

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

9:00 A.M. Wednesday, January 21, 2015  
Company Office, Avila Beach, California

I. CALL TO ORDER AND ROLL CALL

Meeting called to order by Board President John Delehant at 9:01 a.m.

Board Members Present: John Delehant, Gerri Hall, Rick Koon, Tom Athey, Vic Montgomery, Ben Banks and Rob Rossi  
Staff Members Present: Operations and Maintenance Supervisor Dan Migliazzo, Accounting and Administrative Support Michelle Edson  
Consultants Present: Legal Counsel Tim Carmel (by phone, left meeting at 9:15am)  
Absent:  
Guests: Heron Crest Resident Bob Pusanik

II. PUBLIC/SHAREHOLDER COMMENT – Mr. Pusanik wanted to let us know that he likes the website. He also made a suggestion that we should put updates on conservation so all residents can see how we are doing and if we are reaching our 20% reduction. Mr. Pusanik's final comments addressed the SLO County Resources Summary Report and that it may be inconsistent with our master plan. President Delehant thanked Mr. Pusanik for his comments.

III. CLOSED SESSION Convened - at 9:05 a.m.  
a. Third Party Contracts

IV. RECONVENE TO OPEN SESSION – at 9:15 a.m.  
No reportable action was taken. Legal counsel Carmel left the meeting

V. REVIEW and APPROVAL OF MINUTES  
- Minutes of the December 17, 2014 regular meeting were approved on motion by Vic Montgomery, seconded by Rob Rossi. Motion passed 7 – 0.

VI. UNFINISHED BUSINESS - None

VII. NEW BUSINESS

a. Company Newsletter

Due to board decision to stay in conservation rates Director Athey suggested that President Delehant make some revisions to his Presidents Message; also discussed was to not include the section about new rate charges for 2015. We will mail out newsletter by the end of next week.

b. Approve 2015 Budget

General Manager Koon introduce the interim plan to keep conservation rates, and to not move forward with the 2% rate increased passed in the December 2014 BOD meeting. GM suggested that if we go out of conservation rates then we would move forward with the 2% overall rate increase. Financial Officer Athey explained that predicting the budget based off of conservation rates was too uncertain and suggested we use the 2014 budget predictions with the 2015 expense budget. Motion

made by Vic Montgomery, seconded by John Delehant to approve the use of 2014 rates and the 2015 expense and make up any shortage with the previously pooled 2014 funds. Motion passed 7 – 0.

- c. Delphia Connella, Indian Hill resident, requested a billing adjustment for excessive water use due to a water fixture issue. After brief discussion; Motion made by Vic Montgomery, seconded by Rob Rossi to deny Ms. Connella’s request for adjustment. Motion passed 7 – 0. General Manager Koon will send a letter to Ms. Connella regarding the Boards decision

VIII. GENERAL MANAGER’S REPORT

- Administration

- The third month of stage II conservation bills went out at the beginning of the month.
- During December we had three customers with extraordinary high usage. These customers accounted for \$2,500.00 in additional charges and 105,000 gallons of water.
- The new billing cards are less confusing to our customers we removed the verbiage “per 100 gallons” and put just gallons. We also placed a note on the back saying “Unlisted usage codes are for Conservation rates”.

- Operations

-Water

- System production in December 2014 was 8.46acft. This is half of the acft that was produced in December 2013 and the lowest amount of production in December for the last five years.
- The Lopez water system switched to free Chlorine on Jan 08, 2015 and will continue until February 09, 2015. We switched to using free Chlorine as a disinfectant.

-Wastewater

- The WWTP continues to operate well; our BOD continue to be good at 8mg/1BOD on our effluent, with 198mg/1 influent being treated. This is better than a 90% reduction through our process flows.

- Capital Projects

- The work on Lift Station #1 has been completed.

IX. FINANCIAL STATEMENT

The Board Management Report for December 2014 was presented by General Manager Rick Koon with the following highlights:

Cash and Reserve Funds as of December 31, 2014 are:

Operating Cash	Operational Contingency Reserves	State Water Reserves	Capital Reserves
\$72,034	\$354,854	\$257,036	\$1,689,063

X. BOARD MEMBER COMMENT - None

XI. ITEMS FOR NEXT AGENDA

- a. BOD meeting change of time/day
- b. Conservation Exceptions

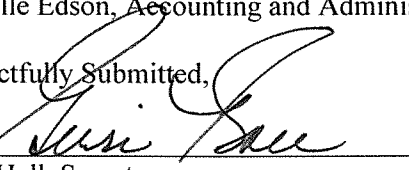
VIII. ADJOURNMENT

Meeting was adjourned at 10:29 a.m.

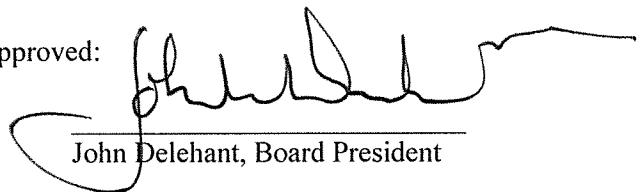
Proceeding reported by:

Michelle Edson, Accounting and Administrative Support

Respectfully Submitted,

  
Gerri Hall, Secretary

Approved:

  
John Delehant, Board President