**Palomar Mountain Mutual Water Company, Inc.**

**Regular meeting of the Board of Directors**

**April 13th, 2024**

**The meeting was held at the Water Co. office building**

**Directors Present:** Jim Marugg, John Lesac, Brett Michael Hauser, Mary Ellen Harshberger and Diana Forero-Cook

**Directors Absent:** Sandra Cugusi-Tristan, Charles Black

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

The meeting was called to order at 9:08 AM

The minutes of the March meeting were read and approved with minor corrections. Brett 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 12 feet and well #5 is at 13 feet vs 28 feet for both this time last year.

**Testing:** Water sampling and testing continues as required by the State with coliform (E. Coli) testing performed this month. Coliform was absent.

**Meter Readings:** Location #155 meter was read for escrow.

**Leaks:** Three leaks were addressed this month.

Two of the leaks occurred on easement 24.

* On March 28th the emergency pager went off for a leak on the easement. A pipe coupler sheared on a 2” pipe. The leak was fixed on March 29th.
* On April 4th there was another leak in the same area on the easement. A smaller pipe broke around a coupler again. The leak was repaired the same day.

The pipes in this area are very shallow from previous grading on the easement. For both leaks clean dirt was backfilled around the pipes as the dirt removed was very rocky, increasing the risk of pipe damage. It is the responsibility of the homeowners along the easement to address the grading that is contributing to the increased risk of leaks in the area.

On April 8th a Home Depot delivery truck hit a valve marker at the corner of Birch Hill and Crestline to cause a major leak. The broken pipe roughly 2 feet down was dug up, the leak identified, the water system shut down, the repair completed, and the trench backfilled. A 2” plastic pipe to the inlet manifold attached to a metal valve that was struck by the truck was cracked. The valve shutoff was sheared off and in pieces. This was a redundant valve as there is an additional valve shutoff immediately upstream and replacing it was unnecessary. We lost 7,000 to 8,000 gallons of water, and the repair took three people five hours to complete.

A policy needs to be established for pursuing compensation for damages to our water system.

**Telemetry:** March 15th a telemetry failure occurred at the pump site. The wells over-pumped overnight causing an overflow of the tanks. The pumps were off and telemetry appearing operational when investigated during the day. On March 17th telemetry failed again. John came out to assess the telemetry issue. There was a voltage imbalance from the neutral wire pulling loose. A branch fell on the line attached to a cedar tree. SDG&E was called out. There is an insulator attached to the tree due to not being able to install a pole where this happened. The line was fixed and neutral was restored. Telemetry is operating without issue again.

**Choice Water**: Choice Water Solutions came up on 4/10 for sampling without alerting Mike ahead of time. A note was left for Mike, and samples were not collected due to them not knowing how to collect samples for our system. We need to address this with Choice Water Solutions to prevent any issues obtaining the necessary sampling for reporting.

**Secretary’s Report: John Lesac**

Two share transfers for #155 and #10 occurred this month.

**Office Manager’s Report: Linda Thorne**

The electronic Annual Reporting (eAR) was returned to us for corrections this month.

The Consumer Confidence Report (CCR) can be started, but we need to work with the State to address the notifications in the CCR for this year.

Documents and payment for two share transfers were received and processed.

A new policy for the Water Company was provided by the insurance agent. The check needs to be mailed out now. The new policy is $10,280 through the Joint Powers Risk and Insurance Management Authority (JPRIMA), which is a little less than last year. $9254 of that cost is for the insurance package, but we needed to pay to join JPRIMA to get the policy. JPRIMA exists to provide insurance products for smaller Mutual Water Companies established through CalMutual. Very little can be done about the overall policy cost due to the fire risk of the area. Roughly $5,000 of the policy fee is for fire insurance alone.

January billing is nearly finished. The second late notice after the initial billing was mailed to delinquent shareholders. Any remaining accounts with outstanding fees at this point will receive a shutoff notice that will be sent out next week. At this time it looks like there may be approximately 10 shareholders who will receive shutoff notices.

**Treasurer’s Report: Brett Michael Hauser**

*See financials for February 2024*

A check for $126.40 from the State Compensation Insurance Fund for a workers’ compensation policy dividend was received this month.

A $100/month salary for up to 5 hours worked monthly, plus $20/hr for any hours worked over the initial 5 hours is currently provided to the Office Manager Assistant. The Board made a motion to codify these wages. Board Member-At-Large Diana Forero-Cook recused herself from the vote, and the remainder of the Board present unanimously agreed to the codification.

The accounting documentation needs to reflect a line item for 3rd party entities the Water Company is using per Debra. The Board agreed to the term Water System Management for the line item for contracting services provided by Choice Water Solutions. Currently the invoice received from Choice Water Solutions includes both their contracting fee and the fee for testing. The testing fees will need to broken out separately in our accounting line items.

Year-over-year there has been little change to the Water Company financials. From February 2023 to February 2024 there is roughly $200 less in the checking account through US Bank. The Money Market Account from US Bank has not meaningfully changed in the last year due to the lack of interest on the account. The Board is looking to move to a no fee Vanguard account with return rates currently around 5% this month to make better use of our reserve funds.

Total income from the start of the fiscal year is up approximately 10k year-over-year. While expenses have gone down about $2,500 year-over-year, individual expense categories such as accounting, electricity, payroll taxes, licensing, and testing are continuing to go up. Legal expenses are continuing to go down which does represent a point of savings.

There is roughly 21k in outstanding shareholder account fees.

**Future Business**

The State still has some questions on the map related to the citations, but Jim is going to work to resolve the issue this week to provide what the State is looking for on the maps.

The Board called a closed session. No action items to report.

**The meeting was adjourned at 11:09 AM**

**Respectfully submitted,**

**Renee Forero-Cook**

**Assistant Office Manager**