

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

9:00 A.M. Wednesday, September 16, 2015
Company Office, Avila Beach, California

I. CALL TO ORDER AND ROLL CALL

Meeting called to order by General Manager Rick Koon at 9:06 a.m.

Board Members Present:	Ben Banks, Rick Koon, Vic Montgomery, Gerri Hall and Rob Rossi
Absent:	John Delehant, Tom Athey
Staff Members Present:	Dawn Barlow, Customer Service & Operations Support
Consultants Present:	Tim Carmel, Legal Counsel
Guests:	Central Coast Regional Water Quality Control Board Members Ken Harris and Harvey Packard (left at 9:48 a.m.); ABCSD General Manager Brad Hageman (left at 10:00 a.m.), Indian Hill Residents Martin Suits, Heather Nelson; Kingfisher Residents Carol Hayden, R. Campbell, Rich Vorie; Heron Crest Resident Bob Pusanik

II. PUBLIC/SHAREHOLDER COMMENT – Bob Pusanik asked if there was anything to report on his request for clarification of the Company's By-Laws, Article IV, Shareholders and Ownership Rights, Section 5. Initial Allocations of Shares (amended March 5, 1993) regarding current share allocation.

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

IV. RECONVENE TO OPEN SESSION

V. REVIEW and APPROVAL OF MINUTES

a. August 19, 2015 - Motion to approve as written made by Vic Montgomery, seconded by Rob Rossi. Motion passed 5 – 0.

VI. UNFINISHED BUSINESS

a. Update on WRSA – General Manager Koon reported that Garing, Taylor & Associates should have a draft report available for next month's board meeting.

VII. NEW BUSINESS –

a. Discussion with Representatives of the Central Coast Regional Water Quality Control Board – General Manager Koon introduced Ken Harris, Executive Officer CCRWQCB and his associate Harvey Packard to the board and attendees. Mr. Harris addressed finding/creating adequate water resources during the current drought conditions; recycling wastewater and its reuse; recycled water goals; consolidation of smaller water and wastewater purveyors into larger entities. Mr. Harris said the boards' goal is to have Central Coasts' wastewater treatment plants achieve 50% more production of recycled water, potable and non-potable, by the year 2025. He also said that in order to achieve this goal it may be necessary for the CCRWQCB to require some of the regions' smaller water and sewer purveyors in neighboring areas/communities to consolidate into one larger organization; i.e.: consolidating services currently provided by SMMWC(water & wastewater), AVMWC (water) and ABCSD(water &wastewater) into one agency. He went on to speak of current and future desalination programs/possibilities; the necessity to educate the public on the safety of using recycled water as a potable water source. He also said that the state is investigating ways to get necessary funding to privately and mutually owned water/wastewater entities to begin efforts for water reclamation, etc.

b. Discussion on Participation with ABCSD in an Avila Regional Recycled Water Study – General Manager Koon introduced Brad Hagemann, General Manager for ABCSD. Mr. Hagemann told the board that he was in attendance to request joint participation with ABCSD in their proposed water recycling facilities planning grant application. He reviewed the Plan of Study provided by WSC to ABCSD. Mr. Hagemann said that the study will focus only on potential opportunities for regional

wastewater and recycled water systems to serve the Avila Region. He said the estimated cost of the proposed project, per WSC, is \$154,998.00. It is estimated that \$75,000.00 of the cost would be funded by the SWRCB; the remaining cost would be shared by the stakeholders involved in the study – ABCSD and SMMWC. Mr. Hagemann asked to Board to consider participating in the study as it would be beneficial to water users in the Avila Region.

VIII. GENERAL MANAGER’S REPORT

- Administration

- State Water deliveries continue to be projected by the DWR at 20% for 2015.
- Conservation usage through August – Residential usage is at 81% of target; Commercial usage is at 84% of target; Residential HOA Irrigation is at 76% of target and Commercial Irrigation is at 106% of target.
- Staff met with GTA to provide additional data for the WRSA.

- Operations

-Water

- We are taking our requested State Water amounts and using our wells to make up the demand difference.
- There was a service line break in Indian Hill. The repair was completed within two hours.
- The check valve on Tank 300 stopped working and was replaced by Dechance.

-Booster Stations

- All stations are working well and easily meeting system demands.

-Wastewater

- The plant is running well. We continue to pump off floatables periodically to keep the surface cleared.
- All lift stations are operating well. Grit still tends to build up in certain wet wells and continue to be on a periodic pumping program.
- Other than cutting roots out of some manholes, we have had no problems with the collection system.

IX. FINANCIAL STATEMENT

The Board Management Report for August 2015 was presented by General Manager Rick Koon with the following highlights:

Cash and Reserve Funds as of August 31, 2015 are:

Operating Cash	Operational Contingency Reserves	State Water Reserves	Capital Reserves
\$120,205	\$354,924	\$187,146	\$1,762,430

X. BOARD MEMBER COMMENT – In response to Mr. Pusanik’s request for clarification of the By-Laws regarding share distribution, General Manager Koon said the board would need to speak with legal counsel and they would address this request at the October 2015 board meeting.

XI. ITEMS FOR NEXT AGENDA

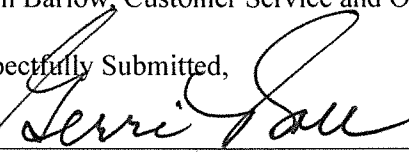
- a. WRSA Update/Draft Report
- b. Budget
- c. Newsletter
- d. Discussion/Review of Avila Regional Recycled Water Study

VIII. ADJOURNMENT –Meeting was adjourned at 10:39 a.m.

Proceeding reported by:

Dawn Barlow, Customer Service and Operations Support

Respectfully Submitted,


 Gerri Hall, Secretary

Approved:


 Ben Banks, Vice President