



GREEN VALLEY MUTUAL WATER COMPANY

P.O. BOX 8300

GREEN VALLEY LAKE, CALIFORNIA 92341

TELEPHONE: (909) 867-2912

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AGENDA FOR THE MEETING SCHEDULED SEPTEMBER 21, 2020

DUE TO GOVENOR NEWSOM'S EXECUTIVE ORDER N-22-20 THIS MEETING WILL BE HELD BY TELECONFERENCE. ANY ELIGIBLE PERSON WHO WISHES TO ATTEND THIS TELECONFERENCE MEETING IS REQUIRED TO PROVIDE 24 HOUR WIRTTEN NOTICE TO THE GVMWC OFFICE. UPON RECIEPT OF THIS NOTICE, PARTICIPANTS WILL BE PROVIDED WITH A DIAL IN PHONE NUMBER AND ELECTRONIC COPIES OF ALL DOCUMENTS WITH REGARD TO THIS MEETING WILL BE SENT VIA EMAIL AT NO CHARGE PRIOR TO THE START OF THE MEETING. HARD COPIES OF THE DOCUMENTS CAN BE MAILED UPON REQUEST FOR A NOMINAL FEE HOWEVER, DELIVERY MAY NOT OCCUR PRIOR TO THE START OF THE MEETING.

DUE TO THE MEETING BEING HELD VIA TELECONFERENCE, ELIGIBLE PARTICIPANTS WHO WISH TO SPEAK ARE REQUESTED TO STATE SO IN THEIR 24 HOUR WRITTEN REQUEST AND INCLUDE IF YOU WISH TO SPEAK UNDER THE GENERAL COMMENTS PORTION AND/OR WHICH ADDITIONAL AGENDA ACTION ITEMS ONLY. THIS DOES NOT APPLY TO ANY REPORTS NOTED ON THE AGENDA AS THESE REPORTS ARE INFORMATIONAL ONLY. ANY COMMENTS, QUESTIONS OR CONCERNS WITH REGARD TO THE REPORTS MUST BE MADE AT THE PUBLIC COMMENT PORTION OF THE MEETING. THIS REQUIREMENT IS TO ASSIST THE CHAIRPERSON WITH CONDUCTING THE MEETING IN A PROFESIONAL MANNER AND MAKING SURE ALL ELIGIBLE PERSONS ARE GIVEN THE CHANCE TO SPEAK AT THE APPROPRIATE TIME.

IF LESS THAN 10 REQUESTS TO SPEAK ARE PRESENTED THE TIME LIMIT WILL BE 3 MINUTES PER REQUEST. IF 10 OR MORE REQUESTS ARE PRESENTED, THE TIME LIMIT WILL BE LIMITED TO 1 MINUTE PER REQUEST. A REQUEST IS DEFINED AS EACH ELIGLIBLE PARTICIPANT REQUESTING TO SPEAK.

AGENDA
GREEN VALLEY MUTUAL WATER COMPANY
BOARD OF DIRECTORS
Regular Meeting - Teleconference
5:30 p.m.
Monday, September 21st, 2020

DUE TO GOVENOR NEWSOM'S EXECUTIVE ORDER N-22-20 THIS MEETING WILL BE HELD BY TELECONFERENCE. ANY ELIGIBLE PERSON WHO WISHES TO ATTEND THIS TELECONFERENCE MEETING IS REQUIRED TO PROVIDE 24 HOUR WIRTTEN NOTICE TO THE GVMWC OFFICE. UPON RECIEPT OF THIS NOTICE, PARTICIPANTS WILL BE PROVIDED WITH A DIAL IN PHONE NUMBER AND ELECTRONIC COPIES OF ALL DOCUMENTS WITH REGARD TO THIS MEETING WILL BE SENT VIA EMAIL AT NO CHARGE PRIOR TO THE START OF THE MEETING. HARD COPIES OF THE DOCUMENTS CAN BE MAILED UPON REQUEST FOR A NOMINAL FEE HOWEVER, DELIVERY MAY NOT OCCUR PRIOR TO THE START OF THE MEETING.

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Next Resolution No. 20-03

This meeting is recorded by an audio device to insure an accurate archive of the discussions and actions of the meeting. Anyone present at the meeting who does not consent to the recording must state so and will be excused from the meeting. No other recording of the meeting is permitted.

1. Call to Order:

President
1st Vice President
Secretary/Treasurer
Directors

Ed Gray
Kit Kjelstrom
Scott Burger
Ken Martin
Glen Pyne
Rick Blea
Christine Brandt
Charles Mattson
Jerold Miller
Steve Brandt
Emily Nohr

Staff Members: Interim Business Manager
Recording Secretary

2. Public Comments

This portion of the agenda is reserved for the public to discuss matters of interest, within the GVMWC operations, which are not on the agenda. For public comment on items not on the agenda, no action may be taken by the Board, except to refer the matter to staff and/or place it on a future agenda. It is in the best interest of the person speaking to the Board to be concise and to the point. A time limit of three minutes per individual will be allowed unless there are 10 or more request for Public Comments and Agenda Action Items. Visitors are reminded to please refrain from making comments or talking amongst themselves while the meeting is in progress.

