Bailey Mutual Water Company

Special Board and Community Meeting
August 8, 2026 - 10:00-11:00am

Gerber Cabin 33623 Bailey Meadow Road/Ivy Trail - and Zoom

Present:
In Person
Noreen Kirby
Robert Lopez
Merle Johnson (contract operator)
Cynthia Lucia (contract operator)
Laurie Gerber
On Zoom
Laura Lorentzen
Julie Devaney
Deana and Amanda Freeman
Shane Kochon
Vickie Swenson
Rosie and Jack Weisgerber
Terri Sproul

Key Outcomes

The community water system is under active state oversight following an E. coli outbreak, with immediate repairs underway including well shock chlorination and a transfer tank bypass project. Merle Johnson (water operator with 18+ years experience) outlined the state's priority repairs and consolidation as a long-term path forward. The current board is largely planning to resign, with Julie confirmed as a new volunteer and a transition meeting proposed to hand off responsibilities.

Decisions Made

- **State priorities override community's prior five-year plan**: State mandates focus on tank replacement and cross-connection fixes before pipeline replacement. 1
- **Well shock chlorination approved**: 50+ ppm chlorine for 24 hours, followed by pump-to-waste with sodium thiosulfate neutralization; system offline minimum 4 days. 2
- **Transfer tank bypass project**: Petition state to use existing 2-inch Schedule 40 PVC already in ground but never commissioned; pump contractor to reconfigure simultaneously. 3
- **Chlorine target raised**: State requires 2–4 ppm residual (vs. prior lower levels) due to E. coli history. 4
- **Consolidation to be explored**: Merle recommended approaching the state first; RCAC and Abel Silva (CRWA) identified as key contacts. 5
- **AB 54 board training required**: All new board members must complete within ~6 months of election; free version available via RCAC every ~3 months. 6

Water System Status

- Two sample sets run: first negative, second **positive for bacteria on the well only**. 4
- System is 70 years old; aging steel service lines corroding, creating vacuum-suck contamination risk when tank levels drop. 7
- Two tanks exist (10,000 + 10,000 gallons); some tanks have outlived service life and are adding contaminants. 2
- System **not fully permitted**; TMF (Technical, Managerial, Financial) documentation required for state water permit application. 8

Consolidation Path

- State prefers consolidation over funding small systems that may face the same problems in 50 years. 9
- Likely consolidation partner: **Palomar Mountain / Crestline Water District**. 10
- Process estimated at **2–3 years**; state can fund legal costs and engineering. 5
- Parallel reference: Thomas Mountain Mutual Water (56 connections) consolidating with Lake Hemet — state allocated $10M for engineering and reconstruction. 9
- Income study of all connections likely required; median income below $50K/year qualifies for **grants only** (no loans). 11

Board & Volunteer Situation

- **Resigning**: Laurie, Shane, Robert, Laura (current president; ~15 years volunteering). 1213
- **Confirmed new volunteer**: Julie (emergency preparedness background; drafted initial emergency response plan). 8
- **Willing to assist (not full board role)**: Vicki, Deana (limited bandwidth; can help monthly and with TMF legwork). 14
- Existing board members committed to **transition support**: orienting new members, treasurer handoff, attending meetings in advisory capacity. 15

Financials

- Rates have been **historically too low**; recent assessment increase was minimum needed for state-mandated repairs. 16
- Recommendation: increase rates by at least **10% annually** to build capital reserves and avoid sudden large spikes. 6
- Water service charge covers operating expenses (SDG&E, testing, chlorination); assessment covers infrastructure repairs. 17
- Grants may be available for emergency repairs — **RCAC** is primary contact for emergency grant funding. 18

Action Items

- **Merle/Laurie/Cynthia**: Obtain sodium thiosulfate, get state approval, execute well shock chlorination; keep community informed on system downtime. 2
- **Laurie**: Schedule transition meeting with Julie, Deana, Vicki (and Noreen for mapping) to inventory tasks and plan recruitment. 19
- **Board/Julie**: Contact RCAC to initiate consolidation inquiry and request TMF guidance and emergency grant options. 6
- **Julie**: Finalize emergency response plan draft; confirm role assignments with named individuals. 8
- **Shane**: Compile list of non-board volunteer roles (website, communications, grant writing) to present at shareholder meeting. 20
- **All prospective board members**: Complete free AB 54/AB 220 ethics training (link shared in chat). 21
- **Rosie**: Follow up with Toby Schaefer (former shareholder, now at RCAC) for consolidation contacts. 18

Open Questions

- How does the state's income study treat **non-primary-residence cabin owners** for low-income grant qualification? 11
- Are current reserves sufficient to cover all state-mandated repairs? Contractor quotes/estimates needed to determine gap. 18
- Who will formally step up beyond Julie for board positions before the shareholder meeting?