

Lake Francis Historical Meeting Minute Highlights

May 3, 1961

Waiver of notice and consent to holding first meeting of directors.

June 5, 1961 - Ray Ingersoll, President; Donald Huckins, temporary chairman; Emma Ingersoll, temporary secretary.

First meeting of directors, officers nominated and voted on.

July 15, 1992 – Annual Stockholders meeting- Ray Ingersoll, President; Carol Bentley, Secretary.

Carol Bentley nominated for Secretary for another year, Tim Timms nominated for Vice-President

Ray Ingersoll to look at lot with debris to see if fire hazard. If deemed so, the Secretary would notify the owners to clean it up.

Damaged pump needed to be fixed and money was taken from the maintenance account.

Homeowners were also assessed a \$68 charge to cover increased charges for electricity (seems to have been due to the pump running non-stop).

July 9, 2001 – Annual Shareholders Meeting - Ray Ingersoll, President; Carol Bentley, Secretary; Tim Timms, Vice President.

Elections held – present officers were re-elected - President Ray Ingersoll, Vice President Tim Timms, Secretary Carol Bentley.

Ray Ingersoll reported that the paving repairs were completed- each lot owner was assessed a one-time \$50 charge.

Satellite fire station to be built in Dobbins in the future.

Lake to be filled and stocked with fish to increase property desirability and values.

July 15, 2002 – Annual Shareholders Meeting - Ray Ingersoll, President; Carol Bentley, Secretary; Tim Timms, Vice President.

Elections held – present officers were re-elected - President Ray Ingersoll, Vice President Tim Timms, Secretary Carol Bentley.

Carol questioned if anything had been done to bring the modular home on Lot 44 into compliance regarding decking, etc. as promised at the time of sale. A letter will be sent to the owner advising non-compliance with the sale agreement.

September 26, 2005 Annual Shareholder Meeting Agenda – no minutes have been located for this meeting

April 1, 2006 Meeting – The minutes did not record the officers but it appears Tim Timms was the President and Maxine Williams the Vice President based on the minutes.

Maxine Williams resigned as Vice president; Loraine (?) was elected. Tim Timms said he was looking for someone to step up and take his place as the president.

Reported payment of \$1100 made to clear brush at the entrance to Lake Francis Estates

Planned to activate wells 2 and 4 (3 was working and 1 out of commission)

Agreed on budget of \$750 to make & install road signs so emergency, service and public vehicles could find houses.

Late water payments – Decided that after three (3) months late a registered letter will be sent, after an additional 15 days a lean would be placed on property and water shut off. (This is still current and complies with AB240).

October 28, 2006 Meeting – Tim Wilkinson, President (resigned, not present). Lorena Chaquico – Vice President (?); Jonathan Beth, Secretary (?) – This is assumed based on the meeting minute excerpts.

Decided to keep CCRs as they are due to cost of lawyers and courts

Declared that the road maintenance and brush clearing beside the road were part of the water system infrastructure so they will be taken care of by the LFMWC

New well (5) has been drilled. Expect to have operational by mid November

Question about water pressure. It seems pipes going to homes might be too small. Fire hydrants might not provide the pressure the fire department needs.

One of the shareholders said according to the department of Corporations, the land that the wells reside on belongs to LFMWC. Thought it would be a good idea to take care of legal matters concerning the land.

Election of New Officials - Tim Wilkinson resigned as president.

There was a vote for officers there were all accepted:

Lorena Chaquico President

Juliana Beth Vice-President

Jonathan Beth Secretary & Treasurer

June 2' 2007 Meeting – Officers were not recorded in the minutes

New well operational.

Would like to trace the system, install shutoff valves, and install meters to charge by usage.

There is an issue that the tanks and wells are on Ingersoll land.

Presentation by Landscapes to improve the road by putting a chip seal on it. Estimate was \$34,000. Paid \$1,500 to fix potholes and improve trenches.