3. Consent Calendar

- A. Approval of the minutes of the Board of Directors meeting held on August 17th, 2020
- B. Approval of the minutes of the Board of Directors meeting held on September 1st, 2020
- C. Ratification of payment of claims exceeding \$500.00
- D. August Funds on Deposit Report
- E. Manager Report - See Written Report
- F. August Production Report
- G. GVL Recreation, Inc. President's Report
- H. GVL Recreation, Inc. Meeting Minutes for the Board of Directors meeting held on August 1st, 2020
- I. GVL Recreation, Inc. Financial Statements for the period ending July 31st, 2020

4. Financial Reports:

- A. Approval of the Financial Statements for the period ending August 31st, 2020

5. Old Business: None

6. New Business:

- A. Appointment of 2nd Vice President

7. Board Member Reports:

8. Correspondence:

9. President's Report:

10. Executive Session of the Board of Directors (Closed Session):

11. Adjournment:

GREEN VALLEY MUTUAL WATER COMPANY
BOARD OF DIRECTORS TELECONFERENCE MEETING MINUTES
August 17th, 2020

1. The teleconference meeting was called to order at 5:32 p.m. by President, Ed Gray.

Directors present at the meeting:	President	Ed Gray
	1 st Vice President:	Kit Kjelstrom
	Secretary/Treasurer	Scott Burger
	Directors:	Rick Blea
		Christine Brandt
		Ken Martin
		Charles Mattson
		Jerold Miller
		Steve Brandt
		Emily Nohr
Employees Present:	Interim Business Manager	
	Recording Secretary	
Public Present:	Susan Lopez, Robert Lopez, Ira Leader, Kathleen Smith	

2. PUBLIC COMMENT:

- a. Shareholder, Susan Lopez, made the following comments:
- i. Thanked the Board for adding the Meeting Packet to the website for shareholders to view.
 - ii. Shareholders should be able to make comments on agenda items after Board discussion.
 - iii. Asked if a list of approved snowplows and a map of the property boundaries will be provided to those who rent the clubhouse during the winter.
 - iv. Asked for further explanation of the GVL Recreation, Inc. financials. Exhibit B on Page 7 shows a loss of \$31,729, yet the President's Report states that excess funds are being added to reserves.
 - v. Asked for an explanation on why GVL Recreation employees are going to be required to sign a confidentiality agreement.

Board response to Public Comment:

Steve Brant responded that the Clubhouse Rental Policy is still being reviewed, however, any approved snowplow contractors will be provided. Scott Burger explained that the \$31,729 is profit, not a loss, as a loss would be represented as a negative number in parenthesis. GVL Recreation President, Tonja Graff, will be contacted for further explanation regarding the Confidentiality Agreement.

3. CONSENT CALENDAR:

Items listed in the consent calendar can be viewed with the agenda package.

- a. A Request to remove item F (GVL Recreation, Inc. President's Report for further discussion was granted.
- b. **M**(Kit Kjelstrom) **S**(Ken Martin) **C**: To approve items A, B, C, D, E, G, and H of the consent calendar. *Motion passed by unanimous vote.*
- c. Christine Brandt added to item F that the annual Water Carnival has been canceled due to COVID-19. **M**(Christine Brandt) **S**(Ken Martin) **C**: To approve item F of the consent calendar. *Motion passed by unanimous vote.*

4. FINANCIAL REPORTS:

- a. Scott Burger presented the July financial statement, providing a review of the Balance Sheet and highlighting the favorable variances in specific areas of income and expenses. **M**(Scott Burger) **S**(Kit Kjelstrom) **C**: To approve the Financial Statements for the periods ending July 31st, 2020. *Motion passed by unanimous vote.*

5. OLD BUSINESS: None

6. NEW BUSINESS:

- a. President, Ed Gray, reported that Director, Anna Cooper, sold her property in Green Valley Lake at the end of July and can no longer hold a seat on the Board of Directors.
- b. President, Ed Gray, appointed Jerold Miller to the Board seat. Mr. Miller introduced himself and his history with Green Valley Lake. **M**(Ken Martin) **S**(Christine Brandt) **C**: To ratify the appointment of Jerold Miller to serve the rest of the term ending May of 2022.

GREEN VALLEY MUTUAL WATER COMPANY
Board of Directors Meeting Minutes
August 17, 2020

- c. Draft Resolution 20-03, Re: Policy Section 4217-Temporary Service Discontinuance Amendment was pulled for further revisions.

7. BOARD MEMBER REPORTS:

- a. Kit Kjelstrom, Chairperson of the New Installations and Operations Committee reported that the Canyon and Fern Main Replacement Projects are almost complete. One minor complication is requiring the installation of an air e-vac to be installed. As the project is currently under budget, the remaining funds will be used to clean-up construction debris from past jobs.
- b. Scott Burger, Chairperson of the Finance, Policy, and Communications Committee reported that the budgeting process will begin next month.
- c. It was reported that the proposed method for repairing the dam was approved by the State. A special meeting will be held before the next scheduled Board Meeting to review the proposal and schedule work to begin. The state plans to use this project as a Case Study for future repairs across the State.

8. CORRESPONDENCE: None

- 9. PRESIDENT'S REPORT:** President, Ed Gray, reported that the condition of the lake is looking much better than earlier this summer.

At this time, the Public in attendance was asked to leave the call for the Board to convene in Executive Session.

10. EXECUTIVE SESSION: 6:13pm to 6:25pm

- a. The Board reviewed and discussed account #1472 and will be moving forward with legal counsel recommendation.

- 11. ADJOURNMENT:** The meeting was adjourned at 6:26 pm.

