

Minutes: Lake Canyon Mutual Water Company Board Meeting

Tuesday, April 21, 2020 7:00 p.m.

Held via Zoom Audio and/or Video Conference

lakecanyonmwc@gmail.com <http://www.lakecanyon.com/> 408-834-7745 (message)

PUBLIC FORUM: Any member of the public may address and ask questions of the Board relating to any matter within the Board's jurisdiction, if the matter is not on the agenda or pending before the Board.

Call to Order / Start Zoom Meeting for remote meeting access: 7:00 p.m.

Roll Call: Casey Farrand, Jim DiZoglio, Mindi Porebski, Rebecca Cabral, Susan Ady

Also in attendance: Terry Truong, Brad Bell, Don Kirk, Phil Abel, Barbara Abel, Debby Cunningham, Wais Achak, Kenji Morita, Bud Everts, Kirk Epperly, Lisa Kirk

Key takeaways from Comcast discussion:

1. The [Comcast proposal](#) to bring broadband internet into our community and Montevina would cost \$114k to both communities together as the customer, while Comcast pays \$180k of the project
2. Comcast has declined a redesign to separate Lake Canyon's portion
3. Comcast has shortened the deadline for our response due to permits expiring. We now have to respond yes or no to this proposal by May 14th (was previously May 29)
4. Survey responses have been generally positive, with 46 responses from the community: 42 residents responding Yes and 4 residents responding No to Comcast
5. We are at \$64k of our \$69k goal if everyone in the survey commits what they said they would in the survey. Montevina is already committed to their \$45k portion.
6. We are seeking legal counsel to inform if LCMWC can be involved in financial support or loans for this project without jeopardizing our non-profit status
7. Expect a second survey soon with updated information
8. You are welcome to join our next special meeting on this topic: Tuesday April 28, at 7pm

Financial Report

Details:

- Gusto is the new paycheck tool (was PayChex)
- Insurance was in Feb last year, has been paid this year but month due date was different
- 'Not Specified' is payroll in the vendor report
- Crum Electric Supply: new overload switch for treatment plant
- No additional charge for year-end W-2's.
- Robert Lee & Associates:
 - New, more qualified CPA
 - Tax returns for 2018 and 2019
 - 2018 - \$4,036.00 Initial Consultation and Return
 - 2019 - \$2,330.00 Return (should be annual cost in future)
- Wells Fargo Bank Statement: \$113, 917.88 bank balance as of January 31, 2020

Jim moved to accept the financials. Mindi seconds.

Motion passes 4-0

Reports:

Water

96 gallons per household per day (up from 86 gallons per household during this month last year)
100% of water coming from spring
Due to low rainfall this year, we will likely have to pull water out of the creek earlier than usual

Maintenance

Completed:

- Overload Switch: installed, no charge
- Cleaned Y trap
- Tree pruning, leaf blowing, swales cleaned

To-do

- Mirrors: upper Beardsley, Laurel curve - have been ordered
- Beardsley: below Hany's: concrete
- Johnson: railroad ties: Kent
- Exercise the turbine pump: Feb. 23 during meter reading
- Rebuild part
- Prune maples, bay laurels, redwoods, Scotch Broom around plants

Staff

Bud continues trainings

- Jan. 22, 2020 Failing to Plan for Capital Improvement and the Consequences /
- Capital Improvement Plans (CIP) Online Workshop
- Feb. 11, 2020 Pumps & Motors Efficiency ONLINE Workshop
- Feb. 18, 2020 Financial Management and Rate Setting Online Workshop

Communication and Correspondence

Water testing: the form is finished on additional testing, we are awaiting results

Business

1. John Lipka: request to address the Board- **delayed to next board meeting at John's request**
 - a. Issue is regarding county approval regarding the road in front of 19388 Beardsley
2. Comcast proposal
 - a. Overview: For ~114k to us as the customer, Comcast is willing to build internet broadband infrastructure for Beardsley and Montevida (note Comcast pays ~180k of this project)
 - b. Our request for re-design has been denied, so there is no longer the opportunity to reduce our cost by removing Montevina from the plan
 - c. Montevina has fully funded their portion
 - i. They are quite confident, but we will need to ensure we are not on the hook for their funds if their neighborhood comes up short
 - ii. Our remaining portion is ~\$69k
 - d. Survey:
 - i. 46 responses from community, 42 residents have said Yes to Comcast, while 4 residents have said No to Comcast
 - ii. We are at \$64k of our \$69k goal if everyone in the survey commits what they said they would in the survey
 - iii. Second survey needed to determine if the interested households can afford the additional cost
 - e. Legal Counsel:
 - i. LCMWC involvement via a loan
 - ii. Legal counsel today was not confirmed, they need to confirm with CPA if this would jeopardize our non-profit status
 - iii. Legal counsel to answer our questions by end of the week, billed at \$175-\$250/hr
 1. This legal counsel could be useful to have a precedent for future projects

