

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

9:00 A.M. Friday, July 16, 2021

I. CALL TO ORDER AND ROLL CALL

Meeting called to order by Board President Michael Nordstrom at 9:00 a.m.

Board Members Present: Rob Rossi (left at 11:18am), Rick Koon, Michael Nordstrom, Paul O'Malley, Larry Bittner and Bob Peterson

Board Member Absent: Marvin St Pierre

Staff Members Present: Brad Hagemann & Michelle Edson

Consultants Present: Timothy Carmel, Legal Counsel (by phone)

Guests: Pelican Point Resident: Gerri Hall, Heron Crest Resident: Bob Pusanik and Karla Bittner, Indian Hill Resident: John & Lori Hostetter, Kingfisher Resident: Robert Campbell, Rossi Enterprises, Steve Rossi

II. PUBLIC/SHAREHOLDER COMMENT – Bob Pusanik made comments on the current drought and our reliance on State Water. Michael Nordstrom replied that the Board of Directors are currently working with Water Systems Consulting on an update to our Water Resources Study. John Hostetter commented that after the last drought we should conserve before we are made to. He also would like to charge for irrigation water from Well 3.

III. REVIEW and APPROVAL OF MINUTES –

- a. June 18, 2021 Regular Meeting Minutes - Motion to approve the minutes made by Larry Bittner seconded by Rob Rossi. Motion passed 6/0, St Pierre absent.

IV. REVIEW AND DISCUSSION OF MID YEAR BUDGET – General Manager Hagemann narrated an overhead presentation showing that our income for the year is 3% above the anticipated and our expenses are about 5% less than anticipated year to date. Our Tank 550 reconditioning project has been completed at \$63,000.00 below the budgeted amount and staff recommends reallocating those funds to inspect and coat tanks 100 & 200. Staff also recommends reallocating the \$65,000.00 from the deferred Waste Water Docking Station to repair and purchase a new pump for Lift Station #2. Seeing that the budgeted funds would remain the same, all members of the Board of Directors agreed with the reallocations of Capital funds.

V. DISCUSSION OF ANNUAL SALARY SCHEDULE ADJUSTMENT AND MERIT INCREASES – Director O'Malley, one of the members of Salary Committee, made a motion to increase the salary schedule by 3%, increase health care allotments by \$100.00, making it \$950.00 per employee, and to allow General Manager's discretion to provide merit increases within the salary schedules guidelines for each position. The motion was seconded by Rob Rossi, and passed 6/0, St. Pierre absent.

VI. DISCUSSION ON DISTRICT IRRIGATION WELLS – Historical information was discussed about each of the irrigation wells in our service area. Concepts on non-potable rates and the regulatory requirements were discussed.

VII. GENERAL MANAGER'S REPORT –

GM Hagemann summarized the GM Report with the following highlights:

- Administration
 - San Miguelito's Annual Consumer Confidence Report was completed and mailed
 - Workers Compensation Audit May 2020 - May 2021 completed
 - PP Board Packet Preparation Schedule provided to the Board of Directors
- Operations
 - Responded to air-vac break Friday night June 25th. The faulty air-vac was removed and replaced
- Capital Projects
 - Added new telemetry signals from Wells 4a, 5a and 6a
- Additional Projects
 - Wastewater Treatment Permitting Updated – Staff received a letter from the Central Coast Regional Water Quality Control Board

VIII. FINANCIAL STATEMENT

The Board Management Report for June 30st was presented by General Manager Brad Hagemann with the following highlights:

Cash and Reserve Funds as of June, 2021 are:

Operating Cash	Operational Contingency Reserves	State Water Reserves	Capital Reserves
\$168,521	\$355,450	\$139,480	\$4,211,720

IX. BOARD MEMBER COMMENT – Larry Bittner would like to sell State Water

Rob Rossi left at 11:18am at the request of the Board

X. CLOSED SESSION – The Board discussed the well agreements.

XI. ADJOURNMENT – Meeting was adjourned at 12:00pm

Proceeding reported by:

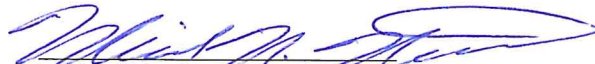
Michelle Edson, Accounting & Administrative Manager

Respectfully Submitted,

Approved:



Bob Peterson, Secretary



Michael Nordstrom, President