Respectfully Submitted,

Emily Nohr,
Recording Secretary

GREEN VALLEY MUTUAL WATER COMPANY
BOARD OF DIRECTORS MEETING MINUTES
Emergency Meeting (Teleconference)
Tuesday, September 1, 2020

1. The teleconference meeting was called to order at 5:31 p.m. by President, Ed Gray.

2. **Roll Call of Board Members and Employees Present:**

Directors present at the meeting:	President:	Ed Gray
	1 st Vice President	Kit Kjelstrom
	Secretary/Treasurer	Scott Burger
	Directors:	Christine Brandt
		Rick Blea
		Ken Martin
		Glen Pyne
		Jerold Miller
Also Present:	Interim Business Manager	Steve Brandt
	Office Manager	Emily Nohr

3. **Public Comment:** None

4. **Old Business:**

- a. Steve Brandt reported on the condition of the dam and the proposed methods of repairs for problems noted in the State's 2019 Dam Inspection Report.
 - i. The proposal for the leak repair was discussed and approved.
M(Scott Burger) **S**(Ken Martin) **C**: To approve the leak repair proposal provided by Howard Ridley Company, Inc. as presented, in an amount not to exceed \$31,850.00.
Motion passed by unanimous vote. Absent: Charles Mattson.
 - ii. The proposal for the spall and walkway repairs of the dam was reviewed and discussed. The proposal is based on the results of the core samples taken earlier this summer. It was noted that the structural integrity of the dam is not in jeopardy, however the Board agreed that the functionality and use of the dam was equally as important and did not want to see the dam walkway be permanently closed.
M(Kit Kjelstrom) **S**(Ken Martin) **C**: To approve the spall and walkway repair proposal provided by Howard Ridley Company, Inc. in an amount of \$314,785.00 plus the addition of bond premium.
Motion passed by unanimous vote. Absent: Charles Mattson.

5. **Adjournment:** The meeting was adjourned at 6:22 p.m.

Respectfully Submitted,

Emily Nohr,
Recording Secretary

GREEN VALLEY MUTUAL WATER COMPANY

September 16th, 2020

MEMORANDUM

TO: Secretary/Treasurer and the Board of Directors

FROM: Office Manager

These bills should be submitted for approval at the Board meeting:

<u>Payee</u>	<u>Amount</u>
1. IRS (941 for 8/17 Payroll)	\$ 2,022.48
2. Southern California Edison	\$ 620.09
3. Paul Bradshaw Electric	\$ 1,000.00
4. United Healthcare of California (Sept. Premium)	\$ 2,597.63
5. Office Depot	\$ 511.16
6. Clinical Lab of San Bernardino, Inc.	\$ 1,581.50
7. Holland & Knight, LLP (Legal)	\$ 850.00
8. IRS (941 for 8/31 Payroll)	\$ 1,908.72
9. American Funds	\$ 2,336.54
10. Inland Water Works Supply, Co. (Main Replacement Project)	\$ 1,790.11
11. Zenith Insurance Company	\$ 1,112.00
12. Continental Utility Solutions, Inc.	\$ 1,386.00
13. Southern California Edison	\$ 626.48
14. IRS (941 for 9/14 Payroll)	\$ 2,001.36
15. Altmeyer, Inc. (Canyon/Fern Final Payment)	\$161,279.00

FUNDS ON DEPOSIT

Banking Schedule

For Balances Ending August 31, 2020

<u>Account No.</u>	<u>Int. Rate</u>	<u>Int. Paid</u>	<u>Maturity</u>	<u>Term</u>	<u>Balance</u>
<u>BANK OF AMERICA</u>					
Cert. Deposit (Road Cut Bond)	5.25%	\$ 53.79	8/27/2021	365 Days	\$ 1,000.00
Checking					\$ 98,243.69
CD	1.49%	\$ 870.35	2/3/2021	13 Month	\$ 100,000.00
		(Total)			<u>\$ 199,243.69</u>
<u>FIRST FOUNDATION BANK</u>					
Money Market Checking	0.07%	\$ 4.39			\$ 79,801.84
Cert Deposit (Franchise Bond)	0.40%	\$ 3.40	3/17/2021	365 Days	\$ 10,000.00
Business Checking					\$ 31,127.38
					<u>\$ 120,929.22</u>
<u>CITIZENS BUSINESS BANK</u>					
Premier Money Market Checking	0.20%	\$ 57.14			\$ 250,049.88
CDARS CD	0.10%	\$ 96.85	10/8/2020	13 Weeks	\$ 1,140,000.00
					<u>\$ 1,390,049.88</u>
<u>CALIFORNIA BANK & TRUST</u>					
Money Market Checking	0.09%	\$ 18.16			\$ 246,428.80
					<u>\$ 246,428.80</u>
<u>GRAND TOTAL:</u>					\$ 1,956,651.59

Manager's Report
August 12, 2020

- Monthly Water Production Report-See Exhibit A: August Production is up 6.5% from the previous year. Production continues to remain higher than normal due to demand that is likely related to more people self-isolating and/or vacationing in GVL and in addition we are also seeing more new property owners becoming full time residences.
- Monthly Water System Report-1) The electrical work on Meadow and Ski Hill has been completed and the Meadow Pump is now wired so that an emergency generator can be connected in the event of a long term power outage. 2) The backup pumps that were approved to be purchased are still on hold as our investigation is leading us to believe that a more cost effective solution might be considered. 3) We experienced low production in the tank farm earlier this month. Upon investigation, a restriction was found within the supply line which was willow roots reducing the flow. In an effort to find the potential source, all of the wells serving this supply line were inspected. During this inspection the crew found an erosion issue at one of the sites in which a wash has diverted in the direction of the well. A hand crew can be assembled to redirect the wash away from the well and will be completed before winter rains and snow. Also, a chain saw was purchased to clear some fallen tree branches at a well.
- Monthly Business Report: 1) Emily has assembled the list of old delinquent accounts for review with the Finance, Policy and Communication Committee. A plan to address these old delinquent accounts will be prepared and presented to the Finance, Policy and Communication Committee for consideration. 2) Office will remain closed to the public due to social distancing recommendations by the State Water Resource Board. 3) Emily and I spoke with Wes Strickland on advise regarding the postponement of the 2019 annual share holders meeting. Mr. Strickland stated that all of the Mutual Water Companies he is working with are faced with the same issue due to City, County and State social distancing requirements. Wes said it is important that we distribute the annual financial report and CCR which I indicated we had done so in March of this year. He also stated it is acceptable to hold the annual shareholders meeting next year as this year is about finished. If we were to consider an alternate method of a voter meeting, it would require amendments of the Bylaws.
- Holcomb Tank: Nothing further to report at this time.
- Ski Hill Tank Removal: The well on the ski hill does not produce enough water to be cost effective or beneficial to our water system. This will be discussed with the New Installations & Operations Committee.

