

Raineri Mutual Water Company
Board of Directors Meeting
May 5, 2025 @ 7:00 PM
Via Zoom Teleconference

Minutes

1. Call to order and roll call.

There were five participants for the duration of the meeting. All five board members were present: Wade Bastien, Westin Bolliger, John Camp, Mihai Damian, and Stephanie Massei. No other individuals attended. The five board members present constituted a quorum.

2. Financial review and accounting changes.

Stephanie Massei reviewed the year-end and current financial statements. The year-end information circulated to the board reported net income of \$2,114.91. Stephanie explained that infrastructure contributions were being transferred to a separate bank account and recorded as restricted cash with an offsetting liability on the balance sheet, rather than remaining in operating income.

The board discussed the limited operating surplus and increased costs for Water Master Gary McKenzie's services, water compliance testing, and insurance. Stephanie agreed to compare prior-year expenses with anticipated current-year costs and prepare an estimate of a possible rate adjustment for the next meeting. No additional rate increase was approved at this meeting.

With the board's support, Stephanie separated water-processing materials and meter-reading services from repairs and maintenance in the accounting records. Water compliance testing would be recorded separately, and she adjusted vendor coding to make future reports easier to review. The board discussed distinguishing costs associated with water use and meters from costs shared by all memberships.

Stephanie also identified older plant-expansion and treatment-system entries on the balance sheet that required clarification. She planned to seek accounting guidance and background information about those entries. The financial review also included Wade's reimbursement for replacing the plant computer and battery-backup equipment.

3. Approval of Gary Mckenzie's invoice.

Stephanie presented Gary's outstanding invoice covering the monthly service fee, chlorine pickup and delivery, and water-sampling services. The board voted and approved payment. Stephanie will arrange payment and record the expenses in the appropriate accounts.

4. Overdue accounts and billing reminders.

Stephanie reported that she had sent statement reminders to members with overdue balances. The board discussed direct follow-up on seriously overdue accounts and possible consequences of continued nonpayment. No individual shutoff, lien, or membership revocation was authorized in this discussion.

Stephanie set up reminders for 30 and 90 days after the due date. The 30-day reminder would be a routine notice. She would draft stronger language for the 90-day reminder for board review, including possible service interruption and membership consequences discussed by the board.

The board also considered online payment options. Stephanie reviewed the processing charges displayed of 3 percent for credit cards and 1 percent for ACH payments. Members discussed costs and whether the service would improve collections. No decision to activate online payments was made.

5. David Montion and Emami payment discussion.

The board briefly discussed approximately \$900 in unpaid charges for David Montion's time connected with the Emami matter. Concerns included whether the charges had been disclosed in the estimate and the effect of a goodwill payment on RMWC's limited annual income. John Camp noted that no motion had been made to take up the matter and removed it from consideration. No payment or general policy on goodwill assistance was approved.

6. Membership billing and the Achkar account.

The board discussed Achkar's objection to membership charges for property without an active meter or water use. Members emphasized that maintaining water service availability involves fixed costs shared by all memberships. Mihai Damian reported that his updated calculation indicated potential avoided costs of approximately \$7.97 per month at most. That estimate was discussed but was not adopted as the adjustment to Achkar's bill.

The board agreed in discussion to separate the first 1,000 gallons from the \$140 base charge using the existing \$2.50 water charge as the basis. The intent was to identify membership dues independently of water use while keeping the combined charges for existing water users unchanged. The \$100 infrastructure assessment would remain separate. Stephanie changed the billing terminology from monthly base rate to monthly membership dues and retained the term infrastructure improvement assessment.

For Achkar, the board agreed to a \$2.50 adjustment for each of the three outstanding months of February, March, and April, totaling to a \$7.50 credit. Stephanie agreed to apply this credit to his statements. Achkar would be advised to pay the outstanding balance after the adjustment; the earlier request that he continues to wait and delay payment while the board reviewed the issue would no longer apply.

Stephanie agreed to draft an email explaining the adjustment and the membership obligation to RMWC. She would circulate the draft to the board before sending it. She indicated that the revised billing breakdown would begin with the next billing cycle because the current bills had already been issued. No separate formal vote on these billing arrangements was recorded.

7. Slow-sand filters #5 and #6 and the retaining wall.

Wade Bastien reported that slow-sand filters #5 and #6 were leaning toward the retaining wall. Bruce Carol had brought the condition of these filters to Wade's attention during a plant visit. From there, Wade had then circulated a photograph to the other board members. Possible causes discussed included settlement or erosion beneath the tanks. The cause, rate of movement, and necessary repair scope had not been established.

The board discussed the substantial weight of the filters and the difficulty of removing their sand and rock. Repairs might require draining and replacing the tanks rather than lifting and reusing them. An expert assessment was needed to determine the condition of the supporting ground and wall, the urgency of repairs, and any engineering or permit requirements. One of the affected filters was already out of service, and summer treatment capacity would need to be considered before taking the other offline.

Wade had taken level readings and screenshots to help monitor movement. Stephanie recommended contacting landscape architect David Fox for an assessment or referral. She sent him a text during the meeting and would share the photograph. Wade also agreed to contact David Fox.

8. State inspection and annual reporting.

The board discussed the state inspection scheduled for May 7th. Wade will participate and report back at the next meeting. He would explain that the board had been informed of the leaning filters and was seeking an assessment. He also planned to ask about the operating license and recommendations for cost-effective improvements.

John reported that the electronic annual report assigned to Gary remained in process and that the state representative, George Chien, had requested updates. John had followed up with Gary and kept George informed. Stephanie described outstanding questions about the financial information Gary requested. The board would continue following up to establish the report's completion status.

9. Annual membership meeting and future planning.

The board selected Wednesday, July 9, 2025 as the planned annual membership meeting date during this discussion. John agreed to prepare an agenda from prior-year materials, circulate it for board review, and work toward sending a member notice by mid-May. Further reminders were discussed for June and shortly before the meeting.

Proposed topics included financial results, increased operating costs, the condition of the plant and leaning filters, billing terminology, and board nominations. The next board meeting would include preparation for the annual meeting and a report on the state inspection. Any future rate adjustment would require further analysis and discussion.

The board discussed the status of a possible emergency connection with San Jose Water. John reported that Marty had received a response indicating the matter remained pending. Wade emphasized the importance of emergency water availability and suggested including a status update at the annual meeting.

Wade also proposed a future discussion of how charges for any new membership could fairly reflect contributions toward infrastructure and shared costs.

10. Summary of action items and next steps.

Stephanie will pay Gary's approved invoice, continue the accounting cleanup, investigate the older balance-sheet entries, prepare proposed wording for the 90-day overdue reminder, and analyze increased operating costs. She will apply Achkar's \$7.50 credit and circulate a draft response to the board.

Stephanie and Wade will contact David Fox regarding the leaning filters and appropriate expert assistance. Wade will continue monitoring the condition, attend the May 7th state inspection, and report back. John will continue following up on the electronic annual report and circulate the proposed annual meeting agenda and notice.

11. Adjournment.

The meeting concluded after the final discussion of payment options and follow-up assignments.