

MINUTES OF PONDEROSA BASIN MUTUAL WATER COMPANY REGULAR MEETING OF SHAREHOLDERS/MEMBERS

October 10, 2017

Meeting was called to order by Aleardo "Tuffy" Donati, President of Board of Directors at 6:03 PM at the Ponderosa Basin Mutual Water Office, Mariposa, CA

BOARD MEMBERS PRESENT: Tuffy Donati, Gilbert Bustos, Larry Jones, and Daniel Robarge **BOARD MEMBER ABSENT:** Troy Newlon

STAFF PRESENT: Aleardo (Tuffy) Donati, Water Operations Supervisor; Art Leuchner, Water Operator; Alana Leuchner, Office Assistant

GUESTS: Preston McGill, Steven Wright, Vicki Wright, Paulette Franksen, Doug Franksen, and Shannon O'Brien

Tuffy Donati asserted that there was some speculation over he being elected Board President. He stated that it was due to Bob Bartholomew suddenly passing away and there were issues on the table such as the tanks and grants from the state. He stepped in as interim president only. Bank accounts had to be changed due to Bob's untimely death.

The changes to the bank accounts were that we opened two new accounts.

1. Assessment Acct for Solar: Balance \$28,310.78 (Members have until June 30, 2018 to complete their assessment payment of \$120.00 – at which time we will have accrued \$48,250.00

We have a contract for solar, but not for financing as of this date; if for some reason solar does not come to fruition, then the monies would be returned per Board vote. The pricing does not include the felling of trees nor hooking up to PG & E. The hook up would probably be in the range of \$15,000.00 to \$20,000.00.

2. Still have Asset Replacement Acct and have recently painted the tanks which has been on the Asset Replacement list for some time. Balance: \$38,196.00.

Paid out \$12,850.00 to Chaney Painting for tanks. Tuffy and Art to paint the shop/office building because it is more cost effective than contracting the labor out.

3. New Operations Reserve Acct. Balance: \$10,000.00. We are striving to save \$70,000.00 for AB 240.

A suggestion was made by Steve Wright that the Water Company assess each water customer \$1,000.00 and raise the water rates to \$100.00 a month. Paulette Franksen rebutted that many people in the Basin were on fixed incomes and wouldn't be able to afford either of the proposed suggestions. Gil Bustos commented that presently there is an environment of high energy taking place with anonymous letters being sent out complaining about the \$120.00 assessment.

Tuffy addressed his serving as President of the Board and stated that he simply does not have the time to serve and do his job as well; he indicated that he had tried but couldn't keep up with the time constraints with his position at the Water Company. Doug Franksen noted that it was he who nominated Tuffy to be on the Board of Directors because of the death of Bob Bartholomew and the traveling schedule of Gil Bustos had had prior to this date; he felt it was necessary for someone to step up to the plate under extraordinary circumstances with Gil Bustos as Vice President.

Vicki Wright said she thought it was Troy who nominated Tuffy; however Doug Franksen said she was mistaken. Doug further added that he asked if anybody wanted the position and no one spoke up so I said, "Then I nominate Tuffy." Gil said he had been unsure what the By-laws stated, but after checking found there were no constrictions.

Tuffy will be exempt from matters relating to all personnel matters. Vicki Wright stated she felt it was a conflict of interest. Tuffy asked her how so? Vicki said she felt employees shouldn't be able to make decisions. Doug Franksen stated that when he was on the Board in 2015 that 1/3 of the Water Companies in the state had well managers on the board in a non-treasury, non-secretarial position. Gil Bustos interjected that "You have the right to voice your opinion and have something come of it; you have the right to request that that be heard in a meeting and make changes in the By-laws. You have that right if there is something you want discussed in an open meeting, we will be happy to add it to the agenda.

Discussion moved to the voting taking place at the Annual Meeting of Shareholders/Member. Doug Franksen remarked that nominations and voting took place at that meeting and members present as well as all those who sent in their proxies had their votes counted. Vicki Wright said the ballots weren't counted by anybody. Gil Bustos assured her that the ballots were counted by the secretaries at the meeting prior to us all leaving the hall. The results were not announced to all because everyone was in a hurry to get home, so we made the announcement at the next meeting... and that is the way it happened.

The Water Company will not respond to anonymous complaints, so in the future a person can fill out a form and it will be addressed.

Vicki Wright said she has been requesting minutes for three years; Gil explained that Bob kept a lot of the information on his personal computer. More conversation back and forth with the outcome that Gil related to Vicki that he would get her the minutes she had requested, but that in reading her email, all her demands would not be honored; however, the Items outlined in Article X of the By-laws will be provided and made available to any member/shareholder--upon request.

Next subject brought up by Vicki Wright pertained to Tuffy performing a non-paying volunteer position on company time. Tuffy replied that when called he related that he will get back to them later Discussion back and forth—ending with Tuffy saying that the time consumption of the presidency had caused him to suggest to the Board that Gil Bustos step in and that being President for the short interim was not a conflict of interest because he was not personally benefited by being a public servant. Gil stated that the reason Tuffy resigned was due to spending too much time not just working as President, and too much time for the Water Company that there was no time to devote to his family; so what we've done is discuss this. Tuffy added that Bob was retired and had a passion for this but that, unfortunately, none of us have the time that he devoted to it, so we're going to have to find a way to divide up the work.

Gil told Tuffy that since he had resigned as President and that he had now assumed the role – we need to get back to the agenda.

Preston McGill was asked to give an update on the Solar. Preston related that he, too, is a member of Ponderosa Basin. He stated when in place the Solar will be working during peak time, thereby making it more cost effective.

There were questions to Preston regarding dates to be completed etc. Preston stated that the initial date had been construction to begin on 11/1/2017 with completion date of 2/1/2018, as well as cost contingencies and the use of 3 phase power.

Next item of business: Gil Bustos stated that minutes had been passed out and were there any corrections or additions. With none being rendered, Larry Jones made a motion to approve the minutes; a second; carried. **MSC**

Water Manager related that his Report had been disbursed throughout the meeting.

Board Member duties: Tuffy related that the State wants to do a re-evaluation of PBMWC with the possibility of meter. A conference call will be made in the near future with the State.

Gil mentioned that Board Members were required to take a AB240 webinar. Daniel Robarge said he hadn't taken it but that Tuffy had reserved a time for him to take it.

Gil opened the floor to anyone who wished to say something. Doug Franksen brought up that there had been thefts of several "caps" belonging to PBMWC. Tuffy said they were aware of it and that we would start making incident reports for such things.

Steve Wright suggested as assessment at some later time regarding solar panels. Gil agreed saying that right now we have \$10,000.00 in reserve and that we need approximately \$70,000.00 on hand. We need what will best serve our shareholders.

There being no further business, Gil Bustos made a motion that the meeting be adjourned. 2nd: Larry Jones **MSC** (Motion, 2nd, Carried) Adjourned at 7:10 PM

Respectfully transcribed by:

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