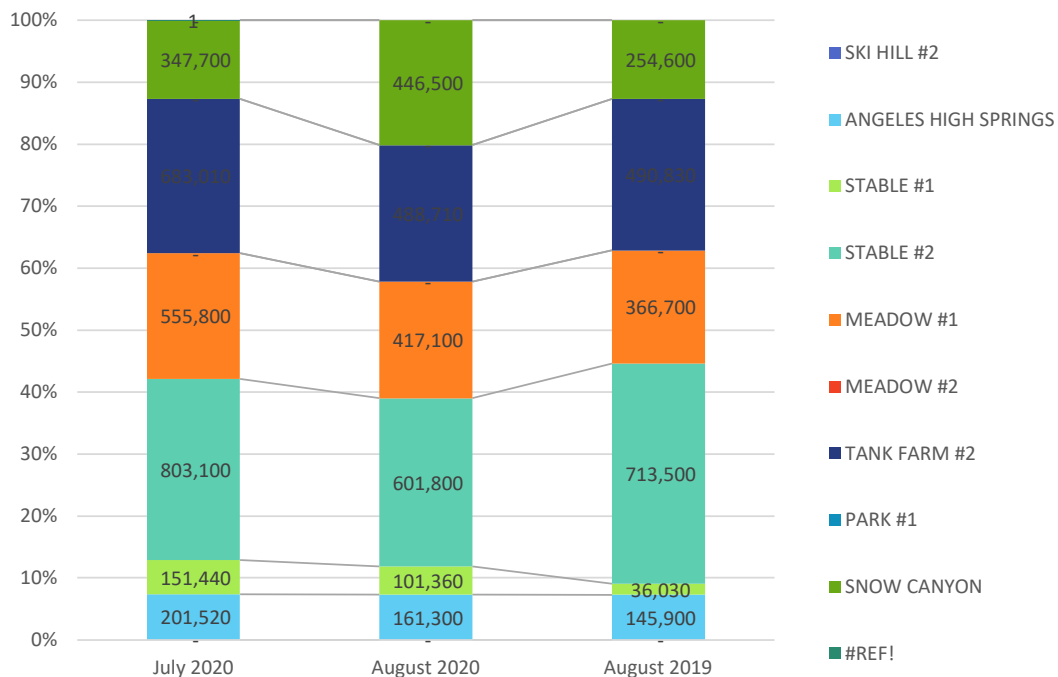
- Lead & Copper: Desktop Study is still in progress. A follow email has been sent requesting a completion date. Lead & Copper testing is complete for the year.
- Dam Repairs: The Howard Ridley Company has mobilized and begun the repair and renovation project. I memo outlining the project has been posted on our website and links have been posted on some of the Green Valley Lake Social Media Sites. Also, the memo has been posted on our bulletin board and also in the Post Office. A copy of the memo will be included with the next billing. In the first two days of work the contractor has already opened the leak and a report with photos has been sent to the State DSOD Engineer. The next repair procedure was approved by the State and the repair of leak should be initially completed by the time of the BOD meeting on 9/21/20. Repair of the spalled section of the upper dam had begun on 9/15/20 and will continue for approximately 8 to 10 weeks.
- ADA Survey Report: Last month I reported that the survey report was delivered to me and in the upcoming month I would thoroughly review the report and discuss with the Lake & Clubhouse Committee. Due to the last-minute approval of the dam repairs I will have to put this project on hold as the dam project, upcoming budget preparation and finalization of projects will require the majority of my time to see they are completed within the deadlines.
- Clubhouse Rental Policy; Snow Plowing: I am still waiting for general liability policy information from snow removal contractors in GVL. In addition, I will need to determine exactly where our property line is within the parking area of the beach, clubhouse and office area. An RFP has been sent to Environmental Hightech Engineering for a survey and property line locations.
- Main Replacement Project "Canyon & Fern": The pipeline portion of the project has been completed and is in service including the installation of bollards around the fire hydrants. Construction debris from this project has been removed from the sites and final cleanup of past construction debris will be taking place at the Meadow Site, Lakeside Yard, Office Yard and the east end of the check dam over the next few weeks. In addition, we will address our Sanitary Survey Recommendations on the Meadow 2 Well. The project is expected to be completed under budget by an amount of approximately \$10,000.00.
- Covid 19 Action Plan: Due to the essential need to provide water to the community of Green Valley Lake and to protect the essential employees of the GVMWC, the office will remain closed to the public. Appointments can be made for any business matters that have to be conducted in the office. The company continues to comply with the recommendations issued by the State Water Resource Board with regard to COVID 19.

PRODUCTION REPORT

August 2020

	July 2020	August 2020	August 2019
SKI HILL #2	-	-	-
ANGELES HIGH SPRINGS	201,520	161,300	145,900
STABLE #1	151,440	101,360	36,030
STABLE #2	803,100	601,800	713,500
MEADOW #1	555,800	417,100	366,700
MEADOW #2	-	-	-
TANK FARM #2	683,010	488,710	490,830
PARK #1	-	-	-
SNOW CANYON	347,700	446,500	254,600
AGENCY	-	-	-
TOTAL PRODUCTION	2,742,570	2,216,770	2,007,560
PERIOD COVERED	35	28	27
AVE. DAILY PRODUCTION	78359.14	79170.36	74354.07
AVE. DAILY PRODUCTION (in gpm)	54.42	54.98	51.63

PRODUCTION CHART



GVL Recreation, Inc.
P.O. Box 8431
Green Valley Lake, CA 92341

PRESIDENT'S REPORT

As of 9/15 I am happy to report no reported cases of Covid-19 by staff or customers.

