

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

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

I. CALL TO ORDER AND ROLL CALL

Meeting called to order by Board President John Delehant called the meeting to order at 9:02 a.m.

Board Members Present:	John Delehant, Tom Athey, Vic Montgomery, Gerri Hall, Rick Koon and Rob Rossi
Absent:	Ben Banks
Staff Members Present:	Dawn Barlow, Customer Service & Operations Support
Consultants Present:	Tim Carmel, Legal Counsel
Guests:	Indian Hill Residents Martin Suits, Heather Nelson, Ray Feeser; Kingfisher Resident R. Campbell; Heron Crest Resident Bob Pusanik

II. PUBLIC/SHAREHOLDER COMMENT – Martin Suits asked if there was any information regarding the share distribution for San Luis Bay Inn Timeshares and the golf course.

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

IV. RECONVENE TO OPEN SESSION

V. REVIEW and APPROVAL OF MINUTES

- a. September 16, 2015 - Motion to approve as written made by Vic Montgomery, seconded by Rob Rossi. Motion passed 6 – 0.

VI. UNFINISHED BUSINESS

- a. Update on WRSA – General Manager Koon reported that Garing, Taylor & Associates are finalizing the report to make sure their numbers are correct. They will have a PowerPoint presentation to review with the Board at next month's meeting.

VII. NEW BUSINESS –

- a. Golf Course Share Distribution – Legal Counsel Carmel distributed a memo (copy attached) to the board and attendees regarding his office's share distribution research.
- b. San Luis Bay Inn Share Distribution - Legal Counsel Carmel distributed a memo (copy attached) to the board and attendees regarding his office's share distribution research.
- c. Participation with ABCSD in an Avila Regional Recycled Water Study – Vic Montgomery made a motion to approve, subject to budget restriction of \$40,000.00 without additional board approval; seconded by John Delehant. Motion passed 6 – 0.
- d. Proposed Revisions to 2015 Capital Projects – Motion to approve as proposed made by Rob Rossi, seconded by Vic Montgomery. Motion passed 6 – 0.

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 82% of target; Commercial usage is at 84% of target; Residential HOA Irrigation is at 66% of target and Commercial Irrigation is at 108% of target.
- Staff continues to work with GTA to provide data for the WRSA.

- Operations

-Water

- We are taking our requested State Water amounts and using the well at a 4:1 ratio in order to lower the taste and odor coming from the Lopez system.

-Wastewater

- The plant is running well. We continue to pump off floatables periodically to keep the surface of the plant 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 September 2015 was presented by General Manager Rick Koon with the following highlights:

Cash and Reserve Funds as of September 30, 2015 are:

Operating Cash	Operational Contingency Reserves	State Water Reserves	Capital Reserves
\$101,175	\$54,933	\$210,738	\$1,805,673

- X. BOARD MEMBER COMMENT – Rob Rossi commented that with an El Nino predicted for this winter, it would be in the company's best interest to prepare for the possibility of flooding in the area. He said that when the area flooded 20 years ago, the creek and weir maintenance/cleanup was under the jurisdiction of the US Coast Guard and performed by golf course personnel. General Manager Koon will contact the county to determine who will be responsible for cleanup should there be a flood in the area.

XI. ITEMS FOR NEXT AGENDA

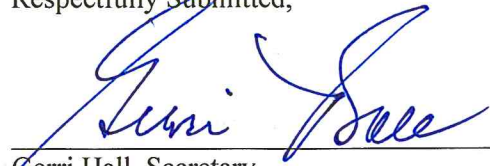
VIII. ADJOURNMENT –Meeting was adjourned at 10:00 a.m.

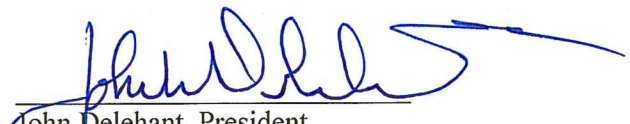
Proceeding reported by:

Dawn Barlow, Customer Service and Operations Support

Respectfully Submitted,

Approved:


Gerri Hall, Secretary


John Delehant, President

CARMEL **NACCASHA** LLP
ATTORNEYS at LAW

MEMORANDUM

To: SMMWC Board of Directors
From: Tim Carmel, General Counsel
Date: October 19, 2015
Subject: Rossi Shares

As requested, staff traced the history of Rob Rossi's SMMWC shares.

The shares were acquired in three transactions, the first two of which took place in 1993 and the final in 2001. They are memorialized through shareholder certificates numbered 356, 361 and 773 and are for 6, 57, and 79 shares, respectively. The transactions were negotiated privately between Mr. Rossi and Mid Coast Land Company and the consideration paid is unknown, as would be expected.

CARMEL **NACCASHA** LLP
ATTORNEYS at LAW

MEMORANDUM

To: SMMWC Board of Directors
From: Tim Carmel, General Counsel
Date: October 19, 2015
Subject: San Luis Bay Inn Shares

Staff traced the issuance of shares for the San Luis Bay Inn. 144 shares were issued to the San Luis Bay Inn Timeshare Association, Inc. in 2002 (one for each separate assessor's parcel). Although each assessor's parcel has 52 co-owners, fractional shares are not issued.