

San Miguelito Mutual Water Company

Minutes of the Board of Director's Meeting

9:00 A.M. Wednesday, April 19, 2017

I. CALL TO ORDER AND ROLL CALL

Meeting called to order by Board Vice President Ben Banks at 9:04 a.m.

Board Members Present: Ben Banks, Tom Athey, Gerri Hall, Rick Koon, Rob Rossi, Vic Montgomery, John Delehant(9:10am)
Absent: None
Staff Members Present: Michelle Edson, Accounting & Administrative Manager
Consultants Present: Legal Counsel Tim Carmel
Guests: Indian Hill Residents Ray and Ann Feeser; Heron Crest Resident Bob Pusanik; Kingfisher Resident Robert Campbell

II. PUBLIC/SHAREHOLDER COMMENT – None

III. REVIEW and APPROVAL OF MINUTES

a. March 15, 2017 - Motion to approve as written made by Vic Montgomery, seconded by Rob Rossi. Motion passed 6 – 0.

IV. DISCUSSION AND CONSIDERATION TO APPROVE AMENDMENTS TO THE BYLAWS NECESSITATED BY CHANGES IN STATE LAW – Legal Counsel, Tim Carmel defined the difference between assessment and charges. He also went over Indian Hill residences authority as defined in the bylaws is only for any changes made to the bylaws which affect assessments or Article IV or Article VI. Mr. Carmel then reviewed the changes required by state law. Motion to approve amendments as presented made by Vic Montgomery, seconded by Ben Banks, Motion passed 7-0.

V. REVIEW OF THE DRAFT 2016 FINANCIAL STATEMENT – GM, Rick Koon handed out a copy of the draft to each board member for review. He asked that they review after the meeting and contact staff if any changes need to be made or if they have any questions. Financial Statement will be approved at the May 17, 2017 BOD meeting.

VI. REVIEW OF THE DRAFT ANNUAL SHAREHOLDER MEETING PACKET – After review, Vic Montgomery wanted to make sure that we added the wording Write In Nominees must be in attendance to the ballot. Gerri Hall requested that we fix the agenda to read Minutes of Last Annual Meeting. The packet will be mailed by April 28, 2017.

VII. DISCUSSION AND CONSIDERATION TO ESTABLISH CLOSE OF BUSINESS DATE – 2017 ANNUAL SHAREHOLDER MEETING. Staff recommendation was the set close of business May 5, 2017 at 4:30pm as the date of record. Motion to approve by Vic Montgomery, seconded by Ben Banks, Motion passed 7 - 0

VIII. DISCUSSION AND AUTHORIZATION FOR STAFF TO APPLY FOR REGIONAL WATER MANAGEMENT GROUP PROPOSITION 1 GRANTS – After a brief discussion reviewing possible projects such as the regional sewer study and repair of the weir. A Motion was made by Vic Montgomery to direct staff to do whatever is needed to apply for proposition 1 grants through the IRWM, seconded by Rob Rossi, Motion passed 7 -0.

IX. GENERAL MANAGERS REPORT

- Administration

- Staff attended the RWMG meeting.
- Staff mailed the THM notification letter to all shareholders and handled any calls of concern.
- We have received several job applications for both open positions. Interviews will start next week.
- Reported on working with Indian Hill for a joint replacement of infrastructure.

- Operations

- Staff continued to be busy with adjusting the system to chloramines. We are waiting for the results of the latest THM samples.
- Staff helped Victor Backhoe replace a Fire Hydrant in Pelican Point

- Capital Projects

- Staff is getting costs for the installation of a back-up generator at the office as part of our SCADA system
- Cleath & Associates is setting flags for potholing of well locations today

X. FINANCIAL STATEMENT

The Board Management Report for March 2017 was presented by Financial Officer Tom Athey and General Manager Rick Koon with the following highlights:

Cash and Reserve Funds as of March 31st, 2017, are:

| Operating Cash | Operational Contingency Reserves | State Water Reserves | Capital Reserves |
|----------------|----------------------------------|----------------------|------------------|
| \$129,298 | \$355,089 | \$215,791 | \$2,2473,921 |

- XI. BOARD MEMBER COMMENT – The BOD had a couple of requests
- Update on the pot holing being done and possible locations in the June BOD meeting
 - Risk assessment be done of our infrastructure and be presented at our July or August BOD meeting.

X. UPCOMING BOARD MEETING AND AGENDA ITEMS

- May 17, 2017 – BOD Meeting; Annual Meeting
- June 21, 2017 – Election of Officers & Staff Performance Reviews
- July 19, 2017 – Mid Year Budget Review

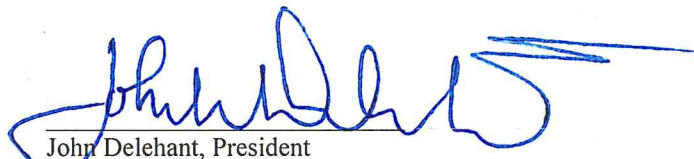
- XI. ADJOURNMENT –Meeting was adjourned at 11:47 a.m.

Proceeding reported by:
Michelle Edson, Accounting & Administrative Manager

Respectfully Submitted,

Approved:


Gerri Hall, Secretary


John Delehant, President