

MINUTES OF DIRECTOR'S MEETING

A meeting of the board of directors of Pinon Pines Mutual Water Company was duly called and held on March 29th 2021 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: Dave Warner, Self Help Enterprises.

Open Session:

1. Called to order at 6:00 PM by Brandon Grosh.

Old Business:

2. **Review and approve the SWRCB Draft Funding Agreement (DFA):** Brandon Grosh (BG) noted his concern about the schedule in the DFA being partially in the past. Dave Warner (DW) noted his calculations found that the SWRCB had rounded their amounts up slightly from what we had applied for. BG, due dates also sound very strict. DW: due dates are adjustable; State doesn't move quickly but they want us to. Also, recommends monthly calls with WRCB Project Manager and Engineer PM. BG: Could we utilize a third-party project management firm? DW: You could use a third-party manager but it would probably come out of company's pocket and not out to the grant. BG: What have other companies in this position done? DW: Self Help Enterprises could help by the water company would still be responsible. BG: This is a big contract; it would be nice to have a third-party keeping track of things. DW: A lot of your knowledge will be from attorney and engineer. Also, Austin has been through some of this process. BG: Austin, you've been through some of this process as a director for LOWMWC? AM: Yes, on the upper level of things but I was aware of how the employees were making things happen. DW: SHE is available to help also, however I will be retiring at the end of July. BG: Austin, are you feeling up to managing this project for the company? AM: Yes, LOW project was smaller as far as the scope was concerned, but I feel up to managing it but we will need some help regarding the finance management and bookkeeping. Kelly Mielke: I have done this sort of thing for construction companies; however, I do not have the extra time to dedicate to this right now. BG: How expensive would it be to have the engineer do the pay requests, etc.? DW: It is good to have the engineer making sure contractor is doing their job. BG: What about payment facilitation? DW: Engineer will manage

construction management and inspection. AM: Dave, what about the financial management of the project though, will the engineer do that? DW: No, I don't think so, but Regina from Buttonwillow may be available for bookkeeping services, she has been through a few projects like this and works on many other community projects in her area. AM: Also, I believe a construction loan may be necessary to pay the contractors while we wait for payments from the state. DW: State can give up to 10% of the project costs up front but may take too long to make all the necessary payments. If Regina can't help, she may be able to recommend someone else who can. AM: When do we need to start seeking a construction loan? DW: Bridge loan should be gotten 2-3 months prior to construction. RCAC or CRWA should offer these services. May be able to offer a credit line \$1 million instead of a regular loan for the whole project amount, which would reduce the interest expenses. BG: Does the attorney have any input on the DFA? AM: He filled out the opinion letter the state requested, I will ask him specifically if he has any input though and follow up with the board if he does. BG: Dave, anything you would consider changing on the draft in consideration to us signing? DW: No, mostly boilerplate, its not as good as a USDA contract, but it's OK. No modifications are necessary at this time, we will need to amend the schedule but that can be done after we get started. BG: Thank you Dave for coming on and advising us on this (6:50 Dave Warner left the meeting). KM: I have done some research on Regina Houchin and she seems like a good option, we will look into her some more. Brandon Grosh motioned to approve the SWRCB Draft Funding Agreement for the Pinon Pines Estates Mutual Water Company Fluoride Mitigation Project. Karen Laumbach seconded, 4 Ayes, 0 Nays, 1 Not Present.

3. **Previous Meeting Minutes:** Karen motioned to approve the meeting minutes from the February 16th Board of directors meeting. Dave seconded, 4 Ayes, 0 Nays.
4. **Board Member Resignation/ineligibility:** Brandon Grosh motioned to accept John Everroads resignation. Karen Laumbach seconded, 4 Ayes, 0 Nays, 1 Not Present. Brandon Grosh Motioned to accept Larry Borcharding' resignation as of 4-1-2021. Karen Laumbach seconded, 4 Ayes, 0 Nays, 1 Not Present.
5. **Questions & Comments regarding items on the Agenda:** None
6. **Items not listed on the Agenda:** Brandon Grosh motioned to move the annual shareholders meeting to May 8th 2021 and to hold the election for board directors at that meeting. Karen Laumbach seconded, 3 Ayes, 1 Nays.
7. **Customer Complaints/Concerns:** Brandon received a response letter from Mr. Onyshko today, it will be put on next month's agenda to discuss.

Financial Matters:

8. Financial Report: Karen motioned to approve the financial report. Dave seconded, 4 Ayes, 0 Nays.

Operation Matters:

9. Manager's Report: Austin reported on the operations of the company over the past month.

Meeting adjourned at 7:30 PM