

San Miguelito Mutual Water Company

Minutes of the Board of Director's Meeting

9:00 A.M. Wednesday, April 17, 2019

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, Rick Koon, Gerri Hall, Rob Rossi (recused himself at 9:20am),
Marvin St. Pierre, Martin Suits (left at 12:23p.m.).

Board Member Absent: Ben Banks

Staff Members Present: Michelle Edson

Consultants Present: Tim Carmel, Legal Counsel

Guests: Heron Crest Residents: Larry Bittner, Karla Bittner, Dominique Dunn, Joe O'Connor, Ken Thom, Kingfisher Residents: Robert Campbell, Betty Hartig, Mux Munn, Saro Rizzo, Carol Hayden, Trisha Smith, Quail Canyon Resident: Gary Garcia, Barbara Garcia, Erin Deitrich, Indian Hill Residents: Lori Hostetter, John Hostetter, Sharon Suits, Heather Nelson, Ray Feeser, Ann Feeser, Pelican Point Residents: Teri Agrusa, Cindy Mattison, Ruth Donnelly, Cindy Garman, Sherri Danoff, Laura Hyde, Robert Hyde, Mallard Green Residents: Mark Daugherty, Barbara Daugherty, Jim Miers, Neil Paton, Louise Paton, Scott Blaising, Melinda Franklin, James Franklin, Skylark Meadows Resident: Judy Ivarie, Once Upon a Time Trustee, Paul Metchek, Covelop Holding's, Pat Arnold, Damien Mavis, and Rossi Enterprises, Steve Rossi, Tom Bunn.

II. PUBLIC/SHAREHOLDER COMMENT – Larry Bittner shared his concern about wanting HOA's to receive SMMWC shares.

III. REVIEW and APPROVAL OF MINUTES

a. March 20, 2019 BOD Meeting – Motion to approve made by Rob Rossi Seconded by Gerri Hall. Motion passed 6 – 0, Banks absent.

IV. REVIEW OF DRAFT 2018 FINANCIAL STATEMENT – The draft 2018 Financials were emailed out to all board members prior to the meeting. After a brief discussion was held about how state water costs are accounted for Motion to approve was made by John Delehant seconded by Rob Rossi. Motion passed 6 – 0, Banks absent.

V. REVIEW AND CONSIDERATION TO APPROVE SHAREHOLDER MEETING NOTIFICATION PACKET - Motion to approve was made by Marvin St Pierre seconded by John Delehant. Motion passed 6 – 0, Banks absent.

VI. PRESENTATION OF THE AVILA BY THE SEA PROJECT – Rob Rossi stepped down from board position to give an overhead presentation showing layout of water and sewer line updates to the project and number of units and locations. There were a number of questions and concerns from multiple residents, Mr. Rossi addressed them.

VII. DISCUSSION AND CONSIDERATION TO ISSUE A CONDITIONAL WILL SERVE FOR AVILA BY THE SEA – GM Rick Koon went over the Staff report that had been emailed out to all Board members prior to the meeting. Marvin St Pierre asked questions about sewer capacities for times when a pool might need to be drained or a large event is going on. The Directors went over the parts of the draft conditional will serve that pertain to those incidences. Martin Suits requested to delay the vote due to not enough time to review the many attachments to the staff report. All other Board members responded that they had read the materials and were ready to move forward with the vote. Tim Carmel recommended that we add the word “lease” to the last bullet point. Motion to approve the draft conditional will serve with change to the last bullet point from “own” to “lease or own” was made by Gerri Hall seconded by Marvin St Pierre. Motion passed 4 – 1, Suits, against, Rossi abstained, Banks absent.

President Delehant requested a ten-minute recess

Rob Rossi returned to the Board of Directors

The meeting continued at 12:32 without Martin Suits

V. GENERAL MANAGER'S REPORT -

- Administration

- Administrative Staff attended a one-day training seminar about CUSI billing system.
- Electricity usage graph for each our water and wastewater station.
- Staff reviewed the 2018 Draft Financial Summary.
- Employee Handbooks updates completed and given to all employees.
- The Company's General Liability Insurance policy was reviewed the cost is \$21,119. for the next year.
- The DWR has increased the State Water delivery to 70%.

- Operations

- Skylark Meadows continued water meter replacements, 23 of the 65 replaced.
- Staff cleaned check valves at wetwells 1, 2, 3, and SLBI.
- Staff rebuilt WWTP 3inch diaphragm and replace gaskets.
- Staff worked with Mainline Utility to clean the sewer system in Indian Hill, Pelican Point, Skylark Meadows, Mallard Green, Avila Valley Orchards, and the Commercial areas.
- Staff began painting the interior pipes at WW3.

- Capital Projects

- Pond 2 sludge removal continues.
- Continued to program telemetry system by installing additional data receivers.
- Researching small utility vehicle for maintenance/meter reading tasks within the estates.

- Additional Project

- SMS Sewer Service Contract – on hold
- Reclaimed Water Use Study – on hold
- Reserve Replacement Study – Developing an outline for a 10year plan
- Marre House – on hold

VI. FINANCIAL STATEMENT

The Board Management Report for March 2019 was presented by General Manager Rick Koon with the following highlights:

Cash and Reserve Funds as of March 31th, 2019, are:

Operating Cash	Operational Contingency Reserves	State Water Reserves	Capital Reserves
\$54,473	\$355,302	\$176,629	\$3,062,555

VII. BOARD MEMBER COMMENT –

VIII. UPCOMING BOARD MEETING AND AGENDA ITEMS

- May 15, 2019
- May 15, 2019 Annual Meeting

IX. ADJOURNMENT –Meeting was adjourned at 12:50 p.m.

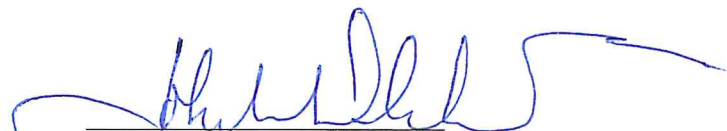
Proceeding reported by:

Michelle Edson, Accounting & Administrative Manager

Respectfully Submitted,

Approved:


Gerri Hall, Secretary


John Delehant, President