

Lake Francis Mutual Water Company



Board Meeting Minutes

6/10/21

6-7:30pm

Venue: 13961 Ingersoll
Drive

Facilitator:	Anna Romano	Minutes Recorder:	Rooja Mohassessy
---------------------	-------------	--------------------------	------------------

Member Participation at Board Meetings: Members may silently observe the meeting after the closed session has concluded. They may not, however, address the Board. Opportunity to address the Board on items, both agendized and unagendized, will be provided at the Open Session forum of the meeting. All members will be given the same time allotment.

If you wish to observe the Board meeting, please RSVP by emailing the Secretary at secretary@lakefrancisstates.org

Closed Executive Session: 6:00 - 6:15 pm

Roll Call

Present: Anna Romano, Ethel See-Winchell, Lisa Thompson, Rooja Mohassessy

- Report on previous administration
Will be posted on website along with supporting documents
- 4 delinquent accounts - discussion of policy on late fees item 4 on the agenda

Approval of Minutes of 5/28 Board Meeting - approved by all officers present

Old Business: 6:15

Item 1:

Shut-off Valves - President/CEO

- One quote: parts \$500.00 to \$700.00

Equipment and labor \$2,100.00

Total \$2800

- AVP waiting for two more quotes
 - Request has been placed for a bid on repaving/fixing the road and culverts and drainage.
 - These figures will be used to apply for possible grants.
 - Drainage and culverts come first, then repair/paving of road.
-

Item 2:

Addressing Open Forum shareholder question from 5/10/21 Shareholder Meeting -

Moderator: AVP

1. Shareholder request to silently audit grant meetings for educational purposes

Request denied by the board for the reasons listed below:

- A. The Board is entitled to perform day to day operations and only report to shareholders during the ANNUAL SHAREHOLDER MEETING.
- B. Applying for and writing grants is NOT part of a Board member's (specifically the Treasurer's) job description. It is voluntary work using her own time and resources.
- C. According to the company bylaws and Cali Corp Code, the Treasurer is only audited by a CPA annually if required.
- D. This is our CFO's trade. She is not required or inclined to teach or share her skills with other shareholders. She has acquired these skills through thousands of dollars in education and years of experience.
- E. CFO does not need a supervisor and refuses to be micromanaged. According to company bylaws, she only reports the CEO as supervisor.
- F. Shareholders have no right to demand for this. If you have a share in a company, you cannot impose/ask to sit-in for your own education or to silent-audit the officers' day-to-day conducting of business and communications. All pertinent information will be included in the Annual Corporate Report.

Shareholders desire to be informed is legitimate. A GRANT page on the website will allow shareholders to track the progress.

Updating the grant page is considerable work for the Secretary. She will aim for monthly updates.

2. Fences

Shareholder asking for "illegal fence" to be taken down,

Secretary: issue has already been discussed and dealt with by the ACC. The minutes of the particular ACC meeting are available for shareholders to view. They may request a copy through the online contact form. The main outcome of the meeting was the ACC will not tear down

property owners' fences as there is no piping on that side of Ingersoll. If water company-related work needs to be done, the shareholder must give access to easement.

The AVP clarified that the only instruction the shareholder was given at the time was that the fence needed to be 5 feet from the side of the road. The fence does not interfere with trash collection, fire engines/ambulance, evacuation, or any water company operations.

Item 3:

Non-profit Status update -

President: 80% of shareholders voted in approval of change of status to non-profit

Secretary of state working remotely due to covid.--response expected in 2-4 weeks

FTB has all the necessary docs. They have given us an extension to receive approval from Sec of State. FTB requirements- minor changes—terminology to be updated: term “shareholder” changed in all instances to “members” (Work currently in progress by attorney). The rights of the members are exactly the same as shareholders. Terminology is important as not for profit corporations cannot issue shares nor dividends.

Certificates will be issued upon receiving the change of status.

We can apply for other grants already. Status needs to be achieved upon receiving the funds.

New Business:

Item 1:

Vote to amend and restate the Articles of Incorporation & Bylaws - results - Secretary

80% approval results will be published on the website and shared in the newsletter.

The one paper ballot will be reported but the identity of the shareholder will be kept anonymous.

Item 2:

Grant Status:

a. Met with several Consultants and technicians

- Evaluate our needs (completed)
- Evaluate what we possess (completed)
- Evaluate our capacity for funding projects (completed)
- Expert to make a system recommendation (completed) water system assessment
- Review/Audit our Financials (completed)

All items above have been paid by a technical grant

- Ensure that we have capital and budget reserve to be sustainable (in progress)
- Conduct a rate analysis to ensure that we are pricing accordingly to be sustainable (almost completed)

They suggest a five year plan for rate increase but for now we are priced accordingly

- Implement company policies in compliance with the law, assembly bills, etc (in progress)

- Capital Improvement Plan (in progress)
- Emergency Procedure Plan (will start next month)

b. Engineering Plans and Designs by civil engineer (in progress with the county/will start the process with the state) in order to properly price the project and what it entails. We are waiting to hear from the county for approval. They have accepted the application. County prefers that we apply to another agency as well so they can share the costs, hence the application with the State.

c. Environment Permits (starting with state) Two environmental permits --CEQA and NEPA Once we have the engineering plan and the environmental permit we can apply for the construction grant.

d. Construction (waiting for not for profit designation to apply) will open in September

Every step mentioned above is an individual grant. Those listed under **a.** are a prerequisite for successfully acquiring **b,c,** and **d.**

Water System Assessment Report - CFO

This report is intended to complement the Yuba county application for the Lake Francis Mutual Water Company.