The additional water testing due to the algae bloom came back negative for harmful bacteria. I would like Green Valley Mutual Water Company BOD to understand that with LAHONTAN wanting us to go all natural, we can expect longer lasting algae blooms due to not using any chemicals that would clear it up faster. That is just part of the natural process. Some visitors and shareholders just do not understand or neither care too.

GVL Recreation was able to do one final stock before Labor Day and kept it under the radar, which helped keep down the lake crowds.

We are experiencing a situation with local resident who is not a shareholder, who is continually harassing our customers and staff. I am pretty sure it has to do with visitors being here during COVID-19.

Also, I wanted to get a better understanding on how repairs of lake property will be handled in the future? I understand the concept of walking the lake before September to budget for capital improvements, but as we all realize that things happen over the winter that will not always be budgeted for; How will those repairs be handled?

I also wanted to mention that GVL Rec is having a harder time finding employees. If someone calls off, we have no employee pool to pull from, which then creates overtime. Just something to keep in mind for future seasons.

This concludes my report.

Tonja Graff

President, GVL Recreation

GVL RECREATION, INC.
BOARD OF DIRECTORS MEETING MINUTES
August 1st, 2020

1. The regular meeting of the Board of Directors was called to order at 9:10 a.m., at 33268 Green Valley Lake Road, by President, Tonja Graff. Directors present:

President	Tonja Graff
Vice President	John McLellan
Secretary/Treasurer	Cielo Vargas
Directors Present:	Peter Shepherd
Lake Operations Manager	Brent Deaton
Recording Secretary	Emily Nohr

2. **MINUTES:**

- A. M(John McLellan) S(Cielo Vargas) C: To approve the minutes of the July 11th, 2020, Board of Directors meeting.

3. **REPORTS:**

- A. Brent Deaton, Lake Operations Manager, reported the following:
- i. The temperature of the lake is currently too warm for fish stockings.
 - ii. The lake has always had a Catch and Release policy for bass, while California Fish and Wildlife allow fisherman to keep bass that are a minimum of 12" in length. Further research is being done to see if Green Valley Lake could implement a similar policy.
 - iii. Marine Bio and LAHONTAN have both taken water samples to determine if the algae bloom on the lake is harmful. Results have not yet been received by either agency.
 - iv. San Bernardino County Department of Environmental Health called to discuss the beach area. Brent informed them that the area is closed, which satisfied the County.
 - v. Brent has an injury to his arm. *The Board told him if he wishes to file a Workman's Comp claim he must report the injury immediately, in which he will be required to go to a doctor within their network.*
- B. Emily reported on the current account balances and that the pension plan has been successfully setup.

4. **FINANCIAL REPORTS:**

- A. M(John McLellan) S(Cielo Vargas) C: To approve the financial statements for the period ending June 30th, 2020. *Motion passed by unanimous vote.*
- B. M(John McLellan) S(Cielo Vargas) C: To ratify the following claims over \$100.00:

PAYEE	AMOUNT
1. Emily Nohr (Petty Cash Reimbursement)	\$242.34
2. Big Bear Disposal	\$278.08
3. EDD (DE-88 for 7/16 Payroll)	\$131.66
4. EFTPS (941 for 7/16 Payroll)	\$967.50
5. Brent R. Deaton (Reimbursement)	\$259.10
6. RW Roberts (Bathroom Supplies)	\$358.00
7. EDD (2 nd Quarter Taxes Due)	\$452.69
8. Alan Aceto (Website Domain)	\$90.85
9. Transfer to Savings	\$20,000.00

5. **OLD BUSINESS:**

- A. LAHONTAN has been in contact with Brent since the algae bloom and lake sampling.
- B. Committees will be discussed at a later date.
- C. The Board will continue to review the Company policy manual and by-laws to update and bring current.
- D. The sick leave policy enacted by Governor Newsom due to COVID-19 must be followed for any employees who may be sick or need to quarantine due to possible exposure.
- E. A confidentiality agreement is being worked on by Tonja, which will be required to be signed by all directors and employees.
- F. The Board approved the proposed plaque for one of the memorial benches. The size restrictions for future plaques was set at a 10" x 3".
- G. The next regular Board of Directors meeting is scheduled for September 12, 2020 at 9:00 am.

6. NEW BUSINESS:

- A. The fishing rate has been set at \$20 for all visitors.

7. COMMITTEE REPORTS:

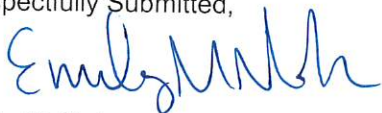
- A. John McLellan reported that another stocking cannot take place until water conditions are favorable.
- B. The Board will further discuss the option for holding the Water Carnival over Labor Day weekend.

