

# GREEN VALLEY MUTUAL WATER COMPANY

## BOARD OF DIRECTORS MEETING MINUTES

December 13, 2021

1. The meeting was called to order at 6:34 p.m. by President Glen Pyne, at the Hilton Garden Inn.

Directors present at the meeting:	President 1 <sup>st</sup> Vice President 2 <sup>nd</sup> Vice President Secretary/Treasurer Directors:	Glen Pyne Steve Christman Charlie Mattson Jeff Grimsley Jerry Miller Kathleen Benjamin Richard Vouga
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Employees Present:	General Manager Recording Secretary	Steve Brandt Emily Nohr
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GVL Recreation:	Board of Director	Tracy Schroeder
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Public Present:	Susan Lopez, Sandi Huckaby, Lyle Ferguson, BJ Ferguson, Chris Chesney, Jean Konhoff, Linda Miller
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### 2. PUBLIC COMMENT:

- a. Shareholder, Susan Lopez, made comments regarding the time frame of the capital improvement pipeline replacement project.

### 3. CONSENT CALENDAR:

- a. **M** (Richard Vouga) **S** (Steve Christman) **C**: To approve the following items of the consent calendar. *The motion was unanimously carried.*
- i. A – October 18, 2021, Regular Board of Directors Meeting Minutes
  - ii. B – Ratification of payment of claims exceeding \$500.00
  - iii. C – October Funds of Deposit Report
  - iv. D – November Funds of Deposit Report

### 4. GVL RECREATION, INC.:

- a. Tracy Schroeder presented the President's Report and reported on the status of GVL Recreation, Inc.

### 5. FINANCIAL REPORTS:

- a. Jeff Grimsley presented the financial statements for the periods ending October 31, 2021, and November 30, 2021.  
**M** (Kathy Benjamin) **S** (Charlie Mattson) **C**: To approve the Financial Statements for October 31, 2021, and November 30, 2021, as presented. *The motion was unanimously carried.*
- b. **M** (Charlie Mattson) **S** (Steve Christman) **C**: To increase the late penalty fee to \$30.00 and keep the assessment penalty at 5% per California Corporate Code. *The motion was unanimously carried.*

### 6. MANAGER'S REPORT:

- a. Steve Brandt presented the October and November Production Reports, which show demand has remained consistent and is not increasing.
- i. Steve Brandt reported that Snow Canyon well has been turned off for the winter season.

### 7. OLD BUSINESS:

- a. The proposed Verizon Wireless propagation Map was reviewed, and the Board directed the Steve Brandt to move forward with contract negotiations.
- b. **M** (Steve Christman) **S** (Charlie Mattson) **C**: To approve the 2022 Budget with no water rate increase as shown in Exhibit A, attached hereto.  
Ayes: Kathy Benjamin, Jerry Miller, Charlie Mattson, Steve Christman, Glen Pyne  
Nays: Jeff Grimsley, Richard Vouga  
Abstain: None  
Absent: Rick Blea, Robert Perrill

**GREEN VALLEY MUTUAL WATER COMPANY**  
**Board of Directors Meeting Minutes**  
**December 13, 2021**

- c. **M** (Richard Vouga) **S** (Jerry Miller) **C**: To levy an assessment on the shares of the Corporation for the calendar year 2022 in the amount of \$325.00 per share. *The motion was unanimously carried.*
- d. **M** (Charlie Mattson) **S** (Kathy Benjamin) **C**: To approve the 2022 Capital Improvement budget as shown in Exhibit A, attached hereto. *The motion was unanimously carried.*

**8. NEW BUSINESS:**

- a. Meeting dates for the 2022 calendar year were discussed.
- b. **M** (Kathy Benjamin) **S** (Jeff Grimsley) **C**: To authorized staff to lien a total of six past due accounts.

**9. BOARD MEMBER REPORTS:**

- a. Jerry Miller, Chairperson of the Lake and Clubhouse Committee, provided a brief update on the status of the Committee.
- b. Kathy Benjamin, Chairperson of the Community Relations Committee, provided a summary of the Customer Survey results.

