

Bailey Mutual Water Company
Board Meeting - January 21, 2026, 10:30am, Gerber Cabin and Zoom (video/phone)

Minutes

Present:

Laura Lorentzen - President
Laurie Gerber - Secretary
Shane Kochon - Treasurer
Henry Castillo - Operations Manager
(Zoom)

Absent:

Robert Lopez - VP

Visitor:

Nancy Beishline

Note: Decisions and followup items are in bold

1. **USDA Pre-Planning Grant Funding Opportunity.** Funding available: \$60,000 with 25% matching from Bailey Mutual. During meeting the board:
 - Signed authorization for Rosie Lopresti to complete funding applications for BMWCo.
 - Executed a copy of the Bylaws for the USDA.
2. **Moonshot Missions:** (non-profit company that helps rural water systems www.moonshotmissions.org) has offered technical assistance to get us on track for permitting and funding. **Board agreed to seek assistance from Moonshot on all items they offered.** (Funding, administrative advice, help negotiating with the resort).

About our relationship with the resort and Palomar Mountain Mutual

- Advantages of applying together or separately as a public water system? In the context of a pre-planning grant application?
- Cost savings of joint operations?
- Need more open discussion about the resort's intentions for future development
- Try for new contract with the resort that fits actual needs and use.
- BMWCo needs to gather more information about the real cost of running the system. (Working on this with Moonshot, and the civil engineer mentioned below). Also, how much could residents reduce costs if they participate as volunteers?
- Resort has offered to cover significant capital improvement costs.
- Renee the general manager at Palomar Mountain Mutual may have hours available and could assist us with admin and reporting and maybe other tasks.

Laurie: Coordinate with Moonshot Missions in parallel to engineer discussions to explore models for collaboration/consolidation with the resort and Palomar Mountain Mutual, and to help with technical, managerial, and financial assessment.

Laurie: Find out Renee's hourly rate to us and discuss possible assignments.

3. **Engineer Sean Bush:** Proposal for Preliminary Engineering Report and remedies for citations.

He proposed to provide a preliminary engineering review for \$5,000 and engineering solutions for the state citations for \$4,000. This \$9,000 cost would be covered by the Pre-Planning Grant if we get it.

Board agreed to continue discussions with civil engineer Sean Bush and invite him to the next board meeting to present proposals for both individual high-priority projects and a full-system engineering review.

4. Cross Connection Control Plan (required component for permit application):

- **The board adopted a resolution to have a CCCP**
- Discussed the recommendations in the December 2025 hazard assessment.
 - **Homeowners whose properties require backflow protection are responsible for the cost of installation** (Gerber and Alevy/Bunkhouse). How to enforce required testing?
 - Any remedy for the steel tank overflow will require draining the steel tank. Could we coordinate this with replacement of the concrete tank? Other idea: Bring in a tanker truck and draw water from there while the steel tank is offline.
 - **Vacuum breakers recommended for hose bibs:** The board agreed to **purchase enough for the community** wholesale (100 units?) and then require/assist homeowners in installing them on hose bibs. **Get help from Robert on purchase.**

5. Treasurer's Financial Report

We have \$103K in the bank. Most accounts have gotten current. Now just \$1,300 in arrears from two accounts (down from \$11,525 in arrears on 9 accounts when we started working on them in September)

Operating expenses are \$8,300 current fiscal year to date (July 2025-June 2026)

Expected revenue if all shareholders pay pay: \$30K/year.

\$100K on hand gives us \$70K for ops and \$30K reserve.

About billing and accounts, the late fee (\$10/month.) starts in November. Caps at \$50.

Laurie will keep pursuing the 2 remaining in-arrears accounts and check in with Shane on January 30th to see if we need to pursue the lien process.

Next year, encourage online payment. Click the link in email - saves a lot of administrative effort. Paying by check introduces up to a 60-day delay.

6. System mapping and configuration management

Noreen Kirby has developed a database for system documentation. Noreen, Henry and Laurie will work with Susann Leininger (CalFire/Palomar resident) to further develop this together with the ArcGIS map she developed for us a couple of years ago. This will enable us to keep track of system assets precisely by their location.

Make sure we can verify system components around the system. Physical walk around the system. Metal tags.

7. New Operator compensation

How to cover liability insurance and pay Cynthia Lucia who will take over as our drinking water operator in February? She initially requested \$31/hour (before we requested insurance). Estimated time for her to do monthly samples and an annual disinfection would be about 40 hours for the year = \$1,240.

Shane recommended liability insurance. Cynthia is willing to pay for it if we can change her pay to cover it.

One insurance quote was \$1,558.20 (really plumber's insurance. Found by Cynthia.)

Other lead on liability insurance for water operators was reported to be \$1,500. Further research showed that this insurance is not available at this rate anymore.

- Concern about the need for additional backup help on systems operation - for Marc and Jack monitoring the tanks and pumps? Would Cynthia be willing to add that duty?
- The board discussed several possible ways to pay (flat monthly fee vs hourly).

Laurie: Ask Cal Mutuals/Cal Rurals about norms for paying independent operators. See if Cynthia is willing to be an emergency contact.

Track her hours for the first year in any case.

8. Community Concerns: Inoperable cars and Dead/Dying trees

Cars:

One inoperable car at Christian Camp cabin; Several cars on Kulk property - Kulk may not own them. May belong to late friend Roland.

Laurie: Contact county land use department regarding inoperable vehicles near water lines to inquire about proper procedures for removal due to environmental/health concerns. See what they suggest.

Dead and Dying Trees

Some trees appear to be on plots owned by Bailey Mutual. But they are adjacent to plots owned by Goyochea (with cabin) and Oliver (unbuilt). Two of the large trees overhang Evergreen trail and will eventually fall and block the trail.

Laurie: contact Goyochea and Oliver for permission to remove trees. Paul (Palomar resident) is willing to remove the trees safely for the wood.

Laura requested moving the next meeting: meeting moved to Wednesday, April 29 at 10:30am. All agreed.

Meeting adjourned at 12:44pm