

Lake Francis Mutual Water Company



Board Meeting Minutes

05/16/2024

9:00 am

Venue: Zoom/Alcouffe
Center

Facilitator:	Anna Romano	Minutes Recorder:	Lisa Thompson
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Member Participation at Board Meetings: Members may silently observe the meeting after the closed session. They may not, however, address the Board until the Open Session. Opportunities to comment on agenda items will be provided during the Open Session forum of the meeting. Only pre-approved items not on the agenda can be raised. All members will be given the same time allotment. If you would like to attend, and/or have a comment, question, suggestion, or idea you would like to share with the Board, please submit your attendance/comment request here:

<https://lakefrancisstates.org/board-meeting-comment-intake-form/>

Alternatively, you may email the Secretary at secretary@lakefrancisstates.org

Closed Executive Session

Public Board Meeting:

The meeting started at 9:26am at the Clover Cafe. No one showed up to open the Alcouffe Center, so the meeting was moved nearby to the Clover Cafe. A note to the public was put on the Alcouffe Center door, directing meeting attendees to the Clover Cafe. Zoom meeting was launched immediately upon arrival at Clover Cafe.

Roll Call

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

Approval of Minutes of previous Board Meeting - -m/s/v and Unanimously adopted

Open Session: Addressing Members' Concerns

No concerns noted.

Old Business:

Item 1: President

- **Bank of America account Transfer**

Initial transfer \$20K. President will call the bank rep and arrange to open an account.

- **Change in client account management**

To streamline, A/R will be managed by the AVP. A/Ps will be handled by the VP.

Next Action: P/VP/AVP to do a half day work session for this transition.

- **IRS not-for-profit application**

State of Water Board approved a legal grant for \$71K with the UC Davis Aoki Water Clinic

In preparation for receiving the grant, we need IRS not-for-profit designation so we will not be taxed federally. Part of this legal grant is also being used to review all our corporate documents to ensure that we meet all of the requirements to receive funding.

- **Officers and Directors Stipend/Compensation**

The VP brought out how in 2008, the Lake Francis Mutual Water Company ("LFMWC") Board of Directors approved to compensate LFMWC's Directors and Officers for their out-of-pocket expenses and services to the company. At the June 1, 2019, LFMWC Board Meeting, the Board voted unanimously to increase the compensation to the current rate. None of the current Board members were in office at that time, and the compensation has not been changed since then.

Currently, LFMWC's Officers & Directors currently receive a stipend of \$100 per quarter and, if a member of LFMWC, a "water benefit" covering the cost of their water service for 1 property. (Officers holding multiple offices simultaneously are only eligible to receive compensation for one office.)

As amended in 2021, Article 5, Section 7 of the LFMWC Bylaws permits Directors and Officers to receive compensation for their services rendered to LFMWC if approved by the Board and a majority of a quorum of the Members. Therefore, we must hold an election to (1) ratify the prior compensation received by the LFMWC Officers and Directors from 2008 to date, and (2) approve of the continued compensation for the LFMWC Officers and Directors at the rate described above.

The California State Water Board has stipulated that this be done, in order to meet the legal requirements of the grant it awarded us, to replace our aging and decaying water system.

Based on this, the board moved, seconded, and unanimously reaffirmed the current compensation of both directors and officers, as specified in our current Bylaws, and job description will remain unchanged, and will add this to the election ballot for members to also approve. -m/s/v and Unanimously adopted

Water Manager Contract

- Have a water manager contract to satisfy the state of CA lawyers' request. While it is Terry Patton, there will be no change in the benefit/compensation, which is equivalent to the Officers. If another manager takes over, the Board can decide the manner and amount of compensation for the new manager. ***-m/s/v and Unanimously adopted***

Item 2: Grant Status

- VP

- State of California \$72,000 grant with UC Davis Water Legal Clinic for legal support. (Scope of Work/Terms attached)
- Additional paperwork is required from the State before we can receive funding. The Board is completing these.
- To satisfy State of CA grant requirements, ratification of current compensation must be put on the ballot and documented by Members. (see Sec.1)
- American Corps of Engineers Grant/Survey/Preliminary Design - concluded. Final Report submitted for the sewer to the septic preliminary plan. At the moment, LFMWC will not apply or pursue this grant. This is only for study purposes and laying the groundwork for the future if the water company decides to handle the wastewater treatment of the community. (Attach Report Submitted by Columbia University Engineers)
- Yuba Water Agency - Capital Improvement Plan. We received a grant from YWA to update our CIP. We have one prepared years ago with RCAC. YWA will pause this project until we get new system in place.
- Annual Consumer Report - Due on July, Cranmer Engineering will prepare this year. The President and Secretary will sign and post as required by the county.

Item 3:

- Secretary

The 85-acre sale has been closed and Yuba Water Agency now owns it. The first agenda is a fire break along LFE, the estimated time is this summer. The Secretary will invite Jon Messick (District Supervisor) to our annual meeting to talk more about this and other positive changes for our community.

- Election prep

July 13th, election 11am

Book Alcouffe from 10 am

Secretary to publish election details

Invite Jon Messick - present about YWA and LFMWC to present an appreciation token for his constant support to our community. VP order a gift, place of delivery TBD either Lisa or Anna's Work

Notify members that if they want to run to note the requirements and skills necessary to continue the work in grant management and applications. They are expected to be responsible for these duties, reporting and audit. And continue the grant process and application for construction - Phase 2. Anticipate new system in place, technical capabilities for online operations reporting and operating SCADA system.

Notify members that the water company will be accepting application from members who are interested to run for BOD. Must be a member in good standing. Must submit a cv to share with the members. The Board is announcing its intent to run again this coming election. Contact the Secretary for any candidacy/election questions.

- Action: Ballots/Election:

There will be two ballots this coming election.

1. The main ballot will include the verbiage from UC Davis lawyers re: 2008 Officers/Directors compensation (NO CHANGE) .
2. A second ballot will be sent after the election to address the sharing of members' contact information. If members agree to share their contact information with other members, they will need to respond YES on this ballot. This will be a separate ballot from the election ballot, for the reason that this ballot will show their name as it serves as their authorization for the water company to share their contact information with all members and any requestors, whereas the ballot for the Annual Election is anonymous.

-m/s/v and Unanimously adopted

OTHERS:

Attachments:

\$71K Technical Assistance Work Plan of UC Davis Legal Clinic

American Engineering Corp and Columbia University Engineers - Final Report

Meeting Adjourned at 11:12am