**10. CORRESPONDENCE:**

- a. A letter submitted by a Shareholder regarding the Clubhouse was reviewed.
- b. A letter submitted by a Shareholder regarding multiple concerns was reviewed.
- c. A request for the waiver of a late penalty was denied.

**11. ADJOURNMENT:** The meeting was adjourned at 9:15 pm.

Respectfully Submitted,



Emily Nohr,  
Recording Secretary

**EXHIBIT "A"****2022 BUDGET***adopted December 13, 2021*

<u>Account No.</u>	<u>Account Title</u>	<u>2022 Budget</u>
<b>Water Sales</b>		
41001	Standby/Connection fees	\$ 502,610.00
41007	Water usage	\$ 78,000.00
42005	Contract water	\$ 4,500.00
<b>Total Water Sales</b>		<b>\$ 585,110.00</b>
<b>Water Services</b>		
43001	Turn on/off fees	\$ 3,400.00
43005	Late fees	\$ 8,000.00
<b>Total Water Services</b>		<b>\$ 11,400.00</b>
<b>Miscellaneous Fees</b>		
	New Installation Fees	\$ -
44001	Stock transfer fees	\$ 50,000.00
<b>Total Miscellaneous Fees</b>		<b>\$ 50,000.00</b>
<b>Interest Income</b>		
49511	CA Bank Money Mkt int inc	\$ 250.00
49508	Community Bank int inc	\$ 1,150.00
49506	FMB/First Foundation Bank Int	\$ 250.00
49504	Lateral bond int inc	\$ 13.00
49501	Bank of America CDs	\$ 8.00
<b>Total Interest Income</b>		<b>\$ 1,671.00</b>
<b>Total Operating Income</b>		<b>\$ 648,181.00</b>
<b>Other Income</b>		
<b>Assessments</b>		
49601	Assessments - regular	\$ 529,100.00
49605	Assessments - penalties	\$ 1,000.00
<b>Total Assessments</b>		<b>\$ 530,100.00</b>
<b>Other Miscellaneous Income</b>		
49750	Verizon cell site rental	\$ 16,025.00
49710	Clubhouse rental income	\$ 2,400.00
49801	Miscellaneous income	\$ 700.00
<b>Total Other Miscellaneous Income</b>		<b>\$ 19,125.00</b>
<b>Total Other Income</b>		<b>\$ 549,225.00</b>
<b>Total Income</b>		<b>\$ 1,197,406.00</b>

## 2022 BUDGET

adopted December 13, 2021

<b>Cost of Operations</b>		
<b>Source of Supply</b>		
51001	Maintain structure/wells	\$ 200.00
51005	Purchased water	\$ 8,500.00
	<b>Total Source of Supply</b>	<b>\$ 8,700.00</b>
<b>Pumping</b>		
52001	Repair pump equip, etc.	\$ 200.00
52005	Repair pump station	\$ 200.00
52010	Fuel/power/purchased	\$ 14,000.00
	<b>Total Cost of Pumping</b>	<b>\$ 14,400.00</b>
<b>Transmission and Distribution</b>		
54001	Street repair	\$ 750.00
54002	Trans/Distr Mains	\$ 7,500.00
54003	Reservoir/tanks	\$ 200.00
54004	Service line maintenance	\$ 200.00
54006	Meter maint/replacement	\$ 1,000.00
	<b>Total Transmission and Distribution</b>	<b>\$ 9,650.00</b>
	<b>Total Cost of Operations</b>	<b>\$ 32,750.00</b>
	<b>Gross Profit</b>	<b>\$ 1,164,656.00</b>
<b>Administrative Expenses</b>		
<b>Payroll</b>		
56001	Office/hourly regular	\$ 51,877.00
56002	Office/overtime	\$ 1,484.00
56003	Office/Paid Time Off	\$ 2,082.00
56005	Field Management/Ops	\$ 127,121.00
56006	Field hourly	\$ 89,405.00
56007	Field/overtime	\$ 9,712.00
56008	Field/Paid Time Off	\$ 6,200.00
56010	Field/standby	\$ 3,858.00
56411	Capitalized labor	\$ (32,250.00)
	<b>Total Payroll</b>	<b>\$ 259,489.00</b>
<b>Office Operations</b>		
56201	Office supplies/services	\$ 7,000.00
56202	Postage	\$ 6,500.00
56203	Heating/office	\$ 600.00
56204	Heating/shop	\$ 1,800.00
56205	Gasoline/license	\$ 9,500.00
56207	Refuse removal	\$ 360.00
56209	Miscellaneous expense	\$ 1,200.00
56210	Training	\$ 750.00
56211	Small tools	\$ 1,000.00
56212	Telephone	\$ 1,300.00
56213	Bank charges	\$ 650.00
56305	Computer maint/service	\$ 3,400.00

