

REVIEW OF THE ANNUAL MEETING OF  
THE SHAREHOLDERS OF THE CEDARPINES PARK MUTUAL WATER  
COMPANY ON JULY 26, 1986

A regular meeting of the Shareholders of the Cedarpines Park Mutual Water Company was held July 26, 1986, at the Crestline-Lake Arrowhead Water Agency, 24116 Crestforest Drive, Crestline, CA, at 1:30 P.M. Seventy Shareholders and guests were present.

M Clark Fisher, President of the Board, called the meeting to order and led the salute to the flag.

President Fisher welcomed the Shareholders and thanked them for showing their interest in the Company by attending this meeting.

President Fisher introduced himself, the Directors ( Gary Remmers, Bruce Farrar, Tom Sutton, and Walter Kunsek ); and Lois Barker, Office Manager of the Company and Secretary Treasurer of the Corporation.

Director Sutton introduced Perry Dahlstrom as the new Field Manager of the Company. Mr. Dahlstrom has ten years of experience in waste water and fresh water. He has previously worked for Lake Gregory Land and Water and the Crestline Village County Water District. The Board feels he has all the knowledge and experience that our Water Company needs. He has Grade 3 Certificates in both water distribution and water treatment. Mr. Dahlstrom has lived in Cedarpines Park for two years.

President Fisher stated that according to the Company Bylaws a majority of the total number of shares issued must be represented to conduct a business meeting. We have issued 4120 shares therefore the number of shares required for a quorum is 2061. Represented at this meeting are 1246 shares. Therefore, we do not have a quorum. With no quorum, we cannot hold an election for Directors. The Board will fill the two openings at an Organizational Meeting later today. Also, since we do not have a quorum, we can only give informational reports and reviews.

President Fisher informed the Shareholders that (1) We have 686 metered customers. (2) Our customers used 21,474,000 gallons of water from May 1985 to May 1986. (3) In the last fiscal year, we have sold 43 shares and completed 82 stock transfers. (4) New shares cost \$125 each as they have since 1979. (5) Shareholders must have the correct number of shares for the size of property. (6) Effective August 1, 1986, the water service charge is \$20 every two months plus 2¢ per cubic foot of water used. (7) 108½ shares belonging to 33 Shareholders were cancelled on July 22 for non-payment of the current assessment. (8) Regular Board meetings are usually held the fourth Tuesday of each month at 7:30 P.M. at the company office. All Shareholders are welcomed to attend. For those Shareholders who cannot attend, a copy of the Minutes are at the Company office for their review.

President Fisher introduced the guest speakers for the day, Engineer Fred Hanson, Bill Gedney from the State Department of Health, and Greg Rice, representative of County Service Area #18.

Vice-President Gary Remmers read the July 27, 1985 Annual Minutes. The Board ACCEPTED the Minutes as read.

President Fisher informed the Shareholders that the Board authorized an Engineering Study and a Master Plan Update from Albert Webb and Associates since the last one was done in 1966.

Engineer Fred Hanson informed the Shareholders that various improvements are necessary to bring the water system up to current standards and to provide adequate fireflow to Shareholders. Several financing options have been explored. A one time project cost would require a loan with an annual payment of \$360,000. A yearly pay as you go plan could be adopted by raising the assessments from \$20 to \$26.50, \$35.00, or \$50.00.

Bill Gedney, of the State Department of Health explained to the Shareholders that (1) The job of the State Department of Health is to make sure domestic water systems meet current water quality standards and that they obey the laws pertaining to their operation. (2) Cedarpines Park has not had any bacteriological problems with their water. (3) Cedarpines Park has potential bacteriological problems due to the type of water mains installed and the location and the type of water sources used. (4) The State Department of Health does not regulate fireflow but does require that each customer receives a minimum of 20# PSI for each water service at any time. Below that pressure, back siphonage, thus contamination, is possible. (5) The biggest problem the Cedarpines Park Mutual Water Company has is its numerous amount of old, undersized water mains. (6) The improvements to the water system must be made.

Ronald Albright, 4 shares, asked how much it would cost to update the system if growth was the leading factor, not safety considerations.

Vice-President Remmers stated growth in Cedarpines Park has been slow due to the limited availability of water. With projected improvements, growth will come.

Engineer Hanson stated his growth projections only went as far as ten years since that information would be of no value to the current problems or their projected solutions. Fireflow requirements basically dictate the size of the water facilities.

Paul Brumfield, 5 shares, asked if the Company can get a loan to pay for the improvements all at one time.

Vice-President Remmers stated loans are scarce. Increasing share costs, and meter installation fees are being considered by the Board. Share costs probably will not be raised until all Shareholders have the correct number of shares for their property.

Engineer Fred Hanson stated that a loan and a one time large project would probably be the best way to go if a loan is available.

Bill Gedney stated state loans are available to water companies. However, the Cedarpines Park Mutual Water Company deficiencies probably would not qualify them for a state loan at this time.

Walter Slike, 1 share, stated the Water Company has given a price of about \$15,000 to get water to his lots. If any Shareholders own lots in block 7,8, or 10, of tract 2, please contact him to share the cost of bringing water to the lots.

Joe and Sandra Smith, 7 shares, on Mozumdar Drive, stated they felt increased assessments were not acceptable if all Shareholders do not have shares on an equitable basis.

Office Manager Barker stated one share is needed for every 3000 square feet of property a Shareholder owns. The Company has discovered that not all Shareholders have the correct number of shares for the square footage of their property. Those that do not will be informed that they must purchase shares to bring their number up to the Bylaw requirement. Payment schedules with no interest charged can be arranged. When all Shareholders have the correct number of shares all Shareholders will pay equitably in the cost of the Company.

