

Lake Francis Mutual Water Company



Annual LFMWC Shareholder Meeting Minutes
May 10, 2021 at 8 pm

Facilitator:	Anna Romano	Minutes Recorder:	Rooja Mohassessy
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Shareholder Participation: Opportunity to address the Board on items, both agendized and unagendized, will be provided at the Open Session forum of the meeting, with the exception of Action Items requiring a vote. All shareholders will be given the same time allotment.

Meeting Called to order at 8:05

Roll Call by Secretary

Present: Rainier, Winchell, Thompson, Sibrian, Fischer, Van Giersbergen, Patton, Greenwell, Romano-Busco, Mohassessy, Beth

Minutes of 2/27/21 Shareholder Meeting approved

Election Runner closed after roll call.

Water Manager's Report

See report attached.

Surprise delivery of gift/award and flowers to Terry Patton in honor and appreciation of 12 years of service to LFMWC as Water Manager.

Old Business:

PRESIDENT:

Item 1: Updating Bylaws

Bylaws will be updated according to the codes/requirements of the State of California, Franchise Tax Board and Law Firm of Baydaline & Jacobsen LLP will ensure compliance with non-profit status requirements.

Item 2: Certificates of Share Ownership - Required by law and never issued before. They will be issued once the non for profit status has been implemented.

Item 3: Non-profit Status in progress

Item 4: Shut-off Valves - Estimates/bids received. Board will select a contractor.

New Business:

Item 1: President's Report

Board Progress Report: Achieved since October 2020:

- Corporate books required by law. Never implemented up to now. Status: In progress
- Stock certificates are ready to be issued as soon as the non profit tax status is approved
- QB now has the feature of allowing members to pay via credit card and bank transfers
- NEW! Monthly Newsletter to inform and update members - we never had this regular communication in the past 50 years.
- Emergency alerts implemented via robocalling
- Connection between water company and ACC clarified. ACC is a separate entity.
- Seasonal irrigation fee under board consideration for members who own more than one lot, one undeveloped
- Late fee policy under consideration and review of the Board
- 100% Grants (No Repayment/Not a Loan) available from state water agencies only when non for profit status is achieved.
- Error of past admin rectified--Merged lots must still retain their original number of votes/shares. It is illegal per California Corp Code to take this vote/share away from members.
- Simplification of billing process - Annual Billing Statement for Developed. Only the statement/invoice process changed. Members still need to pay quarterly.
- Clarified the role of the water company. NOT in charge of enforcing the CC&R. The ACC addresses all issues regarding violation of CC&R. Individual members may also independently enforce the CC&R.
- Updating the bylaws according to current codes - in progress

Action Items:

1. Motion to schedule Shareholder Election/Annual Meeting to First Saturday of June 2022 **M/D/V**
2. Motion to update the Bylaws according to requirements for NOT FOR PROFIT status tabled. Shareholders can review the items and have input at a later date at a town hall meeting. Motion to update the bylaws only. **M/D/V**
3. Move Fiscal Year to January to December AFTER not for profit approval tabled

President's report on filing FBI/other agencies on Fraud attempt to the company. The board has received target emails falsely impersonating the president and asking for sensitive info and money transfer from the Treasurer and the Sec. Substantial evidence has been collected and reported to the Sheriff, FTC and FBI internet crime division. Several login attempts into the bank have been reported to the bank. If shareholders receive emails impersonating the president Anna Romano, not coming from anna@lakefrancisestates.org notify the board immediately.

Item 2: Secretary's Report

1. Website has been a success, ranking in searches.
2. Problem with the old site--no domain name was associated with it, making it very difficult to rank in the search engines and be found. Also, the website was not compliant with California Privacy

acts (CCPA & CalOPPA), which further hindered the website ranking. Substantial fines could be accrued for not being compliant.

3. New website Lake Francis Estates, can actually be found now in search engines. With all property sales since the new website, the title company has been able to find and contact LFMWC. Website and our Brand now registered with Google and Bing.
4. Newsletter to keep shareholders updated. Automatic dialer to inform shareholders of water shut-offs, fire danger, and other emergencies and important information.
5. Goal for the next year: Add all the older documents to the website. Make the website ADA compliant for those with disabilities.

Item 3: Treasurer's Report

Financial Statements

1. Presentation of Year End Financial Report - a copy of the financial reports will be emailed with the minutes to all shareholders. Following the recommendations of the technical expert from a grant from the California Water Board, our accounting system and books have been reviewed line by line to make us grant ready. Fiscal year net income of \$12,497.48
2. Budget and Capital Reserves will be presented and discussed in a board meeting. A grant from the California Water board provided a technical team that helped the Treasurer prepare the Capital Reserves. This is from the California Prop1 TA grant.
3. Seasonal Irrigation Fee- under Board Review and will be approved at the first board meeting. The fee would only apply when two or more properties are adjacent to one another, one developed, the others undeveloped. This will allow shareholders to seasonally use water to irrigate undeveloped lots.
4. Other Fees as source of revenue recommended by California Water Board - Late, Transfer, Loss of Certificate, Mailing, Wasting Water Penalty--under Board Review, to be discussed/ approved on the first board meeting.

Item 5: Election

Election Runner Results: 32 Votes for incumbents. 5 Abstentions

Paper proxy: 1 in favor of incumbents

Vocal Voting in-person at meeting: 3 Abstentions

Quorum (30 votes) represented in person and via ballot/proxy: Total of 41 Votes

Nominees:

President: Anna Romano: 32 Votes

Vice President/Treasurer: Ethel See-Winchell 32 Votes

Secretary: Lisa Thompson: 32 Votes

Total Abstentions: 8 Votes

Note: Cumulative voting does not apply to this election as all nominees are running uncontested.

BOARD MEETING : June 10, 12 noon via Zoom.

Meeting adjourned at 9:14

Open Session: Please watch the video for the open session segment of the meeting. Shareholder concerns will be addressed at the next board meeting.