

MINUTES OF DIRECTOR'S MEETING

A meeting of the board of directors of Pinon Pines Mutual Water Company was duly called and held on October 1st, 2019 at the Pinon Pines Community Building located at 1001 Coldwater Drive, Frazier Park, CA.

*This meeting was rescheduled from September 17th due to a lack of quorum.

Directors present and participating: Brandon Grosh, President; Dave Adams, Treasurer; Karen Laumbach, Secretary; John Everroad, Member at Large

Members Not Present: Larry Borcharding, Vice President

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

Others Present: Dave Warner, Self Help Enterprises

Open Session: 6:00 PM

1. Call to order: Brandon Grosh

Old Business:

2. Approval of the August 20th board of directors meeting minutes:
Karen Laumbach Motioned, Dave Adams seconded. 4 in favor, 0 opposed, 1 not present.
3. Dave Warner updated the board on the Fluoride Mitigation Project via conference call:

Last week the State Water Resource Control Board's Division of Financial Assistance hosted a teleconference to discuss the environmental package of the fluoride mitigation project. The Environmental division people decided that due to the change of project description on the CEQA documents another public meeting needs to be held by the mutual. Notifications will need to be posted in a public place. We are currently waiting to hear back how long notifications need to be posted for before the meeting.

Brandon asked, "How would the public get ahold of the environmental addendum in order to come comment on it?"

Austin replied that the full document is available on the State Clearing House's website and a link can be made available to it on the notification and website.

Dave also brought up that the state's project manager recommended we update the cost estimates for the project at this time. Dave plans on implementing an inflation increase and additions to lines such as construction management. The increases will take the total project cost from \$1.9 million to \$2.0 million.

Brandon Grosh motioned to approve the increases not to exceed \$2.2 million. John Everroad seconded, 4 Ayes, 0 Nays, 1 Not Present.

Austin updated the board on the status of the application review, currently the technical packet is being reviewed by the project manager and will be sent to the district engineer following her review. Once the environmental and technical packets are near completion she will send the financial package to the financial division for review. Financial reviews are only good for 6 months.

Dave reminded everyone that we are still waiting for expected completion dates from QK. The engineer at QK was frustrated by this task because it is hypothetical in nature but results in actual expectations that may or may not be realistic pending when the funding agreement is actually completed.

Austin reported that the financial agreement is expected sometime between January and July of 2020.

The board agreed to hold the public meeting as a part of their next meeting on October 15th.

Austin reported that he and Dave plan on meeting with one of the upper level managers of the state's DFA in Frazier Park to discuss the needs of the community as a whole. Representatives from all the water systems plan on being there.

Public Presentations:

- 4. Questions & Comments regarding items on the Agenda:**
 - a. None
- 5. Items not listed on the Agenda:**
 - a. None
- 6. Customer Complaints/Concerns:**
 - a. None

Financial Matters:

- 7. Financial Report:** Kelly reported on the financial status of the company and the financial happenings of the previous month.
- 8. Mutual Benefit Corporation Update:**
 - a. Austin read an email from the attorney regarding the results of the election. The board discussed how to proceed. It was determined to proceed with the ballots that have been collected which would provide enough votes to complete the

action on the change to a mutual benefit corporation but not to allow for posting liens on properties.

9. **New Install Rate:** Brandon motioned to install meters on all new constructions but to only charge for customer requested upgrades.

Operation Matters:

10. **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: no new discussion.
 - b. Water Quality Report: Nothing new to report.
 - c. Meter Installation Project: Dave asked when the rest of the meters we purchased will be installed. Austin is trying to get the remainder of the meters we purchased installed by the end of the year.
11. No dump trailers have come up for sale within our price range.

Meeting adjourned: 8:15 PM