

Lake Francis Mutual Water Company



Annual LFMWC Shareholder Meeting Minutes
July 9, 2022 at 11am

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.

Roll Call

Present: Anna Romano, Ethel Winchell, Lisa and Mike Thompson, Rooja Mohassessy, Giovanni Busco, Terry and Sue Patton, Jonathan and Juliana Beth

Meeting called to order at 11 am

Election Runner closed at 11:15

Item 1: President's Report

Board Progress Report: Achievements since October 2020:

- Non-profit Status saves the company from paying corporate taxes of \$800 a year. LFMWC now eligible for grants.
- Firewise designation (first community in Yuba County)
- LFMWC is not one of the awardees of the Calfire grant this year. Only million-dollar projects and city water districts were funded. Board's plan is to combine with larger entities such as the Fire Council and reapply.
- Robocalling for emergencies implemented.
- Election runner implemented allowing more members to participate and reach quorums.
- A professional and compliant company Website
- Ticketing system implemented
- Invoice-online payments implemented
- Grant applied and obtained from the state for Covid Relief and Arrearages
- Grant applied and obtained for a leak detection survey
- A second sonar leak survey grant applied and obtained for a section not covered
- Water Capacity study grant applied and obtained. The study showed the wells have sufficient water supply for a full build. A second test at the end of summer will be conducted to confirm the results of the survey (water level will be at its lowest at the end of summer).

- Applied for a state grant to upgrade pipes and tanks. Grant was obtained (value of \$619,000) for the first phase of the project. Engineering firm Coleman Engineering has been selected. The firm will plan the engineering design.
- Sourced a grant to install a mini fire sub-station in the Estate. The Board will apply after the election. The station will be run by the fire department who will offer training to residents. This is paramount as we only have one entrance.
- VP/Treasurer is now a member of the Water Safety Advisory Board. She represents rural California and the small water companies. Very advantageous to Lake Francis.
- Secretary has set up the accounts and corporate books. The company is in good standing and eligible for grants. We may be audited by the State. Secretary verified all members' accounts at the Yuba County office and issued certificates. Certificates were signed on the 61st anniversary of the water company. It is required by law that each member have a certificate for their share. Certificates will be mailed or dropped off in the next few weeks.
- Policies and fees set up such as new accounts, irresponsible use of water, etc.
- LFMWC is a member of CalWarn. In an emergency water supply situation this organization will assist.
- A capital improvement plan has been set up.
- An emergency response plan has been set up.
- The Board filed a Road damage claim with PG&E and was reimbursed in full for repair.

Action Items:

1. Increase the term of service of Board officers to two years - See election results below

Item 2: Secretary's Report

- Website new Features–Ticketing system. Members, please use the ticketing system! Tickets are issued to serve different needs of the community, such as Water manager, ACC support, website support, questions for the Board. The ticketing system is a documented way of dealing with the community's needs. The system will alert all Board officers immediately. The issue will be delegated to the correct person and It allows for transparency and accountability. It documents the time frame and date of completion.
- The Secretary has cleared the issue with LFMWC emails often marked as spam. It will take a month for the results to show. .
- Distribution of Certificates– Secretary will hand deliver and mail.

Firewise- AVP/Sec

- LFMWC is the first community in Yuba county to receive the firewise designation.
- A program to mitigate the risk of wildfires to homes and communities
- Thank you to those who participated. You are now eligible for up to 10% discount on your home insurance. (California Fair Plan also offers this discount).
- Still not too late to participate. Fill out an application [here](#) to receive a risk assessment visit from Gary Fields. Then write to AVP to receive the certificate.
- Three years to implement the suggestions. Reimbursement is offered by the Yuba Firesafe Council for up to 50% of cost of changes implemented, maximum of \$2000. Take before and after photos and keep your receipts!

