

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

9:00 A.M. Wednesday, July 15, 2015
Company Office, Avila Beach, California

I. CALL TO ORDER AND ROLL CALL

Meeting called to order by Board President John Delehant at 9:06 a.m.

Board Members Present:	John Delehant, Rick Koon, Tom Athey, Vic Montgomery, Gerri Hall and Rob Rossi (left at 10:39 a.m.)
Absent:	Ben Banks
Staff Members Present:	Dawn Barlow, Customer Service & Operations Support
Consultants Present:	Legal Counsel, Tim Carmel
Guests:	Indian Hill Residents Ray and Ann Feeser, Kingfisher Beverly Henry

- II. PUBLIC/SHAREHOLDER COMMENT – Ann Feeser asked if there was data available on how high rates could go before people would start conserving water due to the higher cost. She also commented that there appears to be an unprecedented amount of properties transferring within San Luis Bay Estates and the county planning department has above average requests for will serve letters as well. Ray Feeser asked if the WRSA report would be available for shareholder review as it progresses. He also wanted to know if he could get a copy of the statement of work to be done by Garing, Taylor & Associates. Mr. Feeser asked about the 3rd party contracts what were discussed in the June 17, 2015 board meeting.

- III. CLOSED SESSION – The Board went into closed session at 9:04 a.m.

- IV. RECONVENE TO OPEN SESSION – 10:24 a.m. – There were no actionable items to report.

V. REVIEW and APPROVAL OF MINUTES

- Minutes of the June 17, 2015 regular meeting were approved on motion by Vic Montgomery, seconded by John Delehant. Motion passed 6 – 0

VI. UNFINISHED BUSINESS - None

VII. NEW BUSINESS –

- a. Review of Stage II Conservation
General Manager Koon reviewed neighborhood conservation efforts to date. He said overall conservation is at 30%. His recommendation is to review our conservation efforts again in 3 months. At that time, further conservation recommendations to the Board will be made.
- b. 2014 Consumer Confidence Report – The CCR was mailed to all residents July 7, 2014. It has also been scanned and added to our website.

VIII. GENERAL MANAGER'S REPORT

- Administration

- State Water deliveries continue to be projected at 20% for 2015. We are switching between well water and state water due to the inconsistent quality of state water.
- Employee Health Insurance was renewed with Blue Cross. There was approximately a 6% increase. We are working on our General Liability Insurance renewal.

- Operations

-Water

- We have installed water meters on each of our tank inlets to provide us the ability to track our water storage and usage.
- The installation of solar panels at tank 400 should be complete the first or second week of August.

-Booster Stations

- All stations are working well. System demands are being met with one pump with an occasional pump helping during the morning rush.

-Wastewater

- The plant is running well. We have floatables that are pumped off periodically into the sludge basin to keep the surface cleared.

- All lift stations are operating well. We have noticed that grit tends to build up in certain wet wells and have placed them on a periodic pumping program.

- Capital Projects

- The new server for the office was installed June 19, 2015.

IX. FINANCIAL STATEMENT

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

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

Operating Cash	Operational Contingency Reserves	State Water Reserves	Capital Reserves
\$166,244	\$354,889	\$126,151	\$1,669,741

- X. BOARD MEMBER COMMENT – In response to Mrs. Feeser's question regarding rates, Financial Officer Athey said that some people won't care how high rates for their water are. In regards to her comments about property transfers and will serve letters, Board Member Montgomery said that unprecedented was probably the wrong word to use for the current property activity – the improved economy is allowing people to do their projects/buy new homes or property which were postponed. General Manager Koon told Mr. Feeser that the final WRSA report would be available to our shareholders after it has been reviewed by the Board of Directors. He will provide Mr. Feeser with a copy of the WRSA Scope of Work to be done by Mr. Garing. President Delehant explained that items discussed in closed sessions are not disclosed unless there is a motion to take action on any of the subjects discussed.

XI. ITEMS FOR NEXT AGENDA-

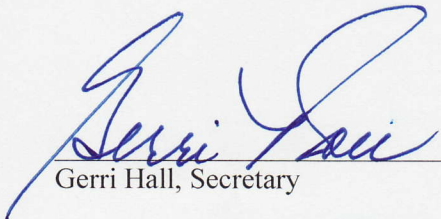
VIII. ADJOURNMENT –Meeting was adjourned at 11:10 a.m.

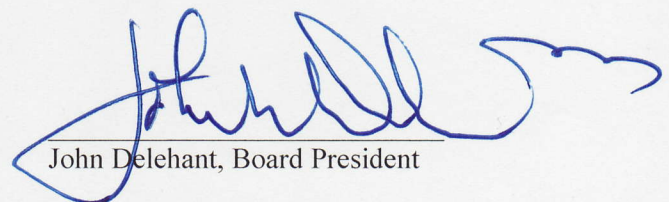
Proceeding reported by:

Dawn Barlow, Customer Service and Operations Support

Respectfully Submitted,

Approved:


Gerri Hall, Secretary


John Delehant, Board President