

BOARD OF DIRECTORS

Meeting Minutes

February 21, 2024 6:00 PM.
Crestline Sanitation District, Meeting Room
24516 Lake Drive, Crestline, CA 92325

CALL TO ORDER: Director Flores calls the meeting to order at 6:00 PM

PRESENT: President: Gil Flores
Treasurer: Erin Kafieh
Director: Daniel Dobrescu

ABSENT: Secretary: Joseph Jackson

STAFF PRESENT: Chief Operator: Nathan Burwell
Office Administrator: Rosemarie Garcia
Office Assistant: Selena Alegria

SHAREHOLDERS PRESENT: (see sign-in sheet)

1. Consent Agenda:

A. February 21, 2024 Agenda, Approval.

B. November 15, 2023 Meeting Minutes, Approval.

DISCUSSION: None

MOTION: Director Kafieh motions to approve the Consent Agenda as presented.
Director Dobrescu seconds the motion.

ACTION: Motion approved upon unanimous vote.

2. Old Business: None

A. Well Development amended proposals (discussion)

DISCUSSION: CO Burwell noted the Board had previously approved a proposal by Well Tec Services for drilling a new well on Upper Burnt Mill. Two separate work orders have been received with an invoice for a \$2,000 down payment. A special condition has been added to the contract to require the water company to provide water at the drilling site.

In addition, the original bid did not include the cost of the pump and electrical which has increased the cost of the service by \$24, 565.00. OA Garcia noted the price for the pump and electrical is good for 15 days.

President Flores noted the Board of Directors previously approved execution of the contract; however, the \$24,565.00 is in addition to what was originally approved.

Director Dobrescu notes that the cost of the pump can't be determined until the well has been drilled and a test pump conducted. The cost of the labor in the proposal is appropriate.

CO Burwell is to get additional bids to evaluate the appropriateness of the additional charges.

B. Board of Director vacancy (discussion)

DISCUSSION: Director Flores noted there is a vacancy and three applications have been received. Two of the applicants were present in the room and provided an overview of their background.

Applicant Bell presented that he has been a full-time resident of Cedarpines Park Since October 2022. He is a full-time employee of CSU San Luis Obispo specializing in technology infrastructure. He has 15 years technical experience.

Applicant Fryer has been a full-time resident of Cedarpines Park for 6 months. He holds PhDs in Engineering and Business and works as a Professor at the University of California Riverside. He was a system engineer in the US Air Force and has 15 years corporate experience in the technology sector.

A third candidate is a long time resident of Cedarpines Park and currently has Worked for the Crestline Water District for 25 years.

Director Flores recommends waiting to vote until all members of the Board of Directors are present to vote. This should occur at the March meeting.

3. New Business:

A. Addition of OA Garcia as bank signer, Bank Resolution 22-05, 22-06 (approval).

DISCUSSION: Director Kafieh provided an update that all Board members must be present within one week at each of the two banks to change signatories. All Board members should be available around the time of the March meeting and Director Kafieh will attempt to schedule times to sign with each of the banks on the day of the next Board meeting or the morning of the day after.

Director Flores recommended adding OA Garcia to the Resolutions to ensure adequate coverage for signatures.

MOTION: Director Dobrescu motions to approve the addition of OA Garcia as a bank signer. Director Flores seconds the motion.

ACTION: Motion approved upon unanimous vote.

B. Annual Audit 2023-2024, Smith Marion (approval)

DISCUSSION: OA Garcia reports an engagement letter was received from Smith Marion, the auditor used in the prior fiscal year. The cost of the audit will be \$13,862.00 which is an increase of \$912.00 from the previous fiscal year.

MOTION: Director Flores motions to approve use of Smith Marion for the annual audit. Director Kafieh seconds the motion.

ACTION: Motion approved upon unanimous vote.

C. IT Support (discussion)

DISCUSSION: OA Garcia noted the IT challenges she experiences when dealing with Clover, adding additional payment options and updating the website. She reports the company Simple Biz cold called the office and offered to provide monthly IT support for the cost of \$99.00 per month. Currently she uses Network Solutions and they charge \$59.99 per ticket. There is no budget for IT support. Currently implementation of PayPal as a payment solution is on hold due to problems with Clover. IT issues are using up a great deal of office staff time and causing processing of frequent refunds.

Director Kafieh inquired as to what we have been spending over the last 2 years. In addition, Board Applicant Bell recommended getting clarity about what is and isn't covered under the monthly cost with Simple Biz.

OA Garcia will bring the information requested to the March Board meeting for further consideration.

MOTION: N/A

ACTION: N/A

4. Financial Report, February 2023:

DISCUSSION: The Board and staff review the financial and reconciliation reports. OA Garcia noted this is a non-billing month so there is very little to report. All accounts Have been reconciled and there are no remarks. There has been a notable change to the Profit and Loss Statement as research on outstanding water shares by OA Alegria has increased the purchase of water shared by \$10,000. OA Garcia noted the draft budget is due in April for the upcoming fiscal year.

Director Kafieh noted she has been working with Multi-Bank Securities (MBS) in an attempt to safely invest monies in excess of \$250,000.00 with each banking institution. MBS is used by CLAWA to maximize return on investment with minimal risk. Currently we invest roll over Treasury Bills each month but a second form of

investment is required to protect and maximize assets.