- The ACC will be in charge of monitoring progress and reporting to the Firewise Council.
 - This is a way of helping firefighters to save our homes.
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Item 3: Treasurer's Report

- Books not yet closed. The financial report will be presented at the first Board meeting and/or when the tax return has been filed. The President and Treasurer will propose a budget. Based on the year to date financials, this year's income is similar to last year. The arrearage grant has not been reconciled.
 - This fiscal year, there is an increase in expenses incurred in comparison to last year due to legal fees for change of status to non-profit and restatement of company documents. This is reflected in the statement. The lawyer was recommended by the county and it allowed the company to be compliant with both County and State requirements while drafting the new bylaws.
 - Another expense incurred was the repair of water line leaks and valve installations. This expense was double of the previous year. This shows our infrastructure is aging. Seals at wells were corroded. That also incurred an additional cost.
 - Treasurer asks members to NOT pay with money order. It cannot be deposited via mobile banking.
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Item 4: Water Manager's Report

- No e-coli. No Chlorine at all. June 2021 arsenic level was high as it was not a blended sample. Blended sample was within normal range.
 - August 8 water was shut off in order to replace a 4 inch leaking pipe.
 - Jan 22 shut off valve installed and fixed one member's leak and installed a pressure regulator at another member's water source.
 - The shut off key to operate the valve has not been delivered.
 - Leak detection survey was conducted
 - Feb 28 Peter's drilling replaced seals on pumps at wells.
 - March 2nd sounding test on both wells was conducted and checked recovery times.
 - 6/27 water samples were obtained from residents in order to test lead and copper level as required by the EPA and Yuba County.
 - Please conserve water.
 - After every water shut off the water manager flushes the system by opening a hydrant. **He asks all residents to run their hoses after every water shut off.**
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Item 5: Election Results

38 votes were cast. Quorum was reached (29 votes required for quorum)

Anna Romano elected for the office of president (37 Aye, 1 abstention)

Ethel See elected for the office of Vice President and Treasurer (36 Aye, 2 abstentions)

Lisa Thompson voted for the office of Secretary (37 Aye, 1 abstention)

Amending the term of office to two years:

34 votes cast in favor of the motion, 2 abstained, 2 votes against the motion

Meeting adjourned 12:41

Open Session:

1. Coleman Engineering Presentation and Q&As

John Premitsky. Specialist on water and wastewater presented the proposed engineering plan for LFMWC at the open session.

The hardcopy of the plan was circulated at the meeting. A digital version is available for members. Please write to the secretary to request to see the engineering plan.

Key points:

- Preliminary engineering will be followed by the final engineering plan which will be composed of tasks and drawings to be shared with contractors who will bid on it.
 - Timeline—one year to draft the engineering plan.
 - For the construction grant, 95% of engineering design must be accomplished to apply.
 - The new system will have water meters. However, water meters will be funded by grant money ONLY for existing homes. New builds will be responsible to set up their own meters (A cost of 10K).
 - Beginning in 2032 small water companies will be required to install water meters.
 - Recommended to flush the tank meanwhile until we get new tanks as the water is very heavy with sediment. CalRural and the county will assist us in finding a grant to flush the tank.
 - Flushing the tank will be scheduled in fall/winter.
 - New steel tank will hold 31K gallons. The engineers will calculate how much additional capacity is needed for fire suppression
2. The 85-acre property sale/development/grant options and Use of Roads/ Maintenance
- The property is for sale. Too many dead trees. A very large fire hazard to the community. Homes at the end of Ingersoll are denied home insurance due to the dense vegetation on this property. The Board is exploring acquiring the property through a grant to prevent future builds. Possibilities are: a wildland conservation grant which would preserve it as a state park but only if Wilkinson could get an easement for another entry via Lake Francis Rd. The land will be owned by the state of California and it will be maintained by them.
 - If a private buyer purchases the land and wishes to develop it will pose a problem with use of LF roads. They will be required to participate in the maintenance of the road according to the number of builds.
 - Bear Yuba Land Trust is another grant option. The land would be owned by them. This will prevent development.
 - Last resort would be a grant where LFMWC acquires the 85 acres but we will be responsible for the maintenance.
 - Current project: ACC will request the current owner for a firebreak between his property and the Estate.
3. Converting from septic to sewer is the next long-term project. (10 year plan) The septic system is going to fail at some point. LFMWC is applying for a grant with the county to draw a preliminary engineering plan.

Several members present thanked the Board for their work to arrive at this point.

Question: re delinquent accounts recovered by Covid relief grant money. A member asked to know the identity of the delinquent account holders. The Board declined to share this private information.

Suggestion by member: Should the accounts that received Covid relief be delinquent again, they should be requested to pay not only for the more stringent fines but also for the grant money they received.