Joe Smith, 7 shares, asked why houses are still being built if the fireflow is not adequate for even the existing homes.

President Fisher stated the Company informs the County what fireflow is available. The County determines if a home can be built and what requirements must be met to build that home.

Greg Rice, 8 shares, stated criteria for building include septic systems, availability of parking area, water availability, and available fireflow.

John McCall, 8 shares, asked how the replacement of small water mains was prioritized.

Director Sutton stated all small lines will probably be updated prior to any changes in existing 6" water lines.

Dick Martin, 7 shares, asked when the Master Plan and a financing plan will be adopted by the Board.

President Fisher stated the Board wanted to wait for the adoption until the Shareholders were aware if the problems and solutions available to the Company. Since the Shareholders have now been informed, adoption should be very soon.

Ben Trigg, 2 shares, asked if four lots were still needed in order to build a home.

President Fisher stated it depends on the size of the lots.

John Pickard, 5 shares, asked if the service fee was going up to existing Shareholders.

Office Manager Barker stated the cost of a meter installation depends on the date the original shares were issued. That amount varies from \$120 to \$950. The older the share, the less cost for a water meter installation.

Dan Jagt, 4 shares, asked how much a hydrant costs since one is required in order for him to get a building permit.

Field Manager Dahlstrom stated the cost varies but would probably be around \$2000 to \$3000.

President Fisher asked for Shareholder views on which way to finance the improvements.

Virginia Mueller, 10 shares, asked why should the assessments be raised if growth is the pressing factor.

Director Farrar stated growth is not the issue. The State Health Department requires us to bring the water system up to current standards. Our choice is how to do the improvements not whether we are or are not going to proceed with improvements.

Virginia Mueller, 10 shares, asked if the cost of improvements reflected union wages.

Engineer Fred Hanson stated improvements costs were figured as if the work would be contracted out. If Water Company personnel do the work, costs would be lowered.

Walter Slike, 1 share, suggested the Board look into revising the Company's 63 year old Bylaws.

President Fisher stated that was being looked into at this time.

Joe Smith, 7 shares, stated the Water Company seems to need money now to do the improvements now so it should look into bonds.

Virginia Mueller, 10 shares, asked if all lots in Cedarpines Park need to have shares.

President Fisher stated shares are available to lots that abutt an adequate sized main.

Director Farrar stated the Board is discussing increasing the shares to \$500.

Jess Delph, 4 shares, suggested the Board defer some of the cost of improvements to new service installations.

Greg Rice, 8 shares, suggested the lot cost of a meter installation be available only to the original owner of the shares. If the property and shares are transferred to a new owner, the meter installation cost could be increased.

Paul Brumfield, 5 shares, suggested the Board continue to look for low cost financing. If needed, he would be glad to help.

President Fisher asked for a show of hands on the various ways to finance the required improvements. The largest show of hands favored increasing the assessments to \$50 per share in order to complete the improvements as soon as possible.

President Fisher introduced Greg Rice, representative of County Service Area #18. Greg Rice informed the Shareholders that (1) CSA#18 meetings are the first Saturday of each month, 9 A.M., at the Community Center in Cedarpines Park. (2) CSA#18 has no money at this time to pave any road in Cedarpines Park. (3) New equipmetn should be purchased next year. (4) The local park is now under the control of CSA#18. (5) More informative articles about CSA#18 will hopefully be placed in the local paper.

Virginia Mueller, 10 shares, asked if she could have a copy of the Engineer's Report.

President Fisher suggested she contact the Company office later.

Mrs. John Pickard, 5 shares, suggested Company personnel wear name tags at meetings.

President Fisher stated we would try to wear name tags next time.

There being no further business to come before the Board, the meeting adjourned at 3:45 P.M.

Respectfully submitted,

*Lou M. Barker*  
Secretary

## Shareholders with delinquent assessments as of 7/22/86

Shareholder	# of Shares	Balance
1-0080-1 Bailey	2	\$ 126.83
1-0340-1 Groom	2	118.18
1-0740-1 Petty	2	112.17
1-0770-1 Baker	6	243.17
1-1260-1 Messer	2	40.00
1-1280-1 Messer		650.58
1-1500-1 Bird	2	100.00
1-1510-1 Messer	11	281.22
2-0335-1 Cal Home Exc	4	232.72
4-0290-1 Gaskell	8	744.26
4-0615-1 Bowen	4	183.05
5-0090-1 Bateson	4	277.10
5-0210-1 Crocker Bank	2.5	90.00
5-0360-1 Nash	5	104.00
6-0260-1 Eubank	4	131.38
6-0690-1 Beckner	2	80.00
6-0900-1 Schmittou	3	187.92
6-0960-1 Blanton	5	100.00
71-0280-1 Monroe	2	40.00
71-0380-1 Boerin	1	20.00
73-1020-1 Robinson	2	40.00
74-0120-1 Murphy	2	40.00
75-0120-1 Whitten	4	60.00
75-0480-1 Lutz	2	40.00
75-0522-1 Steinsapir	1	20.00
75-0525-1 Steinsapir	2	40.00
75-1900-1 Seright	2	40.00
75-1940-1 National Research	3	60.00
76-0650-1 Adams	4	80.00
76-1680-1 LaVigne	2	40.00
76-1700-1 LaVigne	1	20.00
76-1960-1 Reene	4	80.00
76-2080-1 Reene	3	60.00
76-2160-1 Pulizzi	2	40.00
99-1020-1 Messer	3	60.00
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