

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

9:00 A.M. Friday, April 21, 2023

I. CALL TO ORDER AND ROLL CALL

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

Board Members Present: Marvin St Pierre, Rob Rossi, Rick Koon, Michael Nordstrom, Paul O'Malley, Larry Bittner and Robert Peterson

Board Member Absent: None

Staff Members Present: Michelle Koon

Consultants Present: None

Guests: Rossi Enterprises: Pelican Point Resident: Gerri Hall, Rossi Enterprises: Steve Rossi and Heron Crest Resident: Bob Pusanik, Kingfisher Resident: Robert Campbell

II. PUBLIC/SHAREHOLDER COMMENT – Bob Pusanik inquired about Regular Board Meeting being held after the Annual Meeting.

III. REVIEW and APPROVAL OF MINUTES –

- a. March 3, 2023, Special Meeting Minutes – Motion to approve made by Marvin St Pierre seconded by Rick Koon. Motion passed 5/2, Rob Rossi and Larry Bittner abstained as they were not at the meeting.
- b. March 17, 2023, Regular Meeting Minutes – Motion to approve the minutes made by Paul O'Malley, seconded by Larry Bittner. Motion passed 7 /0.

IV. DISCUSSION AND CONSIDERATION OF CONSULTANT SERVICES AGREEMENT WITH DWYANE CHISAM FOR GENERAL MANAGER AND ENGINEERING SERVICES – Motion to approve made by Rob Rossi, seconded by Paul O'Malley. Motion passed 7/0.

V. DISCUSSION AND CONSIDERATION TO DESIGNATE DWAYNE CHISAM AS REPRESENTATIVE AND MIKE NORDSTROM AS ALTERNATE FOR THE STATE WATER SUNCONTRACTORS ADVISORY COMMITTEE – Deferred to the May meeting.

VI. DISCUSSION AND CONSIDERATION TO REDUCE WATER CONSERVATION REQUIREMENTS TO STAGE I – Due to the high rainfall this year and the State Water allocations being 100% it is Staff's recommendation that the Board of Directors approve a reduction in conservation to Stage I. Motion to approve made by Marvin St Pierre seconded by Paul O'Malley. Motion passed 7/0.

VII. DISCUSSION AND CONSIDERATION TO APPROVE ANNUAL SHAREHOLDER MEETING NOTIFICATION PACKET – Motion to approve with one candidate change made by Larry Bittner, seconded by Rob Rossi. Motion passed 7/0

VIII. DISCUSSION AND CONSIDERATION TO REALLOCATE A PORTION OF THE 2023 CAPITAL PROJECTS BUDGET TO INCLUDE THE GENERATOR REPLACEMENT AT LIFT STATION 3– On March 22, 2023, during a power outage the LS3 backup generator failed to operate. Staff compared the cost for a backup rental and repairing the 18-year-old generator to the purchase of a new generator. It is Staff's recommendation that the Board of Directors reallocate a portion of the 2023 Capital Projects budget to include the Generator Replacement at Lift Station 3. Motion to approve made by Marvin St Pierre, seconded by Rob Rossi. Motion passed 7/0.

IX. REVIEW AND APPROVE THE 2022 DRAFT FINANCIAL STATEMENT – Motion to approve made by Marvin St Pierre, seconded by Rob Rossi. Motion passed 7/0.

X. GENERAL MANAGER'S REPORT –

GM Report with the following highlights:

- Administration
 - Electronic Annual Reporting for the SWRCB Started
 - New Employee Orientation

- Supplemental Statement of Water Diversion Report Submitted
- 2023 Liability Insurance Renewal
- Prepared the April Regular Meeting Packet
- Operations

Water

- Hydrant Flushing at various points throughout our system continues
- We are currently using mostly State Water.
- Monthly water sampling was completed March 7, 2023.
- Weekly Hardness Testing Continues

| <u>Test date</u> | <u>Hardness reading</u> |
|------------------|-------------------------|
| 3/8/23 | 592 mg/l |
| 3/15/23 | 317 mg/l |
| 3/22/23 | 395 mg/l |

Wastewater

- Monthly Sampling has been completed March 8, 2023
- The percolation ponds endured 51 inches of rain and are working well.
- Rewriting of our MRP is in process and we are hopeful that there will be a reduction in required testing.

Capital

- New Server installation is complete the Telemetry System and Web Payment Portal are operating well.
- Telemetry chlorine residual readers have been installed on all water tanks.

Additional Projects, Initiative, and Information

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XI. FINANCIAL STATEMENT

The Board Management Report for March 31, 2023, was presented by Administrative & Accounting Manager, Michelle Koon with the following highlights:

Cash and Reserve Funds as of March 31, 2023, are:

| Operating Cash | Operational Contingency Reserves | State Water Reserves | Capital Reserves |
|----------------|----------------------------------|----------------------|------------------|
| \$36,626 | \$355,648 | \$141,651 | \$4,662,926 |

XII. PRODUCTION REPORT – The water mix for the month is 55% Sate Water 45% Well Water with the Annual mix being 63% State Water and 37% Well Water.

XIII. BOARD MEMBER COMMENT – Larry Bittner inquired about the two Shares that are issued to San Miguelito Mutual Water Company and who votes those Shares. The Board President has always voted those shares.

Adjourned to executive session 9:30am

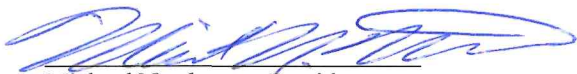
XIV. EXECUTIVE SESSION – No Action

Opened meeting at 10:25am

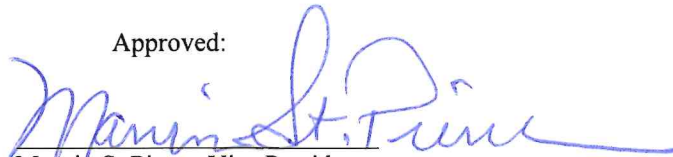
XV. ADJOURNED – 10:27 am

Proceeding reported by:
Michelle Koon, Accounting & Administrative Manager

Respectfully Submitted,


Michael Nordstrom, President

Approved:


Marvin St Pierre, Vice President