- that involve financial obligations are are not clearly water/roads
 - 2. Request from community to see the questions being asked of the legal counsel
- iv. Questions to ask the lawyers:
 - 1. Can we provide the community loans (e.g. "act like a bank")
 - 2. Can we have a special assessment for the whole community for this project
 - 3. Can we get a more clear definition of what is in or out of scope in regards to "entertainment" and not jeopardize our non-profit status
 - a. e.g. can we fund a community park?
 - b. Can we get the criteria?
 - 4. Is this a project we can pay for using LCMWC funds
- v. Authorization to spend \$3000

Mindi makes a motion to propose that \$3000 be authorized for legal counsel. Jim seconds
Motion passes 4-0

- f. Deadline has been shortened due to permits expiring
 - i. We have to reply by May 14; permit expire May 15 (previously May 26)
- g. Bottom line: We are ~\$5k short of the funds we need
 - i. We cannot currently source these with water bill pre-payments, as legal counsel is not sure yet if this will jeopardize our non-profit status
- h. Comcast monthly rates:
 - i. Is there any way to keep them from raising rates? No. Business accounts do tend to get better service. This is a very small project for them and we have very little negotiation power here.
- i. Comcast installation cost:
 - i. What is the installation cost: initial hookup is believed to be included, but they have not given a clear answer since last week's meeting
- j. Business accounts:
 - i. 19 have indicated interest in business accounts, but we are not sure this will get us lower rates, due to current challenges in negotiation
- k. What if your household does not want to contribute?
 - i. At this time, no penalty from LCMCW as we are only jointly pooling money (e.g. not under obligation)
 - ii. Comcast will penalize the household with service lockout for XX months
- l. How to move forward
 - i. Need a means to pool the money, as LCMWC cannot safely collect it now until we have legal counsel
 - ii. Residents voiced an interest in ensuring we collect in a safe way so that if we don't get enough we can get everyone refunded
 - iii. Action to look into how to get an escrow type account to do this
- m. Payment options
 - i. LCMWC covers the gap with LCMWC funds and builds that back over time using dues (delays other projects approximately a year)
 - ii. LCMWC is only a payment facilitator, we help collect funds from the community but don't get too involved
 - iii. LCMWC is not involved
- n. CSD involvement
 - i. interested in internet at their panels
 - ii. cannot be involved in funding due to county setup for CSD
- o. Communication plan
 - i. We are in need of a FAQ and more user-friendly communication
- p. Timeline for work: 3-6 months after signing

- q. Other possibilities to reduce cost
 - i. Locate if there are in-law or other second units to help increase number of potential future connections for Comcast
- 3. Billing changes: COVID-19 policies regarding due dates and late fees
 - a. March 31 bill was extended to April 30th and late fees were waived
 - b. For the next six months, no late fees will be assessed
 - i. March 31 - Sept 30
 - c. Bud to research what other companies are doing
- 4. Lake Canyon emergency planning and communication
 - a. We began by getting text message carriers for the board
 - b. Recommend to extend this to the whole community in order to communicate in times of emergency - survey to be sent next month to capture this
 - c. What constitutes an emergency would need to be defined, as would the BCC policy so ID is private
- 5. Scheduling
 - a. Annual Spring Meeting:
 - i. recommend to postpone / re-schedule the social portion of the event
 - ii. recommend to provide the neighborhood with a business update through other means (e.g. Zoom recording or similar)
 - b. Upcoming meter reading dates: to be scheduled offline
 - c. **Upcoming special meeting on Comcast and COVID-19 billing:**
 - i. **Tuesday April 28, 7pm**

Review Meeting Minutes

Jim moves to accept minutes. Susan seconds

Motion passes 4-0

Create next special meeting agenda items: Tuesday, April 28, 2020 7:00 p.m.

1. Comcast
2. COVID-19 billing

Create next meeting agenda items: Tuesday, May 19, 2020 7:00 p.m.

1. Update on unimproved lot charges
2. Laurel Curve safety improvement project
3. Plan for Lake Canyon shed update
4. Hardship policy, including leak adjustments
5. Capital Improvement plan & rate study
6. Earthquake and fire emergency evacuation plan
7. Conversations with San Jose water on hookup next steps

Adjourn

Rebecca ends the meeting at 9:51p