8. CORRESPONDENCE: None

9. EXECUTIVE SESSION: None

10. The meeting was adjourned at 10:08 a.m.

Respectfully Submitted,



Emily M. Nohr
Recording Secretary

GVL RECREATION, INC.
(A CALIFORNIA CORPORATION)

FINANCIAL STATEMENTS
WITH
INDEPENDENT ACCOUNTANTS' DISCLAIMER REPORT

July 31, 2020

CONTENTS

Independent Accountants' Review Report

Financial Statements

Exhibit

Balance Sheet

A

Statement of Income - Monthly

B

GVL RECREATION, INC.BALANCE SHEET

July 31, 2020

EXHIBIT A

ASSETS

Current assets:

Cash in checking	40,181
First Foundation Bank Plus MM	39,223
Petty cash	1,500
Prepaid insurance	7,603
Total current assets	<u>88,507</u>

Property, plant, and equipment:

Rental equipment	35,253
other equipment	58,086
Accumulaed depreciation	<u>(83,832)</u>
Total property and equipment	9,507

Other Assets

Goodwill	26,000
Accumulated amortization	<u>(26,000)</u>
Total other assets	-

Total assets

98,014LIABILITIES AND STOCKHOLDER'S EQUITY

Current liabilities:

Retirement plan payable	84
Payroll taxes payable	<u>509</u>
Total current liabilities	593

Stockholder's equity:

Common stock	5,000
Additional paid in capital	23,544
Retained earnings	63,192
Net income (loss)	<u>5,685</u>
Total stockholder's equity	97,421

Total liabilities and stockholder's equity

98,014

GVL RECREATION, INC.

EXHIBIT B

STATEMENT OF INCOME

For the One Month and Ten Months July 31, 2020

	One Month Ended July 31, 2020	%	Ten Months Ended July 31, 2020	%
Revenue:				
Access fees	18,660	68.96%	78,645	75.70%
Rowboat rentals	2,921	10.79%	6,900	6.64%
Pedal boat rentals	2,104	7.78%	4,046	3.89%
Kayak rentals	507	1.87%	570	0.55%
Canoe rentals	1,559	5.76%	1,738	1.67%
Credit card income	-	0.00%	-	0.00%
Boat tags	1,290	4.77%	9,580	9.22%
Beach fees - daily	-	0.00%	-	0.00%
Beach passes	20	0.07%	935	0.90%
Other lake income	-	0.00%	1,482	1.43%
Other income	-	0.00%	-	0.00%
Total revenue	27,061	100.00%	103,896	100.00%
Cost of revenue:				
Office payroll	341	1.26%	1,886	1.82%
Management payroll	4,154	15.35%	13,753	13.24%
Recreation payroll - reg	4,297	15.88%	13,134	12.64%
Beach payroll - reg	-	0.00%	-	0.00%
Recreation payroll - o/t	-	0.00%	-	0.00%
Beach payroll - o/t	-	0.00%	-	0.00%
Manage. Payroll - o/t	97	0.36%	1,136	1.09%
Workers' compensation	751	2.78%	10,466	10.07%
Total cost of revenue	9,640	35.62%	40,375	38.86%
Gross profit	17,421	64.38%	63,521	61.14%

GVL RECREATION, INC.

EXHIBIT B

STATEMENT OF INCOME (Continued)

For the One Month and Ten Months July 31, 2020

	One Month Ended July 31, 2020	%	Ten Months Ended July 31, 2020	%
Operating expenses:				
Bank charges	254	0.94%	1,026	0.99%
Competitive event expenses	-	0.00%	(191)	-0.18%
Trash removal	-	0.00%	781	0.75%
Toilet facilities	278	1.03%	444	0.43%
Supplies	472	1.74%	949	0.91%
Fish planting	-	0.00%	19,060	18.35%
Insurance	760	2.81%	5,792	5.57%
Lake testing	2,310	8.54%	5,935	5.71%
Repairs and maintenance	640	2.37%	7,654	7.37%
Advertising	-	0.00%	175	0.17%
Other lake expenses	-	0.00%	-	0.00%
Outside services/contractors	-	0.00%	-	0.00%
Office supplies	105	0.39%	342	0.33%
Regulatory permits and fees	-	0.00%	1,117	1.08%
Accounting	460	1.70%	2,502	2.41%
Postage	34	0.13%	34	0.03%
Payroll taxes	1,189	4.39%	3,439	3.31%
Telephone	48	0.18%	1,557	1.50%
Utilities	455	1.68%	1,399	1.35%
Other admin expense	132	0.49%	147	0.14%
Depreciation expense	76	0.28%	5,709	5.49%
Payroll Expense		0.00%	(786)	-0.76%
Total operating expenses	7,213	26.65%	57,085	55.70%
Operating income (loss)	10,208	37.72%	6,436	6.19%

GVL RECREATION, INC.

EXHIBIT B

STATEMENT OF INCOME (Continued)

For the One Month and Ten Months July 31, 2020

	One Month Ended July 31, 2020	%	Ten Months Ended July 31, 2020	%
Other Income:				
Interest income	2	0.01%	51	0.05%
Total Other Income	2	0.01%	51	0.05%
Income (Loss) Before Income Taxes	10,210	37.73%	6,487	6.24%
Provision for income tax:				
State franchise tax	-	0.00%	802	0.77%
Total Provision for Income Tax	-	0.00%	802	0.77%
Net Income (Loss)	10,210	37.73%	5,685	5.47%

GREEN VALLEY MUTUAL WATER COMPANY
FINANCIAL STATEMENTS
WITH
INDEPENDENT ACCOUNTANTS' DISCLAIMER REPORT
AUGUST 31, 2020

Green Valley Lake Mutual Water Company

Balance Sheet

August 31, 2020

Assets

Current Assets

First Foundation Bk - checking	\$ 17,186
First Foundation Bank (FMB)	10,000
First Foundation Bank Mkt(FMB)	79,802
Citizens Business Bank MM	249,893
Citizens Business Bank CDARS	1,215,000
California Bank MM	171,205
Cash on hand	300
Bank of America -checking	98,244
Bank of America -CD	100,000
Accounts receivable	46,492
Inventory	23,716
Prepaid insurance	14,390

Total Current Assets

2,026,228

Property and Equipment

Land	19,124
Wells	199,906
Pump structures	82,377
Pump equipment	38,257
Water tanks	1,089,450
Water mains & system	3,882,351
Structures & improvements	172,356
Office equipment & furniture	91,576
Transportation equipment	153,887
Tools & equipment	91,732
Communications equipment	2,243
Land improvements	204,821
Work in progress	209,486
Accumulated depreciation	(2,390,258)

