

SAN MIGUELITO MUTUAL WATER COMPANY

Annual Shareholder Meeting  
Minutes

2:00 PM Wednesday, May 15, 2019

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 16, 2018 Minutes, 2018 Financial Statements, 2019 Budget, 2019 Rate Schedule, Manager's Report, Operations Report.

PRESENT

Directors: John Delehant, Ben Banks, Gerri Hall, Rick Koon, Rob Rossi, Martin Suits  
Board Member Absent: Marvin St Pierre  
Staff: Michelle Edson, Accounting & Administrative Manager  
Legal Counsel: Tim Carmel, Carmel & Naccasha LLP and Monique Madrid, Certified Municipal Court Clerk  
Shareholders: Carol Hayden, Robert Pusanik, Sharon Suits, John Hostetter, Lori Hostetter, Gordon Withers, Pat Arnold, Larry Bittner, Dominique Dunn, Art Jacqmin, William Smith, Heather Nelson, Gary Garcia, Jim Miers, Saul Goldberg, Steve Rossi, Paul Metchik,  
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 16, 2018 meeting as written. Motion passed 6 – 0 Marvin St Pierre, absent.

NOMINATION & ELECTION OF OFFICERS

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. Monique Madrid Certified Municipal Court Clerk and Michelle Edson, Accounting and Administrative Manager opened and counted the ballots.

## FINANCIAL REPORT

General Manager Rick Koon presented the San Miguelito Mutual Water Company 2018 Financial Statements, as prepared by the accounting firm of Moss, Levy & Hartzheim LLP.

## MANAGER'S REPORT, OPERATIONS REPORT, 2018 and 2019 CAPITAL PROJECTS REVIEW

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

### General Managers Report –

- Total water connections are 680 and total number of shares is 1041.
- Water production for 2018 was 165-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 2018 was 83-acre feet.

### Operations Report –

- In 2018 the water system experienced no leaks in the distribution system.
- Staff replace old meters and angle stops in Pelican Point.
- In 2018 we had some minor blockages due to tree root intrusion. The additions of Magnesium Hydroxide into the Lift Stations has greatly decreased the H<sub>2</sub>S in our force mains.
- Staff continues to be proactively removing tree roots from our sewer lines and manholes. We also flushed our water mains and exercised the water valves.

### Capital Projects

- Extensive repair work was completed on the equipment buildings at LS# 2 & 3 and the WWTP.
- The new SCADA monitoring system was expanded to include our facilities 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 2018.

## ELECTION RESULTS

Monique Madrid the clerk that was hired to facilitate the vote count announced the election results. Rick Koon received 681 votes Michael Nordstrom received 674 votes Gary Garcia received 646 votes. They are elected, by the shareholders, to serve as directors for a four-year term ending in May 2023.

## 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 15, 2019

## SHARE REPRESENTATION

1041 Total Shares – 20% Necessary for Quorum 209 Shares

John Delehant –1 Plus 2 Proxies	3 shares
Ben Banks – SLBI Proxy	144 shares
Gerri Hall – 1 plus 13 Proxies	14 shares
Rob Rossi – ABR, E. Hartford, AVLLC and OUAT	197 shares
Rick Koon – KFD and BDC/ALD.	19 shares
Martin Suits 1 Proxy	1 share
Residential and Commercial in Attendance	3 shares
Ballots by Mail	136 shares
SLBE Proxies	362 shares
<b>TOTAL SHARES REPRESENTED</b>	<b>879 shares</b>
SHAREHOLDERS ELECTED – BY BALLOT	
Rick Koon	4-year term
Michael Nordstrom	4-year term
Gary Garcia	4-year term