November 10, 2007

Lorena Chiquita resigned as President via message due to family issues. Susan Smith offered to preside over the water company. Voted to elect her as new president at the meeting.

Michael Le Roy asked why funds from the water company were used to pay for road maintenance and brush clearing. Jonathan answered that in the past we voted to have only one account for all the needs of the LFMWC and Lake Francis Estates. Sine the road and brush belong to the Estates we have to maintain it.

Discontent over financial statements weren't sent on an annual basis by the treasurer.

A motion was made that required two signatures be required on the Water Companies checks, it was seconded and a vote passed it in favor of.

Well #1's water is not potable – suggested it be used for emergencies and irrigation and spare parts.

Nominations were taken for positions but later discovered votes were missing and the voting was invalid except for Susan's election as the new president.

January 12, 2008 – Susan Smith, President; other officers were not mentioned except by the new vote.

Correction to 11/10/07 Minutes that Jonathan's resignation as Treasurer was accepted.

Discussed and determined that anyone present can make suggestions, bring up topics and make motions, but only 1 vote per parcel.

\$2610 in outstanding monies owned water company for 2007

A yearly retainer is paid to Peter's drilling. It is necessary to have a licensed contractor oversee a water district.

Susan went to the county and found a map that lays out the pipelines and shut off valves for all properties.

Obtained paperwork to list LFMWC as a non-profit.

Objections were raised at labor costs for previous year.

Decision to get a bid from electrician to wire well 5 for generator.

Job descriptions were discussed and a term of 1 year was added.

Monthly Per diems for officers were approved by vote. The vote was unanimous in favor of the motion. The new officers and per diem were as follows: Susan Smith, President @ \$100m; Karen LeRoy, Secretary @\$75m; Jonathon Beth, Treasurer @ \$100m; Mike LeRoy, Onsite Manager @ \$100m. Reimbursement will be made quarterly.

Vote passed for quarterly water payments with one objection.

Discussion about building a floating dock and bringing in sand to create a small beach. No need to vote because "it's nothing the LFMWC would pay for."

April 26, 2008 - Susan Smith, President; Jonathan Beth, Treasurer (until Jun 30th, then Patty Alshuth effective Jul 1); Karen LeRoy, Secretary.

A lien was placed on Lot #10 because it went into foreclosure.

No record of owner for Lot #6

Idea of a swim dock dropped due to cost of liability insurance.

A proposal was made to bring sand and a picnic table to the beach, and post no trespassing signs at an estimated cost of \$500. It was approved.

Talked more about making LFMWC a non-profit. In order to obtain this status every property owner would have to be notified and vote by proxy.

Agreed to have a workday to clear the path to the beach and hopefully have sand delivered.

Announcement was made that Mr. Ingersoll had passed away in March.

July 26, 2008 - Susan Smith, President; Jonathan Beth, Treasurer (until August now while Patty Alshuth learns the role of treasurer); Karen LeRoy, Secretary.

Approved purchase of Private Property signs for the beach.

Issue of changing the rules of the corporation to a non-profit was the main topic. Paperwork submitted was rejected more than once for legal terminology. Decision made if it gets rejected again legal counsel can be retained.

Discussed having a shareholder trained by the Small Water Systems Agency. With attainment of non-profit status and trained individual LFMWC may be eligible for improvement grants.

Complaints about late night noise levels. All residential noise, i.e. music, TV, and barking dogs are to be at a minimum after 10:00 p.m.

November 1, 2008 – Officers were not recorded.

\$6960 30 days past due; \$3210 90 days past due from homeowners.

We have been a corporation since 1961 and paying yearly tax for a corporation. The corporation status was on suspension by the Secretary of State since no taxes had been paid since 2005. Still working on being classified as a non-profit but back taxes had to be paid first.

Reminder for everyone to pick up after themselves near the shoreline and beach.

New officers to be nominated at the Jan 17, 2009 meeting.