Total Property and Equipment

3,847,308

Other Assets

Non current accounts receivable	101,482
Investment in GVL Rec., Inc.	28,544
Bank of America-lateral bond	1,018

Total Other Assets

131,044

Total Assets

\$ 6,004,580

Green Valley Lake Mutual Water Company

Balance Sheet

August 31, 2020

Liabilities and Stockholders' Equity

Current Liabilities

Accounts payable - trade	\$ 9,176
Retirement payable	2,344
Payroll taxes payable	55
Accrued vacation and sick pay	4,404
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Total Current Liabilities	15,979
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Total Liabilities	15,979
	<hr/>

Stockholders' Equity

Paid In Capital	
Stock issued	14,173
Additional paid in capital	19,036
	<hr/>

Total Paid in Capital	33,209
	<hr/>

Appropriated Retained Earnings

Operations reserve	150,000
Capital asset contingency	650,000
Surface storage/tran reserve	330,000
	<hr/>

Total Appropriated Retained Earnings	1,130,000
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Unappropriated Retained Earning

Retained earnings beginning	4,567,447
Net income (loss)	257,945
	<hr/>

Total Unappropriated Retained Earnings	4,825,392
	<hr/>

Total Stockholders' Equity	5,988,601
	<hr/>

Total Liabilities and Stockholders' Equity	\$ 6,004,580
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Green Valley Lake Mutual Water Company
Comparative Statement of Income with Budget
For the One Month and Eight Months Ended August 31, 2020

	Current Month Actual	Current Month Budget	Variance	Year to Date Actual	Year to Date Budget	Variance	Annual Budget
Operating Income							
Water Sales							
Standby/connection fees	\$ -	\$ -	\$ -	\$ 248,478	\$ 251,250	\$ (2,772)	\$ 502,500
Water usage	511	-	511	42,511	34,610	7,901	69,218
Contract water	-	-	-	3,750	4,125	(375)	4,125
Total Water Sales	511	-	511	294,739	289,985	4,754	575,843
Water Services							
Turn on/off fees	100	750	(650)	3,567	6,000	(2,433)	9,000
Late fees	1,925	621	1,304	7,350	4,971	2,379	7,455
Total Water Services	2,025	1,371	654	10,917	10,971	(54)	16,455
Miscellaneous Fees							
New installation fees	-	-	-	-	-	-	-
Stock transfer fees	10,550	2,035	8,515	40,200	16,280	23,920	24,420
Total Miscellaneous Fees	10,550	2,035	8,515	40,200	16,280	23,920	24,420
Interest Income							
CA Bank Money Mkt int inc	-	56	(56)	160	447	(287)	670
Community Bank int inc	-	85	(85)	814	683	131	1,025
FMB/First Foundation Bank Int	8	38	(30)	207	305	(98)	458
Lateral bond int inc	-	1	(1)	-	9	(9)	13
Bank of America (MM)	-	1	(1)	-	5	(5)	8
Total Interest Income	8	181	(173)	1,181	1,449	(268)	2,174
Total Operating Income	13,094	3,587	9,507	347,037	318,685	28,352	618,892
Other Income							
Assessments							
Assessments - regular	-	-	-	326,440	325,600	840	325,600
Assessments - penalties	-	-	-	2,250	2,200	50	2,200
Total Assessments	\$ -	\$ -	\$ -	\$ 328,690	\$ 327,800	\$ 890	\$ 327,800

Green Valley Lake Mutual Water Company
Comparative Statement of Income with Budget
For the One Month and Eight Months Ended August 31, 2020

	Current Month Actual	Current Month Budget	Variance	Year to Date Actual	Year to Date Budget	Variance	Annual Budget
Other Miscellaneous Income							
Verizon cell site rental	\$ 1,335	\$ 1,335	\$ -	\$ 9,348	\$ 10,683	\$ (1,335)	\$ 16,025
Clubhouse rental income	-	183	(183)	400	1,468	(1,068)	2,200
Miscellaneous income	155	208	(53)	918	1,668	(750)	2,500
Total Other Miscellaneous Income	1,490	1,726	(236)	10,666	13,819	(3,153)	20,725
Total Other Income	1,490	1,726	(236)	339,356	341,619	(2,263)	348,525
Total Income	14,584	5,313	9,271	686,393	660,304	26,089	967,417
Cost of Operations							
Source of Supply							
Maintain structure/wells	-	9	(9)	-	67	(67)	100
Purchased water	-	-	-	4,740	2,476	2,264	7,223
Total Source of Supply	-	9	(9)	4,740	2,543	2,197	7,323
Pumping							
Repair pump equip, etc.	-	25	(25)	53	200	(147)	300
Repair pump station	-	10	(10)	-	83	(83)	125
Fuel/power/purchased	1,322	896	426	6,171	7,166	(995)	10,750
Total Cost of Pumping	1,322	931	391	6,224	7,449	(1,225)	11,175
Transmission and Distribution							
Street repair	-	25	(25)	-	200	(200)	300
Trans/Distr Mains	8	29	(21)	594	233	361	350
Reservoir/tanks	-	8	(8)	-	67	(67)	100
Service line maintenance	-	8	(8)	-	67	(67)	100
Meter maint/replacement	-	67	(67)	-	533	(533)	800
Total Transmission and Distribution	8	137	(129)	594	1,100	(506)	1,650
Total Cost of Operations	1,330	1,077	253	11,558	11,092	466	20,148
Gross Profit	\$ 13,254	\$ 4,236	\$ 9,018	\$ 674,836	\$ 649,212	\$ 25,624	\$ 947,269