Director Kafieh will reengage with MBS in March pending the return of Director Jackson.

MOTION: N/A

ACTION: N/A

7. Operations and Production Report, January 2024:

A. Field Operations Report

OA Burwell reports

- Repair of a shallow $\frac{3}{4}$ " mainline leak on El Valle Road. The repair involved lowering a 50' section to a more protected depth. Total loss was 815 ft³
- The pressure sensor on the backhoe was replaced due to a low oil pressure warning light which was caused by the sensor. Although the backhoe is under warranty, the cost of having the mechanic come out would have been between \$240 and \$310.
- Using the spreadsheet created by a prior Director, there are no leaks to report.

DISCUSSION: N/A

B. Production Report

OA Burwell reported domestic Production reported was 278,350 ft³cubic feet (48.2 gpm) to the system. CLAWA (purchased water) has been shut off since mid-March 2023. Six of the 14 wells are running.

DISCUSSION: Director Dobrescu asked if well shut downs were being rotated and OA Burwell confirmed they are. Director Kafieh asked about revisiting the temporary suspension of new water shares. Director Flores clarified that a state audit in 2022 identified the water needs were 10% over what should be and there are still outstanding accounts that are not active.

C. Geotech Erosion Mitigation

- OA Burwell contacted two Geotechnical survey companies regarding erosion mitigation for future improvements at the Sawpit site. One quote has been received for \$7,600 and we are currently awaiting the second quote. The first step in the process is to obtain a report.

DISCUSSION: N/A

8. Public Comment: None

8. Announcements:

Director Flores announces the next regular meeting of the Board is tentatively scheduled for March 20, 2024.

Adjourn to Executive Session

MOTION: Director Kafieh motions to adjourn to executive session at 6:56pm.
Director Dobrescu seconds the motion.

ACTION: Motion approved upon unanimous vote.

9. Shareholder Matters:

A. There were no shareholder matters to discuss.

DISCUSSION: N/A

MOTION: N/A

ACTION: N/A.

10. Memberships Canceled/Issued:

MEMBERSHIP CANCELATION/ ISSUANCE, CHANGE IN OWNERSHIP

MEMBERSHIP CANCELATION/ ISSUANCE, CHANGE IN OWNERSHIP

Account:	Cert# Cancelled:	Cert# Issued:
1. 7-547	010963A	011124A
2. 5-725	7062A	011125A
3. 1-200	010538A	011126A
4. 12-862	8610A	011127A
5. 4-278	010967A	011128A
6. 1-850	-	011129A
7. 8-148	010951A	011130A
8. 3-103	8909A	011131A
9. 11-201	7549A	011132A
10. 11-241	010435A	011133A
11. 9-39	010377A	011134°

MEMBERSHIPS CANCELATION, VIOLATION RULES AND REGULATIONS

Account:	Cert#
1. 99-4506	6937A
2. 6-86	010936A

DISCUSSION: None

MOTION: Director Kafieh motions to approve cancellation and issuance of Memberships associated with the accounts as listed. Director Flores seconds the

motion.

ACTION: Motion approved upon unanimous vote.

11. Personnel Matters:

A. Office Assistant part-time to full-time (discussion)

DISCUSSION: OA Alegria presented that she was hired in July 2023 for a part-time position and maintains the position is a full-time job. She is asking the Board to consider changing her position to full-time. OA Alegria notes the change will cost the company a couple hundred dollars a month; however, she notes this will be offset by the work she has been doing to identify extra water shares. To date, she has identified 23 properties that needed extra shares which has in turn absorbed 70 water shares. The identification of these shares represents a total of \$30,325.00 in potential revenue. Of this amount, \$9,050.00 has been collected (21 shares) to date, \$12,550.00 have been set up on payment plans (28 shares) and \$8,725.00 are in the process of being recovered (21 shares). Although the project is currently part of her job, OA Alegria has limited time to work on the task and due to competing priorities. If made full-time, she would have an extra 1.5 hours daily to work on the task.

All Directors present agreed that the return on investment of making OA Alegria full-time was both a monetary and public relations benefit to the company. Director Kafieh will notify OA Alegria and OA Garcia of the Board's decision.

B. Hiring of Utility Operator Trainee (discussion)

DISCUSSION: CO Burwell noted there are currently 7 applicants for the position. Director Flores recommended CO Burwell set up interviews at his earliest convenience.

C. Letter from Operator (discussion)

DISCUSSION: CO Burwell provided a letter from an existing operator requesting consideration for review of compensation based on an increase in experience and duties.

All Directors agree the request should be considered as part of the upcoming budget and compensation review process which occurs regularly in April.

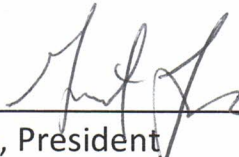
12. Legal Matters: N/A

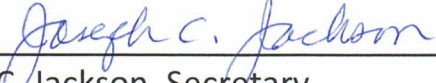
13. Third Party Contracts: N/A

ADJOURNMENT

MOTION: Director Dobrescu motions to adjourn the Executive Session at 7:30.
Director Kafieh seconds the motion.

ACTION: The Meeting was adjourned upon unanimous vote.

Approved:  Date: 3/20/24
Gilbert Flores, President

Attest:  Date: 3-20-2024
Joseph C. Jackson, Secretary