January 17, 2009– Susan Smith, President; Karen LeRoy, Secretary; Patty, Treasurer; Water Manager Mike.

\$4785 90 days past due; \$1260 from one single landowner.

Susan announced things were on track with the Secretary of the State. We were advised that we cannot enter into any new contracts until the Secretary of State reactivates our corporation.

Patty contacted accountant and the back taxes are ready to be sent in.

Motion made to purchase more sand for the beach is budget permits. Will address in April meeting.

Brought up that the path to the beach is not the 20 feet access stated in deeds of trust. The 20-foot easement is really inaccessible, since it was never cleared.

Election of officers passed unanimously, Susan Smith, President; Karen LeRoy, Secretary; Patty, Treasurer; Water Manager Mike.

May 16, 2009 - Susan Smith, President; Karen LeRoy, Secretary; Patty, Treasurer; Water Manager Mike.

Approved budget to bring up well #1. (Minutes corrected on Oct 24, 2009 to Well #3, not #1) \$5610 more than 30 days past due. Two property owners are severely past due by \$1460 and \$900 respectively.

All past year taxes have been filed and paid as well as necessary paperwork with the State.

Waiting for reinstatement of our corporation and a verdict on being declared non-profit.

Decision that anyone making improvement to the Estates and wanting reimbursement must get voter approval first.

October 24, 2009 - Susan Smith, President; Karen LeRoy, Secretary; Patty, Treasurer; Water Manager Mike.

Correction to May 16th minutes. Well #3 is being brought on line, not well #1.

Discussion about wiring the control box for a generator.

Treasurer reported severe financial trouble. Balance of \$3092. More than \$3710 60 days past due. Unpaid bill of \$2900 due to Peter's drilling to destroy Wells #1 & #2 as mandated by the county. Annual water maintenance costs approximately \$8,000 and had \$4460 in back taxes. Were unable to collect \$510 when property at 13920 changed hands because lien amount had not been updated.

Starting in January late fees will be assessed for over 30 days late.

The Secretary of State has reactivated our corporation and the request to be a nonprofit will be addressed again.

Due to financial status, board opted for a pay reduction. President and Secretary @ \$25m; Water Manager @ \$50m; Treasurer @ \$75m.

Meetings reduced to three (3) times per year, 3rd Saturday of Jan, May and Oct.

New Officers to be voted on at the January meeting.

January 16, 2010 - Susan Smith, President; Karen LeRoy, Secretary; Patty, Treasurer; Water Manager Mike.

Removed a meter that hadn't been in use for 10 years. Savings of \$60 annually.

\$2200 in past dues, \$510 belongs to one owner.

Non-Profit Status Update - Decision made to not pursue becoming a non-profit because all property owners would have to vote for this and cannot get some property owners to respond. Decision to reduce water company meetings to two per year due to lack of participation by property owners.

Re-election of officers: Susan Smith, President; Karen LeRoy, Secretary; Patty, Treasurer; Water Manager Mike.

October 30, 2010 – Susan Smith, President; Karen LeRoy, Secretary; Patty, Treasurer; Water Manager Mike.

President read the job descriptions and opened the floor to nominations for the Board of Directors 2011 term, Nominated: Jonathan Beth - President, Terry Patton – Water Manager and Patty Alshuth – Treasurer/and to incorporate the duties of Secretary. There were no other nominations. A motion was made to approve, seconded, carried. The Board members receive the following stipend: President, \$25.00m; Water Manager, \$50.00m; Treasurer/Secretary, \$100.00m.

\$3734 over 60 days past due. A decision made to write on the \$510 from the one property owner as uncollectable.

All other past due accounts receive three notices before a lien and finance charges are assessed on the property. Treasurer asked President to assume the duties of filing liens.

Motion made and approved to retain the services of Evangelos Moskovos to prepare 2010 taxes.

Water source considered safe from bacteria contamination.

Motion made and approved to retain services for weeding along the roads and common areas each May. Tech from Peter's Drilling requested areas around well be sprayed.

