

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 22nd, 2024, at the Pinon Pines Community Building located at 1001 Coldwater Drive, Frazier Park, CA.

Director's present and participating: Bill Vanek (Zoom), Vice President; Debbie Smith, Secretary; Dave Hymes (Zoom), Treasurer; Roger Huff, Member at Large;

Members Not Present: Brandon Grosh (Zoom), President;

Employees Present: Lee "Chuck" Winagura, General Manager; Santa Carruth, Bookkeeper;

Employees Not Present:

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

Open Session:

1. Called to order at 6:02 PM by Chuck Winagura

2. Update on the Fluoride Mitigation Project:

1. Project is on schedule
 - a. Lower tank painted, waiting on cathodic rods for both tanks
 - b. Build-outs started at both tank locations
 - c. Overflow line issues fixed by Unified at no charge
 - d. New tank has 8 feet of required freeboard, reducing storage capacity
 - e. SCE paperwork submitted for new electrical drop
 - f. In-ground electrical work to begin soon
 - g. Cellular chosen over radio for communication (AT&T service)
2. Amendment for extension and additional funding still processing with the State
3. Blending Facility Color Choices
 - a. Building Color – Saddle Tan
 - b. Trim Color – Coffee Brown
 - c. Door Color – Brown Stone
4. Claim #9

Roger Huff, Motion to Approve

Debbie Smith, Seconds

4 Ayes, 0 Nays, 0 Abstain.

3. Previous Meeting Minutes:

Approve meeting minutes from the September 17th Board Meeting.

Roger Huff, Motion to Approve

Debbie Smith, Seconds

4 Ayes, 0 Nays, 1 Abstain.

Approve meeting minutes from the September 28th Shareholders Meeting.

Roger Huff, Motion to Approve

Debbie Smith, Seconds

4 Ayes, 0 Nays, 0 Abstain.

4. Questions & Comments regarding items on the Agenda: None

5. Items not listed on the Agenda:

1. Kelly is working with our CPA Don Hardaway
2. Don Hardaway has requested every Board of Directors Social Security Number. Santa has collected and provided most of them. Dave Hymes, Treasurer, will contact Don Hardaway directly to provide his number.
3. A question was asked regarding our insurance and if it covers the Board of Directors on Errors & Omissions. GM to look into this.

6. Customer Complaints/Concerns:

1. Customer called wondering why the water rates are so high. Santa spoke with him and explained the charges for usage and the comparison to other systems. By the end of the call the customer understood and had no issues.

7. Review and Approve Financial Reports:

1. Approval of September Financial Reports

Roger Huff, Motion to Approve

Debbie Smith, Seconds

4 Ayes, 0 Nays, 0 Abstain

8. Financial Monthly Update:

1. Two payments have been received for Claims 7 & 8 for a total of \$1,216,493
 - a. \$528,597
 - b. \$687,896
2. 2022/2023 audit is being finalized. It is taking longer due to the complexity of the State Grant for the Fluoride Mitigation Project. This level of financial review is called a Full GAAP (Generally Accepted Accounting Principles). Nothing has been paid to the CPA at this point. The budget for 2024 combined with 2025 (10k each year) will cover the costs which are currently estimated between 13k and 17k.

9. Current Software (Billing Software)

1. Operations and Accounting meet with Current Software Weekly to handle Onboarding and iron out details of PPMWC needs.

10. SB3 Water Shutoff Changes for Policy Amendment

1. Final Collection Policy Amendment
 - a. First Late Fee \$12
 - b. Second Late Fee \$15

Roger Huff, Motion to Approve
Debbie Smith, Seconds
4 Ayes, 0 Nays, 0 Abstain

2. Discontinuation of Water Service Policy has been updated with the new extended timeframes.

Roger Huff, Motion to Approve
Debbie Smith, Seconds
4 Ayes, 0 Nays, 0 Abstain

11. Proposed 2025 Budget

1. Concern over continued yearly reductions in Capital Improvement Plan funding.
2. Rates need to be increased. GM to develop a 5-year plan for rates.
3. GM to tighten budget
4. GM to look for other employed water operators who may want just a few extra hours here and there instead of hiring a dedicated part-time water operator.
5. A solar panel discussion is to be added to Agendas moving forward but leaving it tabled until towards the end of the Fluoride Mitigation Project.

12. Water System Managers Report:

1. Water Quality

- a. No changes in water quality.
- b. BacT's for October are negative.
- c. LCR Inventory
 - 1. Inventory has been completed.
- 2. Operations Report
 - a. Verbal report summary given by GM.
 - b. Regular Operational Maintenance behind schedule due to project focus.
 - c. GM vacation time approved for December with on-call coverage arranged.

Meeting adjourned at 7:43 PM