

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

9:00 A.M. Wednesday, September 17, 2014  
Company Office, Avila Beach, California

I. CALL TO ORDER AND ROLL CALL

Meeting called to order by Board President John Delehant at 9:06 a.m.

|                        |  |
|------------------------|--|
| Board Members Present: | Gerri Hall, Rick Koon, Tom Athey and Rob Rossi (arrived at 9:15)   |
| Staff Members Present: | Operations and Maintenance Supervisor Dan Migliazzo, Customer Service and Operations Support Dawn Barlow |
| Consultants Present:   | Legal Counsel Tim Carmel   |
| Absent:                | Vic Montgomery, Ben Banks  |
| Guests:                | Heron Crest Resident Bob Pusanik   |

II. PUBLIC/SHAREHOLDER COMMENT

Mr. Pusanik queried the board regarding possible salt water intrusion at the weir as well as curtailing well water usage on the golf course. He suggested that SMMWC might want to obtain professional guidance regarding the salt water intrusion. He also stated that SLBE is aware that the owners of Lot #69 have requested a will serve letter. Mr. Pusanik went on to say that with state water no longer available as a backup water source, providing water to Lot #69 could affect SLBE as the Master Plan did not address water for the lot. Board President Delehant thanked Mr. Pusanik for his comments and suggestions.

III. CLOSED SESSION – Convened at 9:09 a.m.

IV. RECONVENE TO OPEN SESSION at 9:11 a.m. – No Reportable Actions

V. REVIEW and APPROVAL OF MINUTES

- Minutes of the August 20, 2014 regular meeting were approved with corrections on motion by Gerri Hal, seconded by Tom Athey. Motion passed 5 - 0.

VI. UNFINISHED BUSINESS - None

VII. NEW BUSINESS

- a. Stage 2 Water Conservation Resolution – After discussion to modify a portion of the Resolution as written, Resolution 2014-001 was approved on motion by Rob Rossi, seconded by John Delehant. Resolution passed 5 – 0.
- b. Customer Notification of Stage II Conservation – A draft of SMMWC Water Words was reviewed by the Board. Motion by John Delehant, seconded by Tom Athey to newsletter, as corrected, to all current customers no later than September 24, 2014. Motion passed 5 – 0.
- c. Sycamore Mineral Spring Sewer Extension – Legal Counsel Carmel has submitted a request for payment from SMS in order to extend the contract for 6 months.
- d. Business Insurance Renewal – General Manager Koon briefly reviewed the insurance documents with the Board. He informed the Board that the premiums were about 10% higher than the previous policy because of the new building and trucks.

VIII. GENERAL MANAGER'S REPORT

- Administration

- Staff continues to work with CUSI to incorporate the approved rate structure for our stage II conservation rates. They are currently working on the billing module.
- General Manager Koon attended an Indian Hill men's coffee to present our Stage II conservation policy. He will also attend the September meetings for the SLBE Master Association and Indian Hill HOA.
- Dan Migliazzo will be listing the F-250 and dump trailer on Craigslist for the Santa Maria, Fresno and Bakersfield areas.

- Operations

- State Water was turned back on August 26, 2014. Efforts by the State and Lopez treatment plants have reduced the taste and odor problems.
- Wastewater quality has improved due to the addition of a fourth aerator. We are continuing to recirculate the water in pond #2 using spray heads to aid in evaporation.

- Capital Projects

- The preparation work on lift station #1 has started. We have received some parts and, per the supplier, all equipment should be received by the end of the month.
- The replacement pump for the Heron Crest booster station has been ordered.

IX. FINANCIAL STATEMENT

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

Cash and Reserve Funds as of August 31, 2014 are:

| Operating Cash | Operational Contingency Reserves | State Water Reserves | Capital Reserves |
|----------------|----------------------------------|----------------------|------------------|
| \$149,979      | \$354,818                        | \$180,258            | \$1,681,404      |

X. BOARD MEMBER COMMENT - None

XI. ITEMS FOR NEXT AGENDA

VIII. ADJOURNMENT

Meeting was adjourned at 10:39 a.m.

Proceeding reported by:

Dawn Barlow, Customer Service and Operations Support

Respectfully Submitted,

  
Gerri Hall, Secretary

Approved:

  
John Delehant, Board President