

LA CUMBRE MUTUAL WATER COMPANY
BOARD OF DIRECTORS MEETING
JULY 30, 2018
MINUTES

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

Present: Directors, Jane Lodal, Marc Russo, Doug Campbell (via phone) and Bob Uradnicek. Also present, General Manager Mike Alvarado, Administrative Manager, Jeff Dameron and Office Manager Maria Armijo.

Absent: Alex Rodriguez

Approval of agenda

Mr. Alvarado requested the address on item number four (Can and Will Serve request) be changed to 4555 Hollister Avenue. Also requested by Mr. Alvarado is item number ten (Closed session) be tabled until the next meeting.

After further review, it was moved by Mr. Uradnicek, seconded by Mr. Russo to approve the agenda as modified. Motion carried.

Public comment

None.

Can and Will Serve request – 4555 Hollister Avenue

Eric Behr (architect with AB Design Studio) on behalf of the potential new buyer of 4555 Hollister Avenue, presented to the Board a potential project of twenty-one two story units on the property. Mr. Behr on behalf of the potential new owner is requesting twenty-one new meters. The proposed yearly water usage for the units is 2.35 AF per year. 1.85 AF for residential use and .50 AF for irrigation. This is five times more than the historical usage from the current customer.

The Board informed Mr. Behr the matter will be discussed further and notify him of the Board decision whether to move forward with the twenty-one new meters.

Mr. Behr left the meeting at 2:41pm.

Approval of Regular Board meeting minutes of May 21, 2018

Mr. Alvarado requested the address under "Request for above ground easement elimination" be corrected to read 4555 Hollister Avenue.

Ms. Lodal requested the first sentence (under Hope Ranch beautification project) read "Mr. Alvarado informed the Board that the proposed water usage would be used outside of the water company's boundaries"

After further review it was motioned by Mr. Russo, seconded by Mr. Uradnicek to approve the minutes of May 21, 2018 as amended.

Modoc II requested use

Debbie Sharpton and Lou Riffle with High on Kennels are requesting the use of the Modoc Riding Ring for a rattle snake avoidance training for dogs. Tentative dates are September 15 and 16, from 7am to 6pm. Parking will be between the riding ring and Modoc Road. They requested to put a temporary banner outside of the riding ring facing Modoc Road.

High on Kennels will name LCMW and HRRTA as additional insured. Mr. Alvarado informed Ms. Sharpton and Mr. Riffle, an indemnification agreement holding LCMWC harmless of any burden, loss or damage is required and to be reviewed by LCMWC's legal counsel. All attorney fees will be paid by Sharpton and Riffle.

After further discussion, it was motioned by Mr. Uradnicek, seconded by Mr. Russo to conditionally grant approval pending the indemnification agreement and approval from HRRTA for the use of the riding ring. Motion carried.

Ms. Sharpton and Mr. Riffle left the meeting at 3:11 pm

Proposed connection charge increase

Mr. Alvarado is proposing an increase for the meter connection, capital cost recovery, can and will serve letter, stock transfer and re-issue stock fees. Mr. Alvarado explained to the Board the City of Santa Barbara, Montecito Water and Goleta Water District's fees were reviewed. Mr. Alvarado informed the Board the water company's fees are outdated (last updated in 2012 for meter fees) and need to be increased.

After further review, it was motioned by Mr. Russo, seconded by Mr. Campbell to increase the meter connection and capital cost recovery fees by twenty percent. The can and will serve letter to be increased from \$500 to \$1K for minor projects, \$1K to \$2K for residential and from \$2K to \$3K for commercial. The stock transfer fee to be increased from \$150 to \$250 and the re-issue stock fee to be increased from \$50 to \$100 effective July 30, 2018. Motion carried.

Request for proposed water supply and demand study

Mr. Alvarado explained to the Board that a water company with more than three thousand customers or that supplies more than three thousand-acre feet of water is required by the State of California to have an urban water management plan every ten years. Therefore LCMWC is not required to have an urban water management plan.

Mr. Alvarado sent out for bids for an urban water management plan. So far two companies have responded. The first is Civiltec with a bid of \$19K but the study is not a full-blown urban water management plan. The second company is based in Camarillo, AE Com with a bid of \$85K and is a very detailed study. Mr. Alvarado is waiting for additional bids to come in. Once received, he will review them and present them to the Board in a future meeting for an approval.

Water production report

Mr. Alvarado reviewed the water production report. No motion to receive and file report was made.

Finance report

Mr. Dameron reviewed the finance report with the Board. It was motioned by Mr. Uradnicek, seconded by Mr. Russo to receive and file report. Motion carried.

Closed session – Personnel matters

Tabled until the next Board meeting.

By-Law Amendment update

Mr. Dameron reported to the Board, the total of voting ballots received to date are 66.4% yes votes for the \$40 million amendment and 63.67% yes votes for the 20% proxy amendment. A total of 66.7% of acreage is needed to pass both items.

Water system maintenance

- Via Roblada leak
A sink hole developed in front of a property on Via Roblada due to a water line break. Line was repaired, and water service was restored. Mr. Alvarado and the Board thanked the water company crew for all their hard work and great attitude.
- Alegre Booster pump station
Pump station has old electrical gear installed in the 1950's. Electrical panel on right side arced and had to be repaired. Equipment is old and in need of replacement.
- Vieja Valley School service line
There was an old 3" steel main in front of Vieja Valley school that was corroded and needed to be replaced. Part of this pipe was replaced during the previous summer so as to not disturb classes.
- Backup generators
The two new generators are scheduled to arrive in October 2018.

Open items

- Well #10 liner bids
Bids are due later this week. Mr. Alvarado will review all bids and present them to the Board at a later meeting for review and approval.
- Goleta Sanitary District annexation
The tie in to the Goleta Sanitary District process is moving forward. The County Surveyor has approved the application. Now it is at the county road department. Once approved it will go back to LAFCO for approval.

There being no further business, the meeting was adjourned at 3:58 pm.

Next meetings:
Regular Board meeting – August 27, 2018 at 2:00 pm.

Maria Armijo
Office Manager