

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

9:00 A.M. Wednesday, November 19, 2014
Company Office, Avila Beach, California

I. CALL TO ORDER AND ROLL CALL

Meeting called to order by Board President John Delehant at 9:02 a.m.

Board Members Present: John Delehant, Gerri Hall, Rick Koon, Tom Athey, Vic Montgomery and Rob Rossi (left at 10:00 a.m.)
Staff Members Present: Operations and Maintenance Supervisor Dan Migliazzo, Customer Service and Operations Support Dawn Barlow
Consultants Present: Legal Counsel Tim Carmel via teleconference call
Absent: Ben Banks
Guests: None

II. PUBLIC/SHAREHOLDER COMMENT - None

III. CLOSED SESSION – Convened at 9:03 a.m.

IV. RECONVENE TO OPEN SESSION at 10:00 a.m.

- a. Third Party Contracts – Motion made by Rick Koon, seconded by John Delehant directing legal counsel to draft a letter to be mailed, certified USPS, to the board presidents for Kingfisher and Heron Crest regarding the LPFM agreements; a copy of the letter will also be mailed to Kingfisher and Heron Crest residents who have an LPFM. Motion passed 6 – 0.

V. REVIEW and APPROVAL OF MINUTES

- Minutes of the October 15, 2014 regular meeting were approved on motion by Gerri Hall, seconded by Tom Athey. Motion passed 5 - 0.

VI. UNFINISHED BUSINESS - None

VII. NEW BUSINESS

a. Stage 2 Water Conservation

General Manager Koon reviewed the new conservation usage report, chart and financial impact report with the board.

VIII. GENERAL MANAGER'S REPORT

- Administration

- Stage II conservation bills were mailed the first of November. Staff is receiving daily calls regarding rates and neighborhood target usage. Customers have also been coming to the office to find out how to read their meter.
- Staff attended a State Water contractors meeting. County staff presented various scenarios for 2015 State Water deliveries. We have submitted our 2015 delivery request based on 130 acft to maximize our carry over supply.
- The company Christmas party will be held immediately after the December 17, 2014 board meeting.

- Operations

Water

- October's system production was down from September's production due to the time of year and the weather. We are producing enough water with one well to maintain system demand and reservoir levels.

- Heron Crest booster station has another new booster pump online with a new VFD.

- We have installed a stand-alone solar system to power chlorine pumps at tanks 100 & 200.

- There were three line breaks in October – a 2" service line in the health club parking lot, an air vac was run into at the golf course and a mainline leak on Merlin Court. All have been repaired.

Wastewater

- The odor problem at lift station #2 has been decreased by using potassium permanganate at lift station #1. We believe this will be a good permanent solution to the odor problem.

- Capital Projects

- The bypass connection for lift station #1 is on line. The wet well will be taken off line the week of 11/17/14. We will use the bypass until the project is complete (approximately 6 weeks).

IX. FINANCIAL STATEMENT

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

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

| Operating Cash | Operational Contingency Reserves | State Water Reserves | Capital Reserves |
|----------------|----------------------------------|----------------------|------------------|
| \$141,467 | \$354,835 | \$224,979 | \$1,735,984 |

X. BOARD MEMBER COMMENT - None

XI. ITEMS FOR NEXT AGENDA

a. Review and approve 2015 Budget

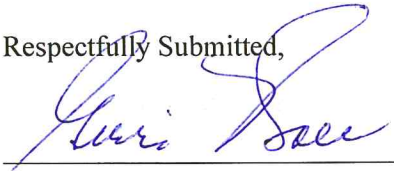
VIII. ADJOURNMENT

Meeting was adjourned at 10:55 a.m.

Proceeding reported by:

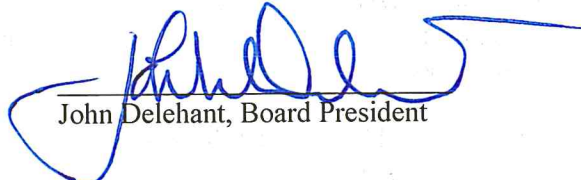
Dawn Barlow, Customer Service and Operations Support

Respectfully Submitted,



Gerri Hall, Secretary

Approved:


John Delehant, Board President