

Raineri Mutual Water Company
Annual Membership Meeting
July 13, 2026 @ 7:00 PM
Via Zoom Teleconference

Minutes

1. Call to order and attendance.

The annual membership meeting was scheduled for 7:00 PM and began at approximately 7:10 PM after allowing additional time for participants to join. All five board members were present: Alison Armstrong, Wade Bastien, Westin Bolliger, Rod Fagan, and Stephanie Massei. Other identified participants included Marty Feldman and the new RMWC Water Master, Kelly Archer. Eleven participants were initially connected. The count increased to 12 shortly after 7:30 PM and then to 13 around 8:00 PM.

2. Board introductions and a call for volunteers.

The current RMWC board members were then introduced. Rod and Wade both took a moment to encourage community members to step up and volunteer, whether as a full-on director or even as a board alternate. The presentation emphasized that a relatively small group of households had carried much of the volunteer work. Just about one-third of the members in the community have volunteered and taken the time to help the mutual, whereas two-thirds of the membership have never volunteered to do so. Members were encouraged to share responsibilities, learn about the system, and help with regulatory and improvement projects, whether they feel they need experience in water systems or not. In response to a question from Alison, Rod and Wade welcomed the volunteer assistance of tenants within the RMWC community while explaining that tenants did not have membership voting rights.

3. Year-in-review and operator transition.

The year-in-review presentation covered compliance reporting, cross-connection surveys, development of a cost model, engineering for slow-sand filters #5 and #6, board training, the operator and bookkeeping transitions, and work on the plant and emergency water connection.

Wade described unresolved reporting obligations under the former water system operator, Gary MacKenzie. Conference calls involving Wade, Rod, and Stephanie had not resolved the backlog of work and reporting that had piled up. Rod and Wade obtained a list of qualified operators from the California Water Boards, and RMWC engaged Kelly Archer of Archer Engineering. The presentation reported that Kelly and her assistant, Zav Hershfield, worked with the former operator in April to transfer operational knowledge. Kelly had completed the overdue reports, and Kelly and Zav were making tremendous progress on repairs and improvements identified by the state.

4. Regulatory and compliance update.

Kelly introduced herself and reviewed compliance. Kelly reported that Consumer Confidence Reports for 2023, 2024, and 2025 had been posted to RMWC's website. Treatment and disinfection requirements were being met, and disinfection byproducts remained below the maximum contaminant level. Two rounds of lead and copper sampling at five homes showed no detections, with the next sampling scheduled for 2027. Initial PFAS sampling returned non-detect results, and four quarterly samples were required. Scott Miller was identified as the new regulator, and Kelly reported no outstanding state compliance items. Kelly emphasized the need for every member to complete the cross-connection survey.

5. Financial report and bookkeeping transition

Stephanie presented the fiscal year 2025–2026 financial report. RMWC's fiscal year runs April 1st through March 31st. Total income was \$95,231.50 and operating expenses were \$84,281.57, resulting in operating income of \$10,949.93. After \$9,577.00 in non-cash depreciation and \$233.99 in interest income, net income was \$1,606.92. The presentation reported approximately \$218,000 in total cash, including more than \$85,000 in infrastructure reserves.

RMWC had transitioned to a new bookkeeper to improve billing responsiveness, reporting, recordkeeping, and reconciliations. Depreciation previously included on tax returns had not been recorded in the accounting books. Working with the new bookkeeping team who also have CPA certification, the books and historical comparisons were updated. Stephanie's presentation explained that depreciation reduces reported income but does not reduce cash or infrastructure reserves.

Cost increases included approximately \$4,300 in additional water compliance testing. Water processing materials totaled \$6,958.57 and were tracked separately. The hydrologist study had incurred \$1,500, with \$6,441.50 remaining for fiscal year 2026–2027. Routine operating services under the Archer Engineering agreement were budgeted at \$66,469 for fiscal year 2026–2027; emergency work remained as a separate expense outside the agreement and requires prior board authorization.

A member asked whether RMWC could earn more interest with its cash balances. Stephanie explained that the checking account did not earn interest and that savings and infrastructure accounts did. She agreed to check the account rates and shared those numbers with the community via the Zoom chat.

6. Billing policy update.

The presentation described an adopted late-payment policy allowing members 30 days from the invoice date to pay before a late fee applies. Stephanie announced bank transfer, credit card, and debit card payment options in addition to checks. Electronic payment processing fees would be passed through to the member at cost and billed quarterly. The goals stated were to improve cash flow, apply consistent payment standards, and reduce the board's time spent following up on overdue accounts.

