

SOUTH FORK ESTATES MUTUAL WATER COMPANY

Board of Directors Meeting Minutes

March 1, 2023

Present: Mitch Pliskin, President; Steve Daniels, Vice President; Andrea Fitzpatrick, Treasurer; Patty Pliskin, Secretary; Orfil Muniz (Zoom); Michael Tharp, Developer; Don Peter, D1 Certified Operator

Absent: Sue Tharp, Developer; Tom Ridenour, D3/T3 Certified Operator

Call to Order: 6:37 pm

Handouts: 2023 Proposed Budget (review for 2023 Budget); March 11, 2023 Annual Shareholders Meeting Packet

Subject	Discussion	Recommendation/Outcome
Old Business		
1- January 25, 2023 Minutes Review	Minutes from January 25, 2023 meeting presented for review.	January 25, 2023, minutes – motion to approve; approved by Director Daniels, 2 nd by Director M. Tharp, unanimous motion to approve carried.
2- Ethics Class (AB54/AB240)	Directors who have not completed the required training are urged to complete the training ASAP.	The Directors that have not completed the required training were urged to do so ASAP.
3- Website	The Board discussed the Rural Water Impact host website cost for \$457 (plus a one-time \$350 set-up fee) may be cost prohibitive at this time based on the SFEMWC projected 2023 budget. The Board decided that the benefits of having the Rural Water Impact website was worth the financial impact on the 2023 budget.	Directors M. & P. Pliskin will move forward in obtaining this host website.
4- IRS - 2019 & 2020 Tax Form 990 Submission	Extension letters for tax penalty reviews for not filing 2019 & 2020 form 990R was sent to us in February 2023 by the IRS. It states it would be another 60 days for our case to be reviewed. This is the 3 rd extension notice.	Decision pending.
5- Seal of Corporation	Director P. Pliskin confirmed through a state website that a Seal of Corporation is not required.	No further action necessary.
6- Statement of Information	Statement of Information was completed and filed with the State of California by Director P. Pliskin. Through this website Director P. Pliskin was able to see all documents filed with the State dating back to the start of project.	Informational item.
7- Capital Improvement Plan (CIP)	Director M. Pliskin requested a list of what will need to be done over the next few years (routine maintenance schedule, replacing equipment proactively, etc.).	Operators Ridenour and Peter to create a list of future required needs.
8- Attorney Bylaws Review	Bylaws recorded with Tulare County by attorney Josh Fox February 23, 2023	Bylaws recorded with Tulare County February 23, 2023
9- SB 442 – New Drought Requirements	New drought requirements due January 1, 2023. Detect production well ground water levels – this regulation is satisfied electronically for Well #3 only. Director M. Pliskin to contact Operator Ridenour about conducting and reporting the required tests monthly.	Director M. Pliskin will contact Operator Ridenour about carrying out the required monthly tests. The first readings are to be submitted to the State by April 30, 2023
10- Emergency Disaster Plan	Deferred	Deferred

11- 4 th Quarter Billing	Due to unexpected issues the 4 th quarter water bills were sent out mid-February. Returns from the late billing have not been included on the final 2022 financial report. This may be updated after the water company receives payments. Also, 2 lot owners and one former lot owner owe approximately 5400 in back water bills; 1400 may never be recovered since the former lot owner resides in Europe.	One property owner owes over 2900; we will proceed with attorney's assistance to put a lien of this property.
12- CPA Financial Review	Review on hold – Transition to new bookkeeper has taken longer than expected. Financial reports for 2022 are now available. Tax information for 2022 should be ready for review by the end of March.	Informational item.
13- February Operations Report	Water tests results for February unavailable	Director M. Pliskin will request results from Operator Ridenour.
14- Annual Shareholders Meeting	<p>Director M. Pliskin presented a packet to be presented to the Shareholders at the March 11, 2023, Annual Shareholders meeting for review. The packet includes a list of items that may be performed by lot owners, graphs/tables comparing SFEMWC rates and standby fees with 3 other Three Rivers Mutual Water Companies. Also included is the Profit & Loss Statement for 2022 and the Proposed Budget for 2023. The current proposed 2023 budget shows SFEMWC could potentially lose almost 29,000. The budget is based on passed trends of costs although current costs for certain maintenance items and emergencies are speculative.</p> <p>Water rates and standby fees for SFEMWC have not changed since approximately 2008. The cost of providing water along with maintaining an aging system that needs timely maintenance were discussed. The Board decided a Water Rate Study should be conducted before rolling out rate changes at this time. Currently SFEMWC has \$67,000 on hand. Directors discussed why we need a rate change at this time since it appears that funds are available for an emergent event. It was suggested that the use of a one-time assessment fee could be instituted if needed if an emergent situation or an immanent high-cost need should occur. Under those circumstances shareholders may be given the option of paying the one-time assessment fee over a period of several months.</p>	<p>Director M. Pliskin will adjust the proposed 2023 budget as discussed. He will send the proposed budget to shareholders via email (to those who have email) for review and what the Board's thoughts are prior to the Annual Shareholders meeting.</p> <p>Director M. Tharp will provide Director Muniz a copy of the original costs of all components of the water system. That information will be updated by a third party (yet to be determined) to tell us the cost of replacing those items in 2023 dollars.</p>
New Business		
Lot Owner Dispute	Our current information has the wrong owner listed for lot 56. Quarterly payments for lot 56 stopped after the 2 nd quarter.	Director M. Tharp will investigate who the County has on record as the owner of lot 56.
Next Board of Directors Meeting	The next Board of Directors meeting is scheduled for March 11, 2023 @ Harrison Hall after the completion of the Annual Shareholders Meeting.	Information item.
Adjournment	Meeting adjourned at 9:30 PM	Informational item.