Through a grant, the county assigned the company, *Rose Water System Management* to conduct an assessment of our water company and identify the highest priority needs for the water system and to provide supporting rationale.

Their overall impression was that the Board is truly dedicated to finding long-term sustainable solutions for their community.

CRITICAL NEEDS IDENTIFIED BY ROSE WATER SYSTEM MANAGEMENT:

- Welded storage tank 150k gallons
- Portable Generator
- System Control and Data Acquisition S.C.A.D.A. - modern system monitoring and control.
- Well Maintenance and Examination

*****Water Meter Installation***** a possibility, however, there are laws and assembly bills that need to be investigated. Good to have the option in place and acquire through a grant as we do not wish to purchase this individually.

We must tread carefully as we must provide water at cost as a non-profit company.

RECOMMENDATIONS OF ROSE WATER SYSTEM MANAGEMENT:

- Conduct a Preliminary Engineering Report addressing the needs
- Hydraulic Model of the system to identify additional critical infrastructure improvements
- This report was submitted to the county and they will assist us in applying for a grant to fund this planning and design.

Water hydrants in LF are Wharf head hydrants--4 inch diameter. The hose may drain our tanks in less than 15 min. The fire truck hose will NOT fit the wharf head hydrant. Rose Water Management System will help us with the grant to acquire a fire hydrant and connect to old tanks for fire emergencies.

We were advised by Cali Waterboard to conduct an annual exercise on familiarizing and using our hydrants. We also need to have extra hydrant and meter wrench for emergency situations. Treasurer will purchase hydrant/meter wrench M/D/V

Note: Secretary has prepared a box with hose on her property. We will get an extra hydrant wrench to keep with it. Paul Winchell will also try to get some 'used' hoses from FD and we can purchase a few hydrant adaptors.

If you are interested to participate in this fire hydrant exercise, kindly email ethel@lakefrancisestates.org

Item 3:

Engineering Plan & Design - President/CEO

County - application for grant already submitted

State - The board received the forms and recommendations today. CEO and CFO will fill up the form and submit next week. This will also include the environmental permits.

These are prerequisites in order to move forward to the construction grant.

Item 4:

Approval of Policy on Fees - CFO

PROPOSED POLICY FOR FEES

Submitted by: Treasurer, Ethel S Winchell

Draft Date: April 29, 2021

Approval Date:

Effectivity: FY 2021

Objective: To be able to collect fees for services, penalties, and other member services required by LFMWC Business Office.

Background: .

Structure:

1. Mailing Fee - \$10 per year. For invoices and proxies only. M/D/V

2. Other mailing - if you like a newsletter/mailer, please provide us self-addressed and stamped envelopes. We send a mailer once a month. M/D/V
3. Late Fees: M/D/V
 - a. Over 60 days - \$15
 - b. Over 120 days - \$45
 - c. Over 1 year - penalty + lien + expenses
 - d.

Developed - \$300 is due Quarterly

Undeveloped - \$300 is due Annually

Seasonal Irrigation Fee - \$150 is due Annually

4. New Account Set-up - \$50 M/D/V
5. Certificate Replacement - \$100 per certificate (one share=one certificate) plus mailing fee. M/D/V
6. Irresponsible Use of Water - running off the street, watering while raining/after the rain, watering pavement/driveway, **TABLED**
One written warning letter from LFMWC (per year)
 - a. \$150 per incident reported with date stamped photo/video
 - b. If water is not turned off after shareholder has been duly notified, \$50 per day
7. Returned checks - \$35 M/D/V

Secretary also motioned for upgrading the bulletin board, larger, plexiglass with a lock to post official announcements. M/D/V

Treasurer requested the Secretary to prepare a form (and be available online) for Escrow/Title companies to inform them of the property arrears (if any), and our requirements for water service etc. M/D/V

Item 5:

Monthly Board meetings- Secretary

According to our bylaws, Board meetings are to be held quarterly. To be adequately prepared, the Board requires shareholders to submit their questions ahead of time. The Secretary proposes to build an Intake Form on the website if shareholders wish to present concerns or address the Board. No one will be admitted 15 min after the start of meeting.. M/D/V

30-day notice is required to request for the following:

1. add an item to the agenda
2. address the Board during the open session of a Board meeting.

Both items are Subject to Board Approval M/D/V

Item 6:

Website demarcation between LFMWC & ACC - Secretary

To avoid confusion the website will clearly delineate the two entities as separate. M/D/V
Build an Intake form for ACC

Open Session:

One shareholder attempted to observe via Zoom but left early due to technical difficulties.

Meeting adjourned at 7:10