

San Miguelito Mutual Water Company
Minutes of the Board of Director's Meeting

9:00 A.M. Wednesday, July 16, 2014
Company Office, Avila Beach, California

I. CALL TO ORDER AND ROLL CALL

Meeting called to order by Board President John Delehant at 9:00 a.m.

Board Members Present: John Delehant, Rob Rossi, Gerri Hall, Rick Koon, Tom Athey (left at 10:20 a.m.), Ben Banks and Vic Montgomery
Staff Members Present: Customer Service and Operations Support Dawn Barlow
Consultants Present: Tim Carmel
Absent: Operations and Maintenance Supervisor Dan Migliazzo
Guests: None

II. PUBLIC/SHAREHOLDER COMMENT - None

III. CLOSED SESSION

- a. HOA Reimbursement Agreements
- b. Personnel
- c. Future Litigation

IV. RECONVENE TO OPEN SESSION – Motion made by Ben Banks, seconded by Tom Athey to approve personnel changes as recommended by General Manager Koon. Motion passed 7 - 0

V. REVIEW and APPROVAL OF MINUTES

- Minutes of the June 18, 2014 regular meeting were approved on motion by Vic Montgomery, seconded by Tom Athey. Motion passed 6 - 0. Rob Rossi was unavailable during the vote.

VI. UNFINISHED BUSINESS - None

VII. NEW BUSINESS

- a. Reimbursement Agreement Request – A motion was made by John Delehant, seconded by Gerri Hall directing General Manager Koon and Legal Counsel Carmel to work on a draft reimbursement agreement between SMMWC and the owners of the property located at 6380 Lupine Canyon Road, Avila Beach, CA. Motion passed 6 – 0. Rob Rossi abstained.
- b. Mid-Year Budget Review – Mid-year budget expenditures are consistent with the 6 month projections. Minor increases in some costs are due to additional services for internet security and legal contracts.
- c. Stage 2 Conservation – General Manager Koon presented various rate models and tier categories for implementing Stage 2 of SMMWC's Water Conservation Resolution. After discussion, a motion was made by John Delehant, seconded by Tom Athey to adopt the staff preferred rate model and tier categories presented for SMMWC's Stage 2 Water Conservation Resolution; and, to include the option that the Board can adjust rates and tiers if the conservation goals are not met. Motion passed 7 – 0.

VIII. GENERAL MANAGER'S REPORT

- Administration

- Staff has generated a proposal for the rate structure for our stage II conservation.
- DWR continues to deliver State water at 5% of requested.
- Employee reviews are almost complete. Reviews will be conducted later this month.
- The CCR was mailed June 20, 2014.
- The CDPH Drinking Water Program has been transferred to the State Water Resources Control Board's new Division of Drinking Water.

- Operations

- Staff has painted many of our lift station generator enclosures as well as the water treatment plant buildings.
- Staff continues to clear manholes of root intrusions.
- The WWTP aerator motor is being repaired.

- Capital Projects

- The pump replacements for lift station #1 have been ordered.
- The replacement pump for the Heron Crest booster station has been ordered.

IX. FINANCIAL STATEMENT

The Board Management Report for June 2014 was presented by General Manager Rick Koon with the following highlights:

Cash and Reserve Funds as of June 30, 2014 are:

Operating Cash	Operational Contingency Reserves	State Water Reserves	Capital Reserves
\$164,150	\$354,800	\$120,150	\$1,596,229

X. BOARD MEMBER COMMENT - None

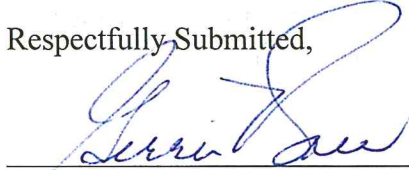
XI. ITEMS FOR NEXT AGENDA

VIII. ADJOURNMENT

Meeting was adjourned at 10:40 a.m.

Proceeding reported by:
Dawn Barlow, Customer Service and Operations Support

Respectfully Submitted,


Gerri Hall, Secretary

Approved:


John Delehant, Board President