

1) Company Overview

- a) MWC is a Mutual Water Company – we are owned by our members.
- b) We have five elected, unpaid Board Members who meet monthly and make business management and administrative decisions.
 - i) Becky Thornburg – Vice President
 - ii) Kris Hartnett
 - iii) Mark Schwartz
 - iv) Rich Harvey
 - v) Mary Young
- c) We have three part-time employees.
 - i) Joanne Oehlerking, secretary treasurer
 - (1) Handles billing and financial record keeping
 - (2) Prepares meeting agendas, Kris Hartnett is now taking meeting minutes
 - (3) Cares for daily correspondence and monitoring e-mail account
 - (4) Many thanks to Joanne for cheerfully taking on her many duties.
 - ii) Buck McLelland, Sierra Water Operators LLC, Plant and Distributions Systems Licensed Operator.
 - (1) MWC contracts for Buck's services through his company, Sierra Water Operators LLC. Buck brings a high level of professionalism and experience to MWC. We're very fortunate to have him.
 - (2) Buck continuously works to bring MWC the best possible water quality.
 - (3) Buck has a full-time job as the part owner of White Rock Construction
 - iii) Kris Hartnett, Operations under the supervision of the Licensed Operator.
 - (1) Works with Buck to help deliver high quality water.
 - (2) Is available locally to respond to water line breaks and other issues requiring immediate attention.
 - (3) Also serves on the board of directors.
 - (4) Thanks to Kris for the many hours he devotes to MWC.

2) Operations

- a) System is in compliance with State Water Quality Standards.
- b) Consumer Confidence Report is available on our web site and copies are available at this meeting.

3) 2026-2026 Issues and Achievements

- a) Bylaw Update
 - i) MWC approved new bylaws on August 16, 2025
 - ii) Many thanks to former Director, Steve Hibbs for doing the bulk of the work on this project.

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- iii) New bylaws bring us into conformance with current law and regulations.
- iv) The new bylaws are on MWC's website.
- b) Musser and Jarvis Watershed Restoration
 - i) The Musser and Jarvis watershed provides the surface water portion of our drinking water.
 - ii) MWC continues to work with Alpine Watershed Group to monitor post-fire restoration of our watershed.
 - iii) The Forest Health Community Working Group created a Musser and Jarvis Watershed Committee to review possible additional restoration work in the watershed. This past winter and spring Forest Service contractors performed fuels reduction in the watershed, cutting snags, creating piles, and burning most of the piles. Additional pile burning will be done when weather permits. Thanks to the Forest Health Community Working Group and the Forest Service for this project which will reduce the risk of future fires in Musser and Jarvis.
- c) Emergency Repairs
 - i) MWC had three large repair projects in the last fiscal year
 - (1) Pipe failure in the domestic water line under Hot Springs Creek. At its peak this leak resulted in a loss of 100,000 gallons each day.
 - (a) The leak issue was rectified by terminating the pipe before the creek crossing and constructing new piping at the WTP to replace the pressure pipe provided by pipeline that went under the creek.
 - (2) Pipe pug at the raw water intake
 - (a) Debris blocked the piping in a "gooseneck" section of pipe at the intake.
 - (b) After attempts to clear the block failed, the piping at the gooseneck was reconfigured to allow it to be easily flushed.
 - (c) This gooseneck has been a problem in the past. The piping fix will prevent problems in the future.
 - (3) Break in raw water line between the intake and the Water Treatment Plant (WTP)
 - (a) This water line break prevented any water from reaching WTP.
 - (b) Due to the remote location of the raw water pipeline, locating the leak took some time. MWC placed a ban on outdoor water use during this time, since our wells were the only source of water.
 - (c) The leak was located and repaired, but because the leak was at a joint, future repair may be needed.
- d) SWRCB Grant for Water System Improvements
 - i) MWC is near completion with our \$6,000,000 grant with California State Water Resources Control Board for construction of improvement to our water system.
 - ii) This Grant is paid for by Proposition 68 and the Safe and Affordable Funding for Equity and Resiliency (SAFER) Drinking Water Program.

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- iii) Design and construction management for the project performed by West Yost.
- iv) Haen Constructors is the Contractor.
- v) Construction started in August 2024. The following improvements were made:
 - (1) Water line in Hot Springs Road from Water Treatment Plant to Montgomery Street
 - (2) New Pump Station
 - (3) New Pressure Reducing Station
 - (4) New power and pump station controls at the Pleasant Valley Tank to automate control of the new pump station.
 - (5) Demolition of the old pump station at the intersection of Pleasant Valley Road and Hot Springs Road
 - (6) Water line in Pleasant Valley Road from Oxbow to Pinon
 - (7) Water meters for all homes that front new water lines.
 - (8) Replacement of all fire hydrants that front new water lines.
- vi) Grant Budget Status as of the end of July:

Grant Funded Project Budget Status	Funded Amount*	Billed	Percent	Remaining
Construction - Haen Constructors	\$ 4,382,326.00	\$ 4,280,021.97	97.7%	\$ 102,304.03
pre-purchased Material/Equipment	\$ -			
Real Property or Easement Acquisition	\$ -			
Change Order Contingency	\$ 438,346.00	\$ 369,037.02	84.2%	\$ 69,308.98
Force Account	\$ -			
Allowances (Soft Costs)	\$ 1,179,328.00	\$ 1,177,207.87	99.8%	\$ 2,120.13
Planning	\$ 9,095.00	\$ 9,095.00	100.0%	
Design	\$ 538,272.00	\$ 538,103.25	100.0%	
Construction Management	\$ 604,000.00	\$ 617,994.62	102.3%	
Administration	\$ 27,961.00	\$ 12,015.00	43.0%	
	\$ 6,000,000.00	\$ 5,826,266.86	97.1%	\$ 173,733.14

* Contract with Haen is for \$4,277,061. Increased funding amount has not be applied to the contract

4) Future Challenges

- a) Water Conservation
 - i) Please abide by the current water conservation standards. This document is on the board at the post office and is also on our web site.
 - ii) Further cutbacks may be required later in the year depending on the weather and stream flow conditions.
 - iii) Please pay attention to notices from MWC requiring additional conservation measures.
- b) Replacing Old Infrastructure
 - i) Despite constructing over \$4 million in new infrastructure through the grant, MWC still owns much old infrastructure. Items of concern include:
 - (1) Process controller at the WTP
 - (2) Tanks at the WTP
 - (3) Pipelines in Marklee Village

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- (4) Pipelines in the K&I subdivision
 - (5) Raw water pipeline from the intake to the WTP
- ii) SWRCB grant funds are no longer available.
- iii) MWC is always looking for alternative sources for grant funding.
- c) Increased Operating Costs
 - i) As noted in the budget, costs for utilities, insurance, water analysis, and supplies have all increased.
 - ii) Water Meter Mandate – California law requires small water systems to install water meters on all commercial and residential services by January 1, 2032. A bill promising relief from this requirement by Sen Marie Alvarado-Gil failed to pass in the legislature.
- 5) Budget for 2026-2027 is attached.