

LA CUMBRE MUTUAL WATER COMPANY
BOARD OF DIRECTORS MEETING
JANAURY 22, 2018
MINUTES

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

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

Absent: None

Public comment

Ms. Jill Miller from 960 Canon Drive is asking for leniency on her current water bill. Her water usage went from 82 HCF September/October (\$711.50) to 437 HCF November/December (\$6000.50). At the time of the high water usage, the property did not have a smart meter. The new smart meter was installed January 2018. Ms. Miller explained to the board when they first moved in they found two faulty sprinkler heads which have been fixed. No excessive water usage is being used as it's only her husband and herself. Her irrigation was turned off in early December. Mr. Alvarado and Mr. Dameron looked into the matter and decided to treat this unusually high water usage as a leak and offered Ms. Miller a leak relief of \$3247.75. Ms. Miller prefers not to use the leak relief option as she is afraid a larger leak may occur in the next three years, but instead is asking the Board for leniency on the current bill. The Board suggested she use the leak relief offered to her as the property now has the smart meter and will be notified by the software program of a possible leak. Ms. Lodas informed Ms. Miller the Board would discuss her request further and contact her of their decision. Ms. Miller left the meeting at 2:20 pm.

After further discussion by the Board, it was decided to keep the original leak relief offer of \$3247.75.

Approval of agenda

After further review of the agenda it was moved by Mr. Rodriguez, seconded by Mr. Uradnicek to approve the agenda as presented. Motion carried.

Approval of Special Board meeting minutes of October 5, 2017 and Regular Board meeting minutes of December 4, 2017

Ms. Lodas requested the word "starting" (last sentence) under Board member appointment be added to read "The Board will meet with all four candidates on October 23, 2017 starting at 1:00pm".

After further review of the special board meeting minutes, it was moved by Mr. Uradnicek, seconded by Mr. Rodriguez with Mr. Campbell abstaining to approve the minutes of October 23, 2017 as amended. Motion carried.

Mr. Uradnicek requested the words "accepted or rejected" (last sentence) under By-Laws amendment/Multi-year proxy proposal be added to read "And remaining 25% when the necessary votes have been accepted or rejected".

After further review of the minutes, it was moved by Mr. Uradnicek, seconded by Mr. Campbell with Mr. Rodriguez abstaining to approve the regular board meeting minutes of December 4, 2017 as amended. Motion carried.

Finance Report

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

Water production report

Mr. Alvarado reviewed the water production report. It was moved by Mr. Uradnicek, seconded by Mr. Rodriguez to receive and file report. Motion carried.

Thomas Fire update

Power was out for a number of hours with the risk of it being out for weeks during the Thomas Fire. Generators were rented and utilized until a future prolonged power outage was deemed not to be an eminent threat. Mr. Alvarado identified where two new mobile generators would be placed. One for Well #19 and the second at the Tranquila pump station. Mr. Alvarado will present a quote for the Boards approval at a future meeting. Approximate cost of the generators, \$95K per generator.

Multi-year proxy proposal / Borrowing limit By-laws amendment update

First information letter on changing the proxy requirements and the By-laws indebtedness changes went out with the November/December water billing in early January. Second letter will be going out with the January/February water billing in early March. Instead of a multi-year proxy, staff discussed keeping the annual proxy and change the fifty percent (50%) proxy return needed for a quorum down to twenty percent (20%). After further discussion, it was agreed not to have an informational meeting regarding the changes to the By-laws prior to the annual meeting and forego the multi-year proxy and approve the twenty percent (20%) quorum proposal for the annual proxy.

Goleta Sanitary District sewer connection update

Mr. Alvarado informed the board, there are four parcels that would be brought into the Goleta Sanitary District (GSD) sewer connection. LAFCO is questioning the annexation of the unimproved lots (Chapman properties). A report is being written siting the rules and regulations of why a new percolating pit with drains and septic tank cannot be installed close to the reservoir on the water company's property. And there is no other adequate site for a septic tank. Mark Lloyd was hired to handle the administration process for the annexation with GSD. Mapping services to survey where the pipe will be going is underway.

Approval for engineering services (sewer line)

Mr. Alvarado presented a proposal for the Boards approval to perform the civil engineering services required to prepare a sewer main extension plan by Mac Design Associates for the GSD sewer line annexation. Cost for the services is approximately \$17K.

After further discussion, it was moved by Mr. Campbell, seconded by Mr. Rodriguez to approve the proposal for the civil engineering services by Mac Design Associates. Motion carried.

Operation update

- Chlorinator replacement
Mr. Alvarado reported there was a failure with the chlorinator. A new one was purchased and is are in process of being integrated into the SCADA computer system.
- Chlorine analyzer replacement
The chlorine analyzer at the Cuervo pump station was replaced. It has been connected to the SCADA computer system and is up and running with no problems.

There being no further business, the meeting was adjourned at 3:39 pm.

Next meeting: Regular Board meeting – February 26, 2018 at 2:00 pm.

Maria Armijo
Office Manager