

Palomar Mountain Mutual Water Company, Inc.
Regular meeting of the Board of Directors
June 15th, 2024
The meeting was held at the Water Co. office building

Directors Present: Jim Marugg, John Lesac, Brett Michael Hauser, Charles Black, Sandra Cugusi-Tristan, and Diana Forero-Cook

Directors Absent: Mary Ellen Harshberger

Staff Present: Mike Probert [Operator], Linda Thorne [Office Manager], Renee Forero-Cook [OM assistant]

The meeting was called to order at 9:00 AM

The minutes of the May meeting were read and approved with corrections. Chuck moved, John seconded, and the Board approved.

Operator's Report: Mike Probert

See the Operator's written report as part of these minutes

Well Levels: Well #3 is at 6' this month while Well #5 is at 4' this month. Due to how high the water level is for Well #5, Mike is doing extra chlorination on #5 to prevent any bacterial issues if the water level continues to rise.

Leak: A leak was found May 14th behind the Lodge and it was fixed in 30 minutes with help from a neighboring shareholder.

Meter Readings: The annual meter readings are nearly done apart from 2 meter locations located behind locked fences with dogs.

Shutoffs: Shutoff notices were issued to 4 locations for non-payment related to the January billing. One location has since started making payments and a second has contacted the Water Company to pay their bill as of the meeting today.

Office Manager's Report: Linda Thorne

The newsletter draft is complete and ready for the Board's review. Once approved, copies will be printed in house to prepare to send out with the billing.

The rate sheet is being updated to rename the Special Assessment Fee to an Operational Assessment Fee with agreement from the Board.

Linda researched the water rates at similar water systems locally to us and even with the increase in assessments, the overall rates for Palomar Mountain Mutual Water Company are still lower than other similar water companies in the area.

The projected budget for next fiscal year is done. The Water Company adhered well to the budget for this fiscal year, but next fiscal year there are some anticipated increased expenses resulting in an increased assessment being issued. Issuing the Operational Assessment Fee allows us to have room in the 2024-2025 Operational Fiscal Year Budget so the Water Company is not dipping into the financial reserves to cover typical operating expenses. The Board has unanimously approved the projected budget for next fiscal year.

Secretary's Report: John Lesac

See the new share transfers spreadsheet as part of these minutes

Location #46 transferred this month.

Treasurer's Report: Brett Michael Hauser

See financials for April 2024

Total income year over year is up about 14k due to the Special Assessment issued (Operational Assessment going forward). Through the end of April of this year we have been charged approximately 4K more in electric expenses by SDGE compared to the same time period last year despite similar electrical usage. Testing costs are doubled this year compared to last year, and there is now the added expense of Choice Water Solutions for the D1 license. Legal is down dramatically this year. We're at a total net income of 27k this year vs 9k at this time last year.

Old Business

Outstanding lingering legal business should be resolved within the next month, finally allowing the Water Company to move on from this issue and to stop costing the shareholders additional money in legal expenses.

We have submitted a credit card application for the Water Company through US Bank. An online payment portal through US Bank for shareholders to submit payments is in the works, but due to not having a large enough volume of transactions paid through portal, there will be a transaction fee of 2-3% associated with each transaction. The Money Market Account transfer is in the works and US Bank is the current roadblock in getting it done. If they continue to be an obstacle, the Board will work to switch financial institutions.

The job description for Office Manager II is being updated and the workers compensation policy is updated to account for Renee helping with operations work as needed as well as any additional work needed for the Water Company. The present voting members of the Board unanimously agreed to change the Office Manager II's pay to \$25/hr with Diana Forero-Cook recusing herself from the vote.

The Federal Service Line Inventory (FSLI) will be submitted as a spreadsheet with the information believed to be required, and if the State wants more information than what is

provided, they will request it. The Water Company Operations team will not need to expose pipes from the meter to the house under the current understanding of the requirements to complete the FSLI. Because of the testing done by the Water Company under the State requirements, it supports the system is steel and PVC without lead due to the lack of presence of the metals in the conducted water testing. There should not be a need to do extensive examination of the water system or any pipes from the meter to the house.

New Business

Three positions are up for re-election at the Annual Meeting this year. The positions will rollover if there is no opposition at the meeting.

The meeting was adjourned at 10:14 AM

**Respectfully submitted,
Renee Forero-Cook
Assistant Office Manager**