Brought to the attention of the Board that marijuana cultivation was going on in the Estates. Board requested that all cultivation cease immediately based on Article #4 of the covenants for LFMWC.

October 2011 - Jonathan Beth - President, Terry Patton – Water Manager and Patty Alshuth – Treasurer/Secretary

Request made to open a reserve interest bearing account with \$10,000 with a goal to have enough funds to cover major well repair. Motion carried.

Request approved to contract Evangelos Moschavos for 2011-tax preparation.

No contaminated found in water from May 2011 to Sept 2011

\$1500 bid to remove scotch broom on road leading to and around water tanks. A 2nd bid of \$300 received but company not available until spring of 2012. Discussion on having a community cleanup day.

Approved motion to revert to old tier of past due structure with 3 warning letters over 3 quarters and then a lien.

Garbage Company whose trucks damaged the roads repaired them in May 2011.

Discussion to revise by-laws from 1961. President to meet with paralegal for guidance. A committee of 2 homeowners formed.

No nominations for new Board Members, current Board agreed to continue serving. Motion carried.

Discussion to increase the quarterly payment to the president, no change to the secretary/treasurer and water manager's quarterly payment, motion carried. President, Jonathan Beth \$150.00 quarterly; Secretary/Treasurer, Patty Alshuth \$300.00 quarterly; On-site Water Manager, Terry Patton \$150.00 quarterly

It was suggested that the Lake Francis Mutual Water Company Motion carried to purchase more sand for the beach.

Motion carried to post a sign, "swim at your own risk" due to potential liability.

Board asked to post contact information for each member.

March 24, 2012- Jonathan Beth - President, Terry Patton – Water Manager and Patty Alshuth – Treasurer/Secretary

Bank balance \$16,224. Aging report \$6,105

Reserve account opened with \$10,000 earning 0.20 interest.

Past due clients are making regular payments

Fees paid for Peter Drilling and tax preparation

No contaminants in water from October 2011- Feb 2012

Fire hydrant leak repaired Feb 2012

Clarified that the Lake Francis Estates are responsible for roads leading up to and around water tanks. Decision made to have community workday to clear.

Decision made to patch potholes in April 2012

President spoke with a para-legal regarding revising the by laws and will work with the committee to determine if it's advisable to update the by laws based on the criteria. All in attendance agreed to a further discussion at the Oct meeting. Motion carried.

April 6, 2013 - Jonathan Beth - President, Terry Patton – Water Manager and Patty Alshuth – Treasurer/Secretary

Bank Balance \$11,744.88. Aging report \$4,845.
Treasurer requested transfer of \$10,000.00 from operating account into reserve account
Past due clients are making regular payments
No contaminants found in water testing from October 2012 – March 2013
Have been performing monthly checks at the pumps and fire hydrants in sub division.
Continuing to pursue non-profit status and revision of By-Laws
Getting estimate for brush clearing the road leading up to and around the water tanks. Estimate to be approved via email.
Discussion on hook-up fee for new construction.
Community beach cleanup day on June 22, 2013

March 22, 2014 - Jonathan Beth - President, Terry Patton – Water Manager and Patty Alshuth – Treasurer/Secretary

Bank Balance \$15, 674.72. Aging Report \$6,135
Motion to transfer \$10,000.00 from operating account into reserve account, voted/approved.
Line files on Lot #10
Fees paid for Peter's Drilling and tax preparation.
No contaminants found in the water testing from May 2013 – March 2014
Water testing indicated high iron. Peter's Drilling said within range, not to worry.
Drought contingency plan: drill well #5 deeper, purchase bigger storage tank or bring well #3 bank on line after chlorination and approval from county.
Committee member Ron La Gatta returned by-laws explaining he is unable to research due to schedule. A list of specific changes suggested was noted in the minutes.
NON-PROFIT STATUS -Received a letter from Dan Logue stating he might be able to help navigate governmental issues with non-profit status. Decided to pursue.
Terry Patton to research steps to shut off water to Lot #10 for failure to comply to pay fees. By-laws provide provision to shut off water until payment received. Nominated/approved.
Suggested all dogs be on a leash, problems with loose dogs.
With no nominations on the floor, officers agreed to another term.
Approved payment for annual maintenance on roadsides and around water tank and removal of oak tree branches from entry road.
Officers Election: The officers will remain as follows:

Jonathan Beth President
Patrice Alshut Treasurer Secretary
Terry Patton Water Manager

May 10, 2014- Jonathan Beth - President, Terry Patton – Water Manager and Patty Alshuth – Treasurer/Secretary

Sent letter to Dan Logue. Received replay that 100% vote required to become non-profit.
Discussion on hook-up fees. No decisions or motions. – Kept on agenda

Motion to install gate at cost of \$500 with lock open until decision made to by Knox box security.

Marijuana cultivation – CCRs say no commercial. Sheriff's have no authority.

Raising Chickens – see CC&Rs

Lot #10 – only legal authority can shut off water. We can hire a lawyer, force into court and foreclosure.

Property line disputes are the responsibility of property owners not the LFMWC.

Drought plan: conserve for summer. Well #3 and #5 are separate entities.

Discussion – Lot at Ingersoll and Shirley is not part of LFMWC, could we purchase lot to drill new well.

June 7, 2014 Emergency Meeting- Jonathan Beth - President, Terry Patton – Water Manager and Patty Alshuth – Treasurer/Secretary

Board elected Stephen Fairman as the new President to fill vacancy created by resignation of Jonathan Beth until Annual Shareholder's meeting in May 2015

Board accepted resignation of Patty Alshuth as Secretary-Treasurer and elected Jonathan Beth as the new Secretary-Treasurer until Annual Shareholder's meeting in May 2015

Board decided to hire a local resident bookkeeper, Marlyss Berkan, to maintain the bookkeeping and record keeping for LFMWC as an Independent Contractor. She will work as Jonathan's assistant under his and the Board's supervision.

Board voted to purchase a Laptop computer, printer, scanner, flash drive and any other necessary items to be used by the Board to keep financial records, take notes and store electronic information.

September 6, 2014 – Board of Directors Meeting - Stephen Fairman, President; Terry Patton, Water Manager; Jonathan Beth – Treasurer/Secretary; Marylyss Berkan, Bookkeeper

Brief explanation of SB240 – How it effects LFMWC – By-laws need to be updated

We are a Public Water Company – Not a private company

The Board of Directors has the power to make the decisions needed to operate the water company.

Shareholder's meetings are held to Vote for the Board of Directors.

Agenda Topics for the LFMWC Shareholder's Meeting. Board Decisions:

- Bills are due upon receipt and net in 90 days. Assess a 10% later charge to invoices on day 91. Effective on invoices mailed 10/1/2014-12/31/2014
- Liens - Send warning letter after 181 days, final warning after 271 days with notice of actual lien filing date. Lien amount to include actual charges, assessed and cumulative later fees, interest plus a \$300 filing fee.
- LFMWC will pay costs for Board Member Training required by AB54
- Join the California Rural Water Association (\$169 annually) for one year.
- Review of written bids for Sandblasting and Painting the existing water storage tanks. Evaluate cost of repairing tanks to cost of new tank(s). Meeting Minutes: Two bids were given for sand blasting and painting the existing water tanks. One bid was for \$11,850.00 and other bid was for \$7,500.00.
- Wells and water quality – Kevin Timms is our new water D1 water operator.

September 24, 2014 – Emergency Board Meeting - Stephen Fairman, President; Terry Patton, Water Manager; Jonathan Beth – Treasurer/Secretary

Held by email.

Voted to pay Stephen Fairman, Terry Patton and a non-resident \$250 each to clear wood and brush resulting from a branch that had fallen into the PG&E power lines by the Company Wells. It was LFMWC's responsibility to remove this debris and PG&E would not reconnect electricity until the clearing had occurred.

