

MINUTES OF DIRECTOR'S MEETING

A meeting of the board of directors of Pinon Pines Mutual Water Company was duly called and held on May 18th 2021 at the Pinon Pines Community Building located at 1001 Coldwater Drive, Frazier Park, CA.

Directors present and participating: Dave Adams, Treasurer; Karen Laumbach, Secretary; Bill Vanek; Roger Huff

Members Not Present: Brandon Grosh, President

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

Others Present: Dave Warner and Carlos Bravo, Self Help Enterprises; Cathy Williams and Greg Thompson, Quad Knopf Engineering

Open Session:

1. Called to order at 6:15 PM Dave Adams.
2. Dave Adams motioned to table items two and three on the agenda until after the Fluoride mitigation project has been discussed so that we do not waste the folks from Self Help Enterprises and Quad Knopf's time. Roger Huff Seconded, 3 Ayes, 2 Not Present.

(Karen Laumbach arrived at 6:18)

Old Business:

4. **Update on the Fluoride Mitigation Project:** Cathy Williams is the project manager for Quad Knopf on this project. She is concerned that the state did not include inflation costs for the extra tie it took for them to approve the project so we may need to ask for more funds to complete the project. Also, we need to be aware that bids are only good for 30-60 days so we need to know how to handle approving the bids if the state is going to take longer to approve them. Once board approves construction management contract and engineering contract (still waiting for the electrical engineer to put in his portion of the proposal) we can get to work finalizing the plans and get moving towards bidding out the project. There will be a meeting with the state's project manager in the next couple of weeks to kick off the project too.
5. **Review and approve engineering/construction management contract:** Quad Knopf's Construction Management proposal came in much higher than the amount they had originally budgeted for this work. They were able to bring the proposal down to \$190,000 which is still significantly above the budgeted amount of \$160,000. Cathy informed us that the construction staking portion of the proposal would be considered a construction cost instead of a soft cost so we will be a little closer to the budget. Options to deal with this shortage were proposed to be: Request the state increase their

funding allowance to modify the budget, pay the shortage out of pocket from the company's reserves, or Request the Engineer reduce their fees further. Options will be discussed further with the state's PM. Dave Adams motioned to approve the construction management contract with Quad Knopf. Roger Huff seconded, 4 Ayes, 0 Nays, 1 Not Present.

- 6. Review proposals for labor compliance contractors:** Dave Adams motioned to not move forward with the labor compliance contracts proposed due to the inclusion of this work in the QK construction management contract. Roger Huff seconded, 4 Ayes, 0 Nays, 1 Not Present.
- 7. Review proposals for grant book keeping:** Austin explained the discussions that he and Kelly have had with Pam Jareki about the grant book keeping and how they feel she will be a strong asset to have on board during the construction phase of the grant project. Austin shared Pam's resume with the board and her request for compensation. Karen Laumbach motioned to hire Pam Jarcki part time to assist with the grant administration duties. Roger Huff seconded, 4 Ayes, 0 Nays, 1 Not Present.
- 2. Previous Meeting Minutes:** Karen Laumbach motioned to approve the meeting minutes from April 20th, 2021. Roger Huff seconded, 4 Ayes, 0 Nays, 1 Not Present.
- 3. Appointment of vacant board member positions:** Per the company attorney's direction on how we should handle the vacancies left from the lack of quorum at the shareholders meeting, two persons must be appointed to the positions previously held by Brandon Gosh and Dave Adams.
 - Karen Laumbach motioned to appoint Brandon Gosh to the board of directors to fill the open seat he previously held. Roger Huff seconded, 3 Ayes, 0 Nays.
 - Karen Laumbach motioned to appoint Dave Adams to the board of directors to fill the open seat he previously held. Roger Huff seconded 3 Ayes, 0 nays.
- 9. Questions & Comments regarding items on the Agenda:** None
- 10. Items not listed on the Agenda:** Roger asked about the annual meeting, the other members filled him in.
- 11. Customer Complaints/Concerns:**
 1. Mr. Onyshko did not respond to the request to attend the meeting. The board discussed giving him one more invitation to discuss the matter at the next meeting.

Financial Matters:

- 12. Financial Report:** Kelly reported that we had \$370,000 in the bank at the end of the month and we are still collecting some of the April payments and there is still ~\$30,000 outstanding. There were ~40 late notices sent out. We are keeping most items within the budget. We had one unusual expense in that we paid Lucy Mielke to prepare and mail out the shareholders meeting notice last month. Lot #10 has sold, which has been behind on assessments for years but will get paid up through escrow. We are still under

the state's shutoff moratorium and cannot shut off delinquent customers as far as we know. Karen Laumbach motioned to approve the financial report. Bill Vanek seconded, 4 Ayes, 0 Nays, 1 Not Present.

1. Karen Laumbach motioned to approve remove John Everroad and Larry Borcharding from the bank signature card, and add William Vanek and Roger Huff. Roger Huff seconded, 4 Ayes, 0 Nays, 1 Not Present.

Operation Matters:

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

1. No changes to the system's water quality.
2. Last month we focused mostly on meter installations and the grant project.
3. We now have a total of 187 of 274 meters installed. We completed Pinetree and have been installing meters on houses listed for sale as well. Next, we will move on to Snowline Drive, working from West to East.
4. Austin has been corresponding with Roadrunner about Well #4 trying to push them to do the repairs free of charge but has not gotten a confirmation yet that they will.

Meeting adjourned at 7:46 PM