

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

9:00 A.M. Wednesday, January 18, 2017

I. CALL TO ORDER AND ROLL CALL

Meeting called to order by Board President John Delehant at 9:04 a.m.

Board Members Present: John Delehant, Tom Athey, Gerri Hall, Rick Koon, Rob Rossi, Vic Montgomery, Ben Banks
 Absent: None
 Staff Members Present: Dawn Barlow, Customer Service and Operations Support
 Consultants Present: Legal Counsel Tim Carmel
 Guests: Indian Hill Resident Ray Feeser; Kingfisher Resident Robert Campbell

II. PUBLIC/SHAREHOLDER COMMENT – None

III. REVIEW and APPROVAL OF MINUTES

a. December 14, 2016 - Motion to approve as written made by Gerri Hall, seconded by Vic Montgomery. Motion passed 5 – 0. John Delehant and Ben Banks abstained due to their being absent at the meeting.

IV. DISCUSSION AND CONSIDERATION TO MOVE EXCESS 2016 OPERATIONAL EARNINGS INTO 2016 CAPITAL RESERVES – Financial Office Athey requested this be addressed during discussion item VII. FINANCIAL STATEMENT.

VI. DISCUSSION OF JANUARY 2017 NEWSLETTER ITEMS – After reviewing the draft January 2017 newsletter, Financial Officer Athey recommended adding definitions for System Infrastructure and Neighborhood Infrastructure in the Capital Projects for 2017 paragraph. General Manager Koon will re-write the paragraph to include definitions for the two types of Capital Projects.

VII. GENERAL MANAGERS REPORT

- Administration
 - Staff worked on finalizing the 2017 budget.
 - Letter was mailed to PG&E regarding the Wild Cherry Canyon lease.
 - Staff met with WSC and ABCSD to review progress on the Regional study.
- Operations
 - Scheduled maintenance was performed on our generators.
 - We are using free chlorine as a disinfectant and have begun to flush the lines to distribute it throughout our system.
- Capital Projects
 - The new enclosure at the Water Treatment Plant is complete.

VIII. FINANCIAL STATEMENT

- Included in this discussion was item IV. DISCUSSION AND CONSIDERATION TO MOVE EXCESS 2016 OPERATIONAL EARNINGS INTO 2016 CAPITAL RESERVES – Financial Officer Athey discussed the need to move the 2016 excess operational earnings into Capital Projects. He said the funds would be designated for special projects such as continued work on the new well study. Motion made by John Delehant, seconded by Ben Banks to move the excess 2016 Operational earnings into the 2016 Capital Reserves. 5 votes in favor, one opposed. Motion passed 5 – 1.

The Board Management Report for December 2016 was presented by General Manager Rick Koon with the following highlights:

Cash and Reserve Funds as of December 31, 2016 are:

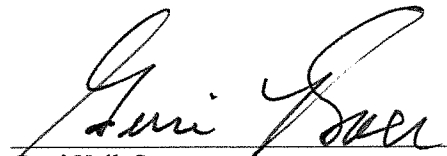
Operating Cash	Operational Contingency Reserves	State Water Reserves	Capital Reserves
\$133,839	\$355,063	\$280,871	\$2,177,743

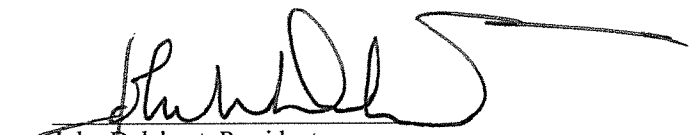
- IX. BOARD MEMBER COMMENT – Board member Montgomery asked if SMMWC had received any response to the letter mailed to PG&E last month. General Manager Koon told him there has been no response to date. Board member Rossi said that with all the projects PG&E are working on, it may be in fall of 2018 before the company receives a response to the letter. He also mentioned another PG&E project that involves the Marre’ house and that project may have an impact on SMMWC. He requested the PG&E Marre’ project and its possible impact on SMMWC be added to next month’s agenda for discussion.
- X. UPCOMING BOARD MEETING AND AGENDA ITEMS
- a. February 15, 2017 Capital Plan; Draft By-Laws
 - b. March 15, 2017 – 10 year Capital Projections; SMS Contract
 - c. April 19, 2017 – Annual Meeting Packet Items
 - d. May 17, 2017 – BOD Meeting; Annual Meeting
- XI. ADJOURNMENT –Meeting was adjourned at 10:02 a.m.

Proceeding reported by:
Dawn Barlow, Customer Service and Operations Support

Respectfully Submitted,

Approved:


Gerri Hall, Secretary


John Delehant, President