January 31, 2015 – Board Meeting Minutes - Stephen Fairman, President; Terry Patton, Water Manager; Jonathan Beth – Treasurer/Secretary; Marylyss Berkan, Bookkeeper

Approval of Meeting Minutes from 09/06/2014; Motion to approve the meeting minutes of 09/06/14.

The earlier decision to notify landlords of their need to inform LFMWC of renters' addresses, so they can be informed of water quality was tabled. A procedure needs established. Motion to table until shareholders meeting.

All Board members have taken the webinar that is required by SB54.

Accepted Yuba City Steel's storage tank integrity report. Motion to invest in storage tank inlet pipe insulation to be done by Board Members at no cost to Shareholders.

Decision to use 2014 P&L with minor adjustments for 2015 Budget

Motion made to have Shareholders meeting permanently changed to the 1st Saturday of June.

We found a shut-off valve for Well #4. It is not known why Well #4 was disconnected. It has been chlorinated and is clean and ready to be hooked up to the water system. To be reviewed at next Board Meeting.

June 6, 2015 – Annual Shareholders' Meeting; Stephen Fairman, President; Terry Patton, Water Manager; Jonathan Beth – Treasurer/Secretary; Marylyss Berkan, Bookkeeper

Approval of past Meeting Minutes from 1/31/15: Could not Motion to approve this because we didn't send out the old agenda; OLD BUSINESS: Could not Motion this because we didn't send out old agenda

Reviewed a draft proposal for modification to procedures for future elections. Review of the 2015 Proposed Election Procedures Draft. Shareholder's present agreed that the Procedures were acceptable under AB240 with one change, as follows: Modification to the Draft 2015 Proposed Election Procedures "Nominee qualifications on may not have ever been convicted of a felony". Re-word to: "Not been convicted of a felony within the past 10 years".

All current officers agreed to continue for the next year.

The county requires a water company to have emergency back up in case of failure. Agreed to \$20,000.

Reported decisions on fallen branch and Well #4

Yuba City Steel has inspected our 3 Water Storage Tanks and despite their age, I am happy to report that they have maintained their integrity. Barring any unforeseen problems we expect them to continue to serve our needs.

A lock box was installed on tank 2.

Arsenic level increased on Well #5. At 14, EPA says 10 is normal. Installed flow-meter, flowing faster to flush out arsenic. Testing water every 3 months.

Will look into water meters per home/lot; auto pay for customers and water filtration system.

\$6672 in Checking and \$20,000 in Money Market Account

Discussion of fixing pot holes in road. Jonathan said the maintenance part of the money could pay to fix the pot hole.

A reminder was given that the yearly fees are both for water and road maintenance. There were two separate accounts at one time.

Discussion of HOA, enforcing CC&Rs. A suggestion was made to restructure and have an architectural committee as described in the By-Laws and CC&Rs.

SB240 requires that the Water Company have an Emergency Fund set aside for water infrastructure failure. It was agreed to set aside the amount of \$20,000.00.

SB240 requires that a Projected Budget needs to be available to all shareholders. We will use last year's Profit & Loss as our Budget for this year.

March 12, 2016; Board Meeting - Stephen Fairman, President; Terry Patton, Water Manager; Jonathan Beth – Treasurer/Secretary; Marylyss Berkan, Bookkeeper

Approval of Bard Meeting minutes dated 1/31/2015. Item 2 from the 1/31/2015 Board meeting was clarified: interest rate to be 10% APR; final collection letter will include date and time of Lien to be filed. Date will be 20 days from actual date of letter and must be a business day.

Well #5 has arsenic problem. Well#4 has virtually no arsenic but doesn't meet "sanitary sea" standards for Yuba county. The current plan is to blend water from Well #5 with Well #4. First working with Yuba County to bring well #4 into compliance.

