

LA CUMBRE MUTUAL WATER COMPANY  
BOARD OF DIRECTORS MEETING  
MAY 21, 2018  
MINUTES

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The meeting was called to order at 2:00 pm by President Jane Lodal

Present: Directors, Jane Lodal, Alex Rodriguez, Marc Russo, Doug Campbell and Bob Uradnicek. Also present, General Manager Mike Alvarado, Jeff Dameron and Office Manager Maria Armijo.

Absent: None

Approval of agenda

The Board reviewed the agenda. No motion made.

Public comment

None.

Approval of Regular Board meeting minutes of April 23, 2018

Ms. Lodal requested adding the names (under the Nominating Committee report) of the Nominating Committee Members.

Mr. Uradnicek requested Ms. Lodal's name (first sentence under the approval of regular Board minutes of March 26, 2018) be changed to his.

After further review, it was moved by Mr. Uradnicek, seconded by Mr. Rodriguez to approve the regular Board meeting minutes of April 23, 2018 as modified. Motion carried.

Request for above ground easement elimination / 4535 Hollister Ave.

LCMWC received a request from the County of Santa Barbara (CSB) to relinquish its rights to the above ground easement in front of 4535 Hollister Avenue. LCMWC would continue to maintain the below ground and side easement of the property. No further information is known as this time as Mr. Steve Welton (representative to the project) failed to attend the meeting. No motion has been made until the Board receives more information on the request and LCMWC discusses the matter with its legal counsel.

By-Law amendment update

Mr. Dameron reported to the Board, the total of voting ballots received to date are 40% yes votes for the \$40 million amendment and 38.6% yes votes for the 20% proxy amendment. A second mailer will be going out to the shareholders who have not sent in their ballots.

Finance Report

Mr. Dameron reviewed with the Board the finance report.

It was moved by Mr. Rodriguez, seconded by Mr. Campbell to receive and file report. Motion carried.

#### Water Production Report

Mr. Alvarado reviewed with the Board the water production report.

It was moved by Mr. Uradnicek, seconded by Mr. Russo to receive and file report. Motion carried.

#### Employee evaluation methodology

Mr. Alvarado presented to the Board a methodology performance guideline to be used for each employee. This performance evaluation tool is commonly used in organizations. The performance evaluation will determine eligibility for employee compensation and can also be used as a mitigating factor regarding employee discipline.

#### Hope Ranch beautification project / Outside water service area

Mr. Alvarado informed the Board that proposed water usage would be used outside of the water company's boundaries (Las Palmas entrance). Mr. Alvarado spoke with Greg Feet, General manager for the Hope Ranch Park Homes Association (HRPHA) and explained the situation.

HRPHA was unaware of LCMWC's rule of not distributing water outside of its boundaries. Mr. Lee Gabler (HRPHA Board member), Greg Feet (HRPHA manager), Jeff Yardi and Ken Manela from Appleton explained to the Board, as part of the Hope Ranch beautification project they would like to plant several plants by the Las Palmas entrance and is requesting LCMWC's permission to continue using water outside of the water company's boundaries (approximately 60 ft.). The approximate amount of water needed for the planting is unknown as this time.

After further discussion, the Board informed those present, a decision will not be made at this time until HRPHA provides an estimated amount of how much water will be used during the first year of planting and thereafter. LCMWC will be consulting with Mr. Mannion, legal counsel on the matter before a decision is made.

#### Backup generator proposal

Mr. Alvarado informed the Board the purchase of the two generators have not been made. Mr. Alvarado researched the above ground fuel tank. Getting a fuel tank would require several permits. LCMWC would need to purchase a special vehicle to transfer the fuel from the tank to the generators. The Regional Board would not allow a tank to be placed on the property due to the proximity of the reservoir. Cost to have a tank installed on the property would be approximately \$71K. In order to keep cost down, LCMWC will store fuel (legally can store up to 3200 gallons) in a double containment receptacle on site. No additional fees are required for the fuel permit.

#### LAFCO / Goleta Sanitary District update

Mr. Alvarado informed the Board, the five homeowners/parcels interested in tying into the sewer connection have signed and returned the proposal. LAFCO has approved the application and

the County of Santa Barbara is reviewing it now. Once approved by the County of SB, the application is returned to LAFCO who in turn gives the final approval.

There being no further business, the meeting was adjourned at 3:15 pm.

Next meetings:

Annual meeting: June 12, 2018 at 6:00 pm at Vieja Valley School

Regular Board meeting – July 16, 2018 at 2:00 pm.

Maria Armijo  
Office Manager