

SAN MIGUELITO MUTUAL WATER COMPANY

Annual Shareholder Meeting
Minutes

2:00 PM Wednesday, May 16, 2018

SMMWC Office, 1561 Sparrow Street
San Luis Obispo, CA

REGISTRATION OF SHAREHOLDERS

Each Shareholder was asked to sign in and was provided with copies of the Agenda, List of Directors, Shareholder List, May 17, 2017 Minutes, 2017 Financial Statements, 2018 Budget, 2018 Rate Schedule, Manager's Report, Operations Report.

PRESENT

Directors: John Delehant, Ben Banks, Gerri Hall, Rick Koon, Rob Rossi, Martin Suits
Staff: Michelle Edson, Accounting & Administrative Manager
Absent: None
Legal Counsel: Tim Carmel, Carmel & Naccasha LLP
Shareholders: Ronald Chilcott, Robert Pusanik, Martin and Sharon Suits, Sandy and Michael Nordstrom, Beverly Henry, Anthony and Pat Sweet, Jeanette Krone, Robert Campbell, Lynn Gretkowski, Mary Jacobson, Steve Rossi, Marrgo Rosato, Paul Metchik, Andrew Winterbottom, Rita Hoffman, Marvin and Kimm St Pierre, Carol Hayden, Larry and Karla Bittner
Guest: None

PLEDGE OF ALLEGIANCE & PRESIDENT'S REMARKS

President Delehant opened the meeting at 2:00 p.m. with the pledge of allegiance, welcomed the shareholders in attendance and introduced the Board of Directors, staff and consultants present.

President Delehant asked if there was a quorum.

The San Miguelito Mutual Water Company Bylaws state: "The presence in person or by proxy of twenty percent (20%) of the shareholders shall constitute a quorum for the transaction of business at any meeting of shareholders."

Michelle confirmed there were a sufficient percentage of the shares represented and a quorum was declared. (See representation detail attached.)

MINUTES OF LAST MEETING

President Delehant asked the shareholders to review the minutes of the last meeting. There was a motion made by Rob Rossi, seconded by Gerri Hall to accept the minutes of the May 17, 2017 meeting as written. Motion passed 6 - 0.

NOMINATION & ELECTION OF OFFICERS

President Delehant announced there was one vacancy on the Board this year. We had two new Candidates interested in running, Marvin St Pierre and Michael Nordstrom, their names appeared on the ballot. President Delehant asked if there were any additional nominations from the floor. Hearing none, the nominations were closed. Ballots were collected to be counted and elections were closed.

The voting committee was excused to count the votes. Gerri Hall, BOD Member, Michelle Edson, Accounting and Administrative Manager, Luz Santos, Operations Support and Customer Service and Shareholder, Beverly Henry opened and counted the ballots.

FINANCIAL REPORT

General Manager Rick Koon presented the San Miguelito Mutual Water Company 2017 Financial Statements, as prepared by the accounting firm of Moss, Levy & Hartzheim LLP.

MANAGER'S REPORT, OPERATIONS REPORT, 2017 and 2018 CAPITAL PROJECTS REVIEW

General Manager, Rick Koon, presented the reports as follows:

General Managers Report –

- Total water connections are 675 and total number of shares is 1041.
- Water production for 2017 was 171-acre feet. Of that, 67% or 115-acre feet was delivered by state water project; the remaining 33% came from our three wells.
- Total wastewater production for 2017 was 82-acre feet.

Operations Report –

- In 2017 the water system experienced no leaks in the distribution system. We flushed our water mains and exercised the water valves
- The wastewater system had few problems in 2017. We had some minor blockages due to tree root intrusion. Staff continues to proactively remove tree roots from our sewer lines and manholes.
- For our 2017 system maintenance we continue to replace out older controls and level indicator systems for both tanks and lift stations.

Capital Projects

- In 2017 we repainted the exterior of tanks 100, 200 and 400.
- The winter storms caused an oak tree to fall and break the pipe bridge crossing. We had to replace the waterline crossing at lift station #3. We also had to do some extensive repairs to the road out to the treatment plant.
- The new SCADA monitoring system is up and running to all facilities except in Wild Cherry Canyon. Our Operators can now remotely monitor the levels in our tanks, system pressure levels, pump run times and set points.

Presentation -

- Pictures were shown of the various projects completed in 2017.

ELECTION RESULTS

Board Secretary Gerri Hall announced the results election. Marvin St Pierre received the greatest number of shareholder votes and was elected, by the shareholders, to serve as a director for the remainder of a four-year term ending in May 2021.

ADJOURNMENT

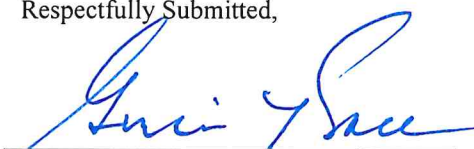
The meeting was adjourned at 3:02 p.m.

Proceedings recorded by:

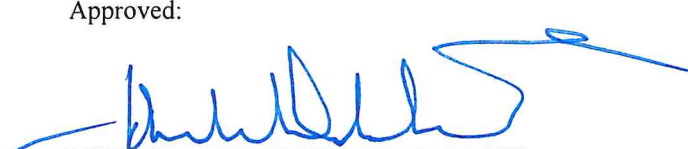
Michelle Edson, Accounting & Administrative Manager

Respectfully Submitted,

Approved:



Gerri Hall, Secretary



John Delehant, President

ANNUAL SHAREHOLDERS MEETING

May 16, 2018

SHARE REPRESENTATION

1041 Total Shares – 20% Necessary for Quorum 209 Shares

John Delehant –	1 share
Ben Banks – SLBI Proxy	144 shares
Gerri Hall – 1 plus 1 Res. Proxy	2 shares
Rob Rossi – ABR, E. Hartford, AVLLC, OUAT, Covelop	198 shares
Rick Koon – KFD, BDC/ALD, SCM, 1 Res.	81 Shares
Martin Suits	1 share
Residents in Attendance – 22	17 shares
Ballots by Mail	214 shares
TOTAL SHARES REPRESENTED	695 shares

SHAREHOLDERS ELECTED – BY BALLOT

Marvin St. Pierre	Remainder of a 4-year term
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