7. Rate review.

Wade reviewed the cost model used to establish the current rate structure, comparing revenue with rising operating costs. He explained that the monthly membership fee covers fixed costs such as insurance, taxes, operations, laboratory testing, and an allocation for repairs and maintenance. Usage charges cover treatment and delivery costs associated with water consumption. The model included an allowance for repairs and maintenance and was intended to keep operating revenue slightly above expenses. Wade explained that future boards could use the model to review rates as costs change. He also emphasized that existing reserves were insufficient to replace even one storage tank and that continued planning and reserve funding were needed.

8. Insurance and risk management.

The presentation identified equipment and property coverage through Inland Counties Insurance Services under RMWC's CA Mutuals membership, covering the upper Raineri parcel and the Tank 3 parcel at Idylwild and Highway 17. Listed annual premiums rose from \$9,020 to \$10,851 and then to \$11,985 for fiscal year 2026–2027. The current policy did not include flood or earthquake coverage. The proposed secondary connection to San Jose Water Company was identified as a measure to reduce the risk of interrupted water service.

9. Cross Connection Control Plan.

Wade reviewed the cross-connection survey and emergency plan. The presentation reported approximately 80 percent survey completion and emphasized the need for 100 percent participation. It described possible costs if additional inspections and backflow protection were required, including an estimated \$700 or more per property for specialist inspections, \$1,000–\$2,000 for device installation, and \$200 or more for periodic testing. These were presented as potential costs. Members needing help were directed to contact RMWC.

The emergency plan described using survey information to identify affected neighbors of cross-connection contamination to coordinate with a specialist and other officials to locate and address the source of the issue. Responses described included disconnecting the source of contamination, issuing appropriate notices, and submitting required reports. Members were reminded to avoid connecting other water sources to RMWC-served plumbing and to obtain permits, inspections, and appropriate backflow protection for plumbing improvements.

10. Capital projects and emergency water supply.

The capital project update listed the shed roof repair, shed door replacement, rodent abatement, satellite internet, and tree work between Tanks #1 and #2 as completed. Tank exterior cleaning and painting, the slow-sand filter project, a remote thermometer for Tank #1, a remote level sensor for Tank #2, and the San Jose Water Company emergency connection were in progress. Shed warning signs, source collection box repair, and Tank #1 hatch repair were listed as work to begin soon.

The drought planning presentation reported that RMWC had signed an agreement for a three-quarter inch emergency service connection with San Jose Water Company. Further paperwork, permits, and construction were still needed, including infrastructure to remove chloramine from San Jose Water Company water before introducing it into RMWC's system. The stated monthly meter charge when no water was used was \$55.33. A connection was presented as more economical than water hauling for an extended need for backup supply.

11. Board nominations and election process.

Westin presented the election process for three directors and at least two alternates. Each active, paid-in-full membership in good standing would receive one vote. Directors would serve two-year terms, and alternates would serve one-year terms. Director elections are staggered to maintain continuity.

Members were asked to submit self-nominations and a short biography to Westin at westin.bolliger@gmail.com. Nominations for another person could be submitted with that person's permission. The nomination deadline was August 2, 2026.

After nominations close, Westin will compile the nominees and distribute an electronic SurveyMonkey ballot. A voting deadline remained to be determined. Directors would be selected by vote totals, with other nominees filling alternate positions. The new board would subsequently elect officers later when the election for the new directors has concluded. The first board meeting where the transition of power from the old directors to the new directors is when the officer position elections will take place.

Members discussed whether someone could volunteer solely as an alternate and how new volunteers could gain experience before taking on an officer role. The board encouraged members to attend regular meetings and help with individual projects even if they could not commit to board service. Westin acknowledged suggestions to include an occasional-volunteer option in election communications and clearly state the term lengths for directors and alternates.

12. Distribution system mapping.

Rod presented an updated distribution-system map developed from earlier system sketches, county parcel information, and coordinated work with the meter reader, Chris Berry. He explained that line locations were approximate and needed further verification, particularly in the lower Hebard Road area. Planned additions included meter and shutoff-valve locations, parcel and member information, and identification of exposed lines and pipe materials.

Rod and Wade discussed maintaining the map as an ongoing reference, posting a copy at the plant, and adding it to the emergency response information on RMWC's website. Better system documentation would help the board respond to breaks and plan for future pipe replacement and infrastructure work.

13. Member questions and closing.

Questions from the membership who attended were addressed throughout the presentation. No additional questions were raised during the final question-and-answer period. Members thanked the board for its work, and the board thanked those attending. The meeting concluded at approximately 8:53 PM.