**2022 BUDGET***adopted December 13, 2021*

<b>Total Office Operations</b>	\$	<b>34,060.00</b>
<b>Outside Services</b>		
56302	Accounting	\$ 10,000.00
56303	Lab tests/water	\$ 10,000.00
56306	Legal	\$ 10,000.00
<b>Total Outside Services</b>	\$	<b>30,000.00</b>
<b>Other General Expenses</b>		
56401	Board meeting expense	\$ 9,000.00
56403	Liability insurance	\$ 26,500.00
56404	Employee insurance	\$ 38,000.00
56405	Workers comp insurance	\$ 16,000.00
56406	Payroll taxes	\$ 22,000.00
56407	Retirement plan	\$ 8,200.00
56408	Building/structure maintenance	\$ 500.00
56409	Vehicle & equip maintenance	\$ 5,000.00
56410	Communication service	\$ 6,000.00
57001	Depreciation	\$ 177,204.00
<b>Total Other General Expenses</b>	\$	<b>308,404.00</b>
<b>Permits, Taxes and Fees</b>		
	CUWA Permit	\$ 480.00
57002	CA Dept of Health Service	\$ 500.00
57003	USDA Forestry permit	\$ 1,800.00
57004	CA Dept of Water Resource	\$ 22,000.00
57005	ACWA	\$ 1,200.00
57006	Taxes lake/clubhouse	\$ 4,250.00
57007	Taxes other property	\$ 2,500.00
57008	Franchise Tax Board	\$ 1,800.00
57009	Co Franchise Authority	\$ 3,545.00
58001	Corporate filing fee	\$ 25.00
<b>Total Permits, Taxes and Fees</b>	\$	<b>38,100.00</b>
<b>Other Expenses</b>		
59001	Clubhouse maintenance	\$ 250.00
59002	Supplies	\$ 1,000.00
59003	Utilities	\$ 5,000.00
<b>Other Expenses</b>	\$	<b>6,250.00</b>
<b>Other Miscellaneous Expenses</b>		
	3 Month Operations Reserve Increase	\$ 20,000.00
59901	Dam/check dam/flood channel	\$ 200.00
59903	Clubhouse,office,grounds	\$ 150.00
59908	Other expense	\$ 150.00
<b>Total Other Miscellaneous Expenses</b>	\$	<b>20,500.00</b>
<b>Total Other Expenses</b>	\$	<b>26,750.00</b>

**2022 BUDGET**

*adopted December 13, 2021*

<b>Total Expenses</b>	\$	<u>696,803.00</u>
<b>Net Income (Loss)</b>	\$	<u><u>467,853.00</u></u>
<b>Carryover Operations Profit (Loss) 2021</b>		
<b>Operations Profit (loss) without Carryover</b>	\$	(29,497.00)
<b>Total Operations Profit Loss after Carryover</b>	\$	47,104.00

**CAPITAL IMPROVEMENTS BUDGET**

<b>Total Assessment Income</b>	\$	<u>530,100.00</u>
<b>Capital Improvement Projects</b>		
Electronic Locator Equipment	\$	6,500.00
Meadow/GVL Road Valve Retrofit	\$	20,000.00
GVL Road Pipeline Replacement	\$	200,000.00
Clubhouse	\$	40,700.00
Pump House Upgrades	\$	60,000.00
Surface Storage/Trans Reserve Account	\$	<u>202,900.00</u>
<b>Total Improvements Cost</b>	\$	<u>530,100.00</u>
<b>Capital Improvement Profit (Loss)</b>	\$	-