Green Valley Lake Mutual Water Company
Comparative Statement of Income with Budget
For the One Month and Eight Months Ended August 31, 2020

	Current Month Actual	Current Month Budget	Variance	Year to Date Actual	Year to Date Budget	Variance	Annual Budget
Administrative Expenses							
Payroll							
Office/hourly regular	\$ 5,010	\$ 3,681	\$ 1,329	\$ 30,618	\$ 29,449	\$ 1,169	\$ 44,173
Office/overtime	8	63	(55)	363	500	(137)	750
Office/vacation	126	1,694	(1,568)	203	1,693	(1,490)	3,387
Field Management/Ops	11,305	9,597	1,708	56,605	71,977	(15,372)	115,164
Field hourly	8,420	7,750	670	48,321	58,125	(9,804)	93,000
Field/overtime	204	733	(529)	1,506	5,500	(3,994)	8,800
Field/vacation	458	583	(125)	607	4,375	(3,768)	7,000
Field/standby	939	310	629	1,903	2,324	(421)	3,718
Capitalized labor	290	(2,688)	2,978	8,041	(21,500)	29,541	(32,250)
Total Payroll	26,760	21,723	5,037	148,167	152,443	(4,276)	243,742
Office Operations							
Office supplies/services	1,112	502	610	5,447	5,993	(546)	8,000
Postage	42	135	(93)	4,884	4,960	(76)	5,500
Heating/office	17	43	(26)	330	347	(17)	520
Heating/shop	-	-	-	938	1,100	(162)	1,550
Gasoline/license	277	792	(515)	4,448	6,333	(1,885)	9,500
Refuse removal	-	33	(33)	226	267	(41)	400
Miscellaneous expense	54	83	(29)	1,176	667	509	1,000
Training	-	100	(100)	-	800	(800)	1,200
Small tools	41	83	(42)	622	667	(45)	1,000
Telephone	100	104	(4)	800	833	(33)	1,250
Bank charges	59	17	42	306	133	173	200
Computer maint/service	-	146	(146)	1,952	1,166	786	1,750
Total Office Operations	1,702	2,038	(336)	21,129	23,266	(2,137)	31,870
Outside Services							
Accounting	275	400	(125)	3,515	6,900	(3,385)	8,500
Lab tests/water	1,581	1,542	39	13,999	12,333	1,666	18,500
Legal	850	2,500	(1,650)	25,524	20,000	5,524	30,000
Total Outside Services	\$ 2,706	\$ 4,442	\$ (1,736)	\$ 43,038	\$ 39,233	\$ 3,805	\$ 57,000

Green Valley Lake Mutual Water Company
Comparative Statement of Income with Budget
For the One Month and Eight Months Ended August 31, 2020

	Current Month Actual	Current Month Budget	Variance	Year to Date Actual	Year to Date Budget	Variance	Annual Budget
Other General Expenses							
Board meeting expense	\$ 40	\$ 792	\$ (752)	\$ 1,674	\$ 6,333	\$ (4,659)	\$ 9,500
Liability insurance	2,056	2,000	56	18,728	16,000	2,728	24,000
Employee insurance	2,876	3,500	(624)	21,329	28,000	(6,671)	42,000
Workers comp insurance	1,112	958	154	4,972	7,667	(2,695)	11,500
Payroll taxes	2,074	1,750	324	12,547	14,000	(1,453)	21,000
Retirement plan	-	594	(594)	3,950	4,750	(800)	7,125
Building/structure maintenance	-	42	(42)	-	334	(334)	500
Vehicle & equip maintenance	10	417	(407)	977	3,333	(2,356)	5,000
Communication service	583	667	(84)	4,806	5,333	(527)	8,000
Depreciation	13,221	9,000	4,221	105,767	72,000	33,767	108,000
Total Other General Expenses	21,972	19,720	2,252	174,750	157,750	17,000	236,625
Permits, Taxes and Fees							
CUWA Permit	-	-	-	201	-	201	-
CA Dept of Health Service	-	41	(41)	-	333	(333)	500
USDA Forestry permit	-	-	-	-	-	-	1,800
CA Dept of Water Resource	-	-	-	20,819	21,938	(1,119)	26,000
ACWA	-	-	-	1,066	1,333	(267)	1,600
Taxes lake/clubhouse	-	-	-	-	1,950	(1,950)	3,900
Taxes other property	-	-	-	100	1,250	(1,150)	2,500
Franchise Tax Board	-	-	-	1,420	800	620	800
Co Franchise Authority	-	-	-	3,196	2,877	319	2,877
Corporate filing fee	-	-	-	25	25	-	25
Total Permits, Taxes and Fees	-	41	(41)	26,827	30,506	(3,679)	40,002
Other Expenses							
Clubhouse maintenance	-	167	(167)	188	1,333	(1,145)	2,000
Supplies	-	83	(83)	-	667	(667)	1,000
Utilities	148	367	(219)	2,792	2,933	(141)	4,400
Other Expenses	148	617	(469)	2,980	4,933	(1,953)	7,400
Other Miscellaneous Expenses							
Dam/check dam/flood channel	-	-	-	-	100	(100)	100
Clubhouse,office,grounds	-	25	(25)	-	200	(200)	300
Other expense	-	8	(8)	-	67	(67)	100
Total Other Miscellaneous Expenses	-	33	(33)	-	367	(367)	500
Total Other Expenses	148	650	(502)	2,980	5,300	(2,320)	7,900
Total Expenses	53,288	48,614	4,674	416,891	408,498	8,393	617,139
Net Income (Loss)	\$ (40,034)	\$ (44,378)	\$ 4,344	\$ 257,945	\$ 240,714	\$ 17,231	\$ 330,130

See Independent Accountants' Disclaimer Report