2016 Budget will be 2015 P&L plus \$5,000 added to Water Expense to correct for the arsenic problem.

Payment approved for removal of weed and wells, storage tanks and roads.

Abandoned ideas of election by mail due to lack of interest.

Because LFMWC does not adhere to AB54's rule of 24-hour advance notice to attend a Board Meeting, we will not take action to accommodate teleconferencing. However, we will review in a Shareholder should request it.

The Current architectural control committee is the BOD. We will seek non-Board Member to join. It is the general consensus of the current BOD to discourage Mobile/Manufactured Homes.

June 4, 2016 Annual Shareholder's Meeting; Stephen Fairman, President; Terry Patton, Water Manager; Jonathan Beth – Treasurer/Secretary; Marylyss Berkan, Bookkeeper

Approval of minutes from 5/10/14, all references to well #3 should read well #4. Postpone indefinitely seeking non-profit status, water hook-up fees, Knox box security, marijuana cultivation and shutting on water to delinquent customers.

Approval of meeting minutes from 6/15/15, approved by vote with the following changes: Approval of past Meeting Minutes dated 05/10/14 not 01/31/15. New Business - Election Procedures should read SB240 not AB240.

\$5,000 transferred from Emergency Fund to Operating Fund to help cover costs of Arsenic problem.

Revise, accept and experiment with election procedures in 2017

Board job descriptions need to be updated. We still need a written description for Water Manager; Fairman will continue to work on this.

Decided to table looking into the cost of installing water meters at this time due to costs related to the arsenic problem.

A water filtration system is no longer needed now that water from Wells #4 & #5 are blended.

With no nominations, Board members were re-elected for another year.

March 18, 2017 – Board Member Meeting - Stephen Fairman, President; Terry Patton, Water Manager; Jonathan Beth – Treasurer/Secretary; Marylyss Berkan, Bookkeeper

Fees for weed abatement were reduced to \$399

Approved Election Procedures

Motion to postpone the decision of separate accounts to the Annual Shareholders' Meeting

June 3, 2017 – Annual Shareholders' Meeting- Stephen Fairman, President; Terry Patton, Water Manager; Jonathan Beth – Treasurer/Secretary; Marylyss Berkan, Bookkeeper

Twelve people attended the meeting, it was stated a quorum was in attendance.

Meeting set for September 9th to vote on a \$1,000 water hook up fee for new construction.

Small amount of coliform bacteria detected. Wells will be chlorinated on June 5, 2017.

A suggestion was made to purchase a vacant lot for back-up well. Issues regarding septic systems on adjacent lots.

Issue of lot line regarding property our wells are on. Discussion with County will continue.

Decision to provide to date Balance Sheet at next year's Annual Shareholders' Meeting.

Motion made and approved to appoint Jason beam as Vice President and part of the Architectural Committee for 2017-2018

A committee was formed to find out how and when the Water and Maintenance accounts were separated and what dollar amount or percentage of the money should be for maintenance.

If there is a pot-hole problem that may interfere with water pipes, LFMWC has agreed to pay for materials. Owners and neighbors will perform labor at no charge to LFMWC.

We don't have a road agreement. A motion was made and approved to remove discussion of road maintenance from LFMWC agenda permanently.

Stephen Fairman to research and report back on how to form an HOA.

Facebook page – Carianne Huss volunteered to create one.

September 9, 2017 – Special Shareholder's Meeting – Cancelled

September 22, 2017 – Stephen Fairman resigned by email.

September 23, 2017 – Emergency Board Meeting - Terry Patton, Water Manager; Jonathan Beth – Treasurer/Secretary; Marylyss Berkan, Bookkeeper

Board elected Carianne Huss as new President until the annual elections are held in 2018.

September 23, 2107 – Informal Shareholder’s Gathering to discuss issues exposed by a subcommittee tasked with reviewing previous minutes and records to determine if there had been a separation of funds for water delivery and maintenance of common areas.

