

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

9:00 A.M. Wednesday, October 15, 2014
Company Office, Avila Beach, California

I. CALL TO ORDER AND ROLL CALL

Meeting called to order by Board President John Delehant at 9:03 a.m.

Board Members Present: Gerri Hall, Rick Koon, Tom Athey, Vic Montgomery and Rob Rossi
Staff Members Present: Operations and Maintenance Supervisor Dan Migliazzo, Customer Service and Operations Support Dawn Barlow
Consultants Present: Legal Counsel Tim Carmel
Absent: Ben Banks
Guests: Kingfisher Residents Saro Rizzo and Robert Campbell

II. PUBLIC/SHAREHOLDER COMMENT – Mr. Rizzo and Mr. Campbell requested permission to address the Board during discussion of Agenda Item VII. NEW BUSINESS, a. Stage 2 Water Conservation/Customer Correspondence. There were no objections from the Board members present. President Delehant said the Board would hear their comments when the item was presented for review.

III. CLOSED SESSION – Convened at 9:05 a.m.

IV. RECONVENE TO OPEN SESSION at 9:07 a.m. – No Reportable Actions

V. REVIEW and APPROVAL OF MINUTES

- Minutes of the September 17, 2014 regular meeting were approved with corrections on motion by John Delehant, seconded by Gerri Hall. Motion passed 5 - 0. (Vic Montgomery abstained due to his absence from the September 2014 meeting.)

VI. UNFINISHED BUSINESS - None

VII. NEW BUSINESS

- a. Stage 2 Water Conservation /Customer Correspondence – Mr. Rizzo addressed the Board with his concerns regarding the implementation of SMMWCs Stage 2 Water Conservation policy/resolution. He referenced his letter to the Board dated October 1, 2014 in which he detailed his concerns regarding the methodology SMMWC utilized to establish base usage target amounts and rate tiers for each neighborhood. General Manager Koon explained what data and rationale staff used to determine the target amounts and rate tiers. Mr. Rizzo then presented examples of water variance requests for the board's consideration. President Delehant accepted the copies and said the board would review the forms at a later date. Mr. Campbell asked what the consequences would be if SMMWC failed to achieve a 20% overall water usage reduction. Legal Counsel Carmel responded that the state could levy fines against SMMWC if the target usage reduction wasn't met. General Manager Koon added that with this current drought condition, it is important to begin conservation at this time. If there are no State Water deliveries for 2015, SMMWC would be completely dependent on its groundwater sources, which means there would be a greater chance of them running dry. General Manager Koon said the Board had received the letter from Kingfisher HOA requesting a meeting between the HOA Board and representatives of SMMWC on November 10, 2014. President

Delehant said that was a good date and asked Mr. Rizzo to schedule the time and meeting place. Mr. Rizzo said he will check with the other Kingfisher HOA Board members and he will advise General Manager Koon when the time and meeting place have been scheduled.

VIII. GENERAL MANAGER'S REPORT

- Administration

- Staff is setting up the rate structure for stage II conservation in the billing program. CUSI had created the new tiers and rate structures.
- General Manager Koon has presented the Stage II conservation policy at the September meetings for SLBE Master Association, Indian Hill HOA as well as the October meeting for Mallard Green HOA.
- Staff attended a State Water contractors meeting where County staff presented various supply methods for South County State water users based on a 0% to 5% delivery scenario. SMMWC has submitted its 2015 delivery request based on 130 acft in order to maximize its carry over water supply.
- The dump trailer and truck have been sold.

- Operations

- Water - We are continuing to blend State Water with our well water at a 1:1 ratio to stabilize the impact of higher temperatures and odors from the State Water system.
- Wastewater – A pump was pulled and cleaned at the San Luis Bay Inn lift station.
- Wastewater – We are adding potassium permanganate to lift station #1 in an effort to reduce the odor at lift station #2.

- Capital Projects

- The bypass connection has been installed for the work on lift station #1. There will be restricted access on the path from Mallard Green to the Bob Jones trail during construction.
- The replacement pump for the Heron Crest booster station will be installed this month.
- The golf course meter installed 09/03/14 recorded 1.7 million gallons pumped in 26 days.

IX. FINANCIAL STATEMENT

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

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

Operating Cash	Operational Contingency Reserves	State Water Reserves	Capital Reserves
\$150,187	\$354,826	\$203,375	\$1,709,180

X. BOARD MEMBER COMMENT - None

XI. ITEMS FOR NEXT AGENDA

VIII. ADJOURNMENT

Meeting was adjourned at 10:35 a.m.

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

Respectfully Submitted,


Gerri Hall, Secretary

Approved:


John Delehant, Board President