00 PM