October 10, 2017 – **Emergency Board Meeting – Carianne Huss, President; Terry Patton, Water Manager; Jonathan Beth – Treasurer/Secretary; Marylyss Berkan, Bookkeeper**

Discussed meeting with Attorney Michael Barrette regarding CC&Rs and manufactured homes. Refer to ACC minutes for full discussion, dated 10/10/17.

Discussion on continuance of conducting business until Attorney can sort things out. The Boards, past and present, have acted in the best interest of the community and will continue to do so.

Discussion regarding delinquent shareholders. Motion to temporarily suspend voting rights at 91st day of delinquency until full payment is received. Voted/approved.

October 21, 2017 – **Special Shareholders’ Meeting - Carianne Huss, President; Terry Patton, Water Manager; Jonathan Beth – Treasurer/Secretary; Marylyss Berkan, Bookkeeper**

Carianne announced new website saving the company \$200.00 per year.

Welcome package for new residents approved.

Readdressed separation of water and maintenance accounts – Committee report was provided.

Committee was comprised of Carianne Huss, Ron LaGatte and Jonathan Beth.

1. There were two accounts.
2. Monies were split 62.5% water & 37.5% maintenance.
3. The old accounting books noted showing the maintenance account was intended for pump repair, repairs on water lines, water permit with County, Road work, signs, taxes and stamp/office supplies.
4. Water account was used for PG&E and water testing.

Ron LaGatta brought up a vote that was taken on 6/3/17 that was in favor for a motion that road maintenance is not a water issue and to be removed from the LFMWC agenda permanently. He proposed that we make Motion to take out this past motion and vote that was made on 6/3/17. Andrea made a motion to remove the past motion/vote.

Discussion of establishment of a committee for road maintenance or a planning committee – tabled pending attorney

Readdressed motion and vote on 6/4/17 concerning Vice President vote. The motion on 6/3/17 contradicts by-laws and was done in error, the vote was invalid.

Meeting minutes from 6/3/17 – tabled to approved because of vote to remove road maintenance for future meetings.

Vote passed to establish a water hook-up fee for new construction – Fee \$1000.00 effective immediately.

Carianne Huss reported on the meeting with Attorney Michael Barrette and Sheldon Hadley. The CC&Rs were poorly writing and do not restrict manufactured or other types of homes. By law we cannot discriminate, however, we can make suggestions to maintain the integrity of the community.

Architectural Committee – The CC&R’s established the committee, it is legal. The ACC has the legal right to ensure the conformity and character of the community.

Fire hazard – Lots need to be cleared for fire safety. The fire marshal will be contacted to see if LFMWC can do anything to enforce lot owners to clear the debris.

November 16, 2017 – Board of Directors Meeting - Carianne Huss, President; Terry Patton, Water Manager; Jonathan Beth – Treasurer/Secretary; Marylyss Berkan, Bookkeeper

AB240 requirements – fiscal year operating budget and board meeting requirements were discussed.

Finances and annual budget – Carianne did a financial analysis dating back to 1978. The analysis showed an increase of 275% in expenses for 92 to 04 with only a 27% rate increase in 92 and 16% in 2000. A 57% rate increase went into effect in 2005 but expenses have increased 175%. Board voted to raise rates 100% beginning Feb 1, 2018 but will be implemented over three (3) years.

Finances through Nov 16, 2017 showed -\$9,038.08.

Board per Diems increased effective Feb 1, 2018. Current per diem equates to \$2.20 per hour. Mileage reimbursement was decreased to \$.25 per mile for company business

Board discussed and voted to re-establish the accounting books as the Ingersoll's originally set up, one for water and one for maintenance.

Upgrade of wells, water lines, distribution and fire suppression – See meeting minutes for full discussion.

1967 Subdivision Report – This report is located on the website. It addresses the responsibility of the roads, amongst other things as the Shareholders. We will be asking for volunteers to head up a committee after we receive final recommendations from Attorney.