

Bailey Mutual Water Company
July 24, 2026 - Board Meeting, 6:00pm- 7:30 pm
Conducted via Zoom

Meeting Minutes - See separate Action Items list

Present:

Laura Lorentzen, President
Robert Lopez, Vice President
Laurie Gerber, Secretary
Julie Devaney, Shareholder

Before meeting started: Introductions. Julie has volunteered to help with projects, starting with creating an Emergency Plan that is required for our state public water system permit. She is a semi-retired nurse and, in addition to teaching, is involved in the Federal Disaster Response Network.

1. Operations update: Boil Water Order - e. Coli and coliform outbreak update.

State (SWRCB) will issue a "sanitary survey" next week with action items and timeframes following their inspection Friday, July 17 (required when there is a positive test for e. Coli in a public water system). We need to complete the action and report to the state or request additional time if we are not able to complete them. (A preliminary list that was given by Leticia at SWRCB over the phone to Laurie without timeframes. This list was emailed to board members earlier in the day, Friday, July 24)

The group was generally positive about engaging Merle Johnson a level two Drinking water and water treatment operator from Anza, north of the mountain. He can help us to develop procedures, and mentor our current operator, Cynthia to avoid future problems, and help us learn how to do our capital improvements in a compliant way. Laurie moved to accept the proposal for an initial 3-month period. The group agreed, pending Laura's review of the proposal.

When will the boil water order be lifted? Best case, Cynthia will take samples next week at all locations that showed bacteria earlier this month. (We can take the samples now that the system has been disinfected, and chlorine will have dissipated.) If the samples are clean, by the end of July, first week of August the state could give us approval to lift the boil water order. If some of the samples are positive for coliform bacteria or e. Coli, we will need to do additional disinfection and conduct more samples. It could be additional weeks.

The group discussed providing bottled water for drinking and cooking to residents. We can get cases of gallons from : Famous Ramona in Ramona (which is mostly Palomar Mtn water in bottles) price: \$1.30/gallon for 190-bottle

pallet if we pick it up. \$300 per load if they deliver. Another option is the Costco Business Center in San Marcos. Robert could pick up a load there on his next trip to the mountain (in a couple of weeks).

Outreach to residents: Laurie will reach out to residents and find out their needs. Location for resident water pickup that is accessible but not right on the road: On the east side of the manifold shed.

2. Capital Improvements:

Uplink reconfiguration - bypass **10K gallon concrete transfer tank** - well pump upgrade - electrical upgrade and replacement of pump shed or relocation of electrical components to generator shed.

This project is now urgent because this is where e. Coli seems to have developed. Although we all thought we had it really well sealed, inspector Leticia and Cynthia noticed water bugs skating and possibly mouse droppings inside the roof. Laurie submitted a preliminary plan for the project to Leticia, will get feedback next week. Need to coordinate with Robert who is looking at working with Wes Bergman or doing the project independently.

The well-pump upgrade can happen first. Laurie will find out how soon can well service company do the project.

Once we understand what kind of project plans SWRCB will accept and approve, Laura offered to use her experience with AI to develop plans more quickly for the remaining 3 projects. (Replace 8K tank, Replace 25K tank overflow, Install backflow protection at 3 sites around the system.)

3. Insurance - Shane

- a. Liability: Shane is satisfied with the new liability and directors & officers (D&O) insurance available from John Massari at Alliant Insurance. He authorized the broker to start the new insurance policy when our current D&O policy expires at the end of August. He will cancel the old D&O insurance through Valley Center insurance.
- b. Operator Insurance: Now that we have liability insurance for Bailey Mutual, our operator Cynthia can pursue insurance for herself as a contract operator. We may need to offer a subsidy to Cynthia for her insurance or consider adjusting her pay rate.

4. Needs Assessment from Moonshot Missions: Kevin Young and Stephanie Torres are with Moonshot Missions, a non-profit that provides technical assistance to small rural water companies dealing with modernization and permitting issues. Laurie found out about Moonshot Missions in September 2025 at the CalMutuals annual seminar in Long

Beach. They've been talking to us since last fall, and visited our system in March of this year. Laurie will send the summary and full report to all board members.

5. Annual Meeting and Board going forward

Laurie announced that she will step down from board service at the annual meeting. She will remain available for volunteer jobs under the direction of the board. She is preparing transition notes and making sure the files are well organized and accessible (on the BMWCo Google Drive).

Julie seems willing to join the board.

The group discussed getting additional community members involved in projects to spread the load of work in getting permitted and staying compliant, possibly by joining the board or establishing a state water permit committee to divide the work into smaller doable projects. Laurie will reach out to the Freeman sisters and Noreen Kirby. Laura will reach out to Vickie.

Laura requested that we have another meeting in August before the annual meeting, since she will miss the annual shareholders meeting. Laurie will propose possible dates and poll the other board members.