

San Miguelito Mutual Water Company

Minutes of the Board of Director's Meeting

9:00 A.M. Wednesday, August 17, 2016
Company Office, Avila Beach, California

I. CALL TO ORDER AND ROLL CALL

Meeting called to order by Board President John Delehant at 9:00 a.m.

Board Members Present: John Delehant, Vic Montgomery, Gerri Hall, Rick Koon, Rob Rossi (left at 10:20 a.m.), and Tom Athey
Absent: Ben Banks
Staff Members Present: Dawn Barlow, Customer Service & Operations Support
Consultants Present: None
Guests: Indian Hill Residents Martin Suits, Ray Feeser; Heron Crest Resident Bob Pusanik; Kingfisher Resident Robert Campbell

II. PUBLIC/SHAREHOLDER COMMENT – None

III. REVIEW and APPROVAL OF MINUTES

- a. July 20, 2016 - Motion to approve as written made by Vic Montgomery, seconded by Rob Rossi. Motion passed 6 – 0.

IV. UNFINISHED BUSINESS

- a. Discussion of the Draft Well #3 Report – General Manager Koon reviewed the report with the Board. After discussing the report, Financial Officer Athey made a motion directing Staff to work with Cleath Harris Geologists to determine 3 potential Pismo formation well sites and develop infrastructure costs. Motion was seconded by President Delehant. Motion passed 6 – 0.

V. NEW BUSINESS

- a. Discussion and Consideration to Approve the Renewal of the Company's Liability/Vehicle Insurance – General Manager Koon reviewed a comparison chart showing the coverages offered by JPRIM and Water Plus for liability and vehicle insurance. After Board discussion, Vic Montgomery made a motion to direct General Manager Koon to sign for insurance with JPRIM. Rob Rossi seconded the motion. Motion passed 6 – 0.

VI. GENERAL MANAGER'S REPORT

- Administration
 - General Manager Koon and AVMWC Representative Joe Rappa met with Adam Hill and SLO County staff to discuss permitting processes for groundwater wells within the lower San Luis Creek region.
 - Staff worked with Martin Suits to update the SMMWC bylaws.
- Operations
 - Staff replaced several leaking angle stops in Pelican Point and Indian Hill.
 - General Manager Koon reviewed the most recent Sodium and Chloride charts.
 - We received 6 applications for our Operator II position. Four interviews are scheduled for August 18, 2016.
- Capital Projects
 - We are still testing the SCADA system.
- Additional Projects
 - SMS Sewer Service Contract – Sent to SMS.
 - GTA New Well Study – no update
 - Reserve/Replacement Study – no update

VII. FINANCIAL STATEMENT

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

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

| Operating Cash | Operational Contingency Reserves | State Water Reserves | Capital Reserves |
|----------------|----------------------------------|----------------------|------------------|
| \$188,327 | \$355,018 | \$198,520 | \$2,007,301 |

VIII. CLOSED SESSION – There were no items for closed session

IX. RECONVENE TO OPEN SESSION

X. BOARD MEMBER COMMENT

XI. ADJOURNMENT – Meeting was adjourned at 11:04 a.m.

XII. UPCOMING BOARD MEETINGS AND AGENDA ITEMS

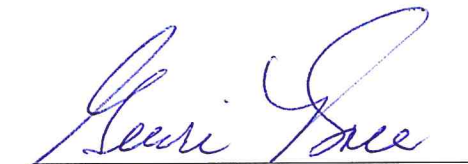
a. September 21, 2016 – Review State Water 5 year allocations; Newsletter (as needed).

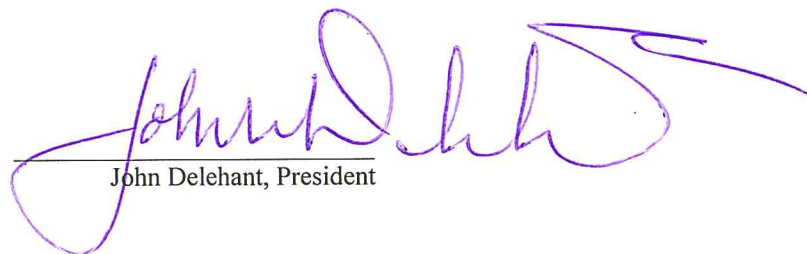
Proceeding reported by:

Dawn Barlow, Customer Service and Operations Support

Respectfully Submitted,

Approved:


Gerri Hall, Secretary


John Delehant, President