

LA CUMBRE MUTUAL WATER COMPANY
BOARD OF DIRECTORS MEETING
JANUARY 25, 2016
MINUTES

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

Present: Directors, Jane Lodal, Jim Scorso, Marc Russo and Alex Rodriguez. Also present, Steve Tanner from Pueblo Water Resources, General Manager Mike Alvarado, Administrative Manager Jeff Dameron and Office Manager Maria Armijo

Absent: Bob Uradnicek

Public comment: None

Approval of agenda

After a review of the agenda it was moved by Mr. Rodriguez, seconded by Mr. Russo to approve the agenda as modified. Motion carried.

Approval of regular Board meeting minutes of December 14, 2015

After a review of the minutes of December 14, 2015 it was moved by Mr. Russo, seconded by Mr. Rodriguez to approve the minutes as presented. Motion carried.

Pueblo Water Resources, technical memo review and project update

Mr. Tanner reviewed with the Board the technical memo for the Phase II Hydraulic Improvement plan. After a discussion by the Board, it was agreed to continue with Phase II of the Hydraulic Improvement plan as follows:

It was moved by Mr. Rodriguez, seconded by Mr. Russo to approve the bid of \$26,558 for Well 10A rehabilitation project.

It was moved by Mr. Russo, seconded by Mr. Rodriguez to approve a motor control panel for Well 16 at a cost of \$12,216.

It was moved by Mr. Rodriguez, seconded by Mr. Russo to approve the electrical engineering for the Modoc booster station at a cost of \$25,620.

It was moved by Mr. Rodriguez, seconded by Mr. Russo to approve the electrical engineering for Well 16 station at a cost of \$14,705.

Motions carried.

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

Closed session

The Board met in closed session from 2:42 until 3:20 to discuss legal matters at which time it returned to regular session.

Finance report

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

Water production report

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

Appointment of new committee members

After a review of current committees and members, it was moved by Mr. Russo, seconded by Mr. Scorso to welcome Mr. Rodriguez as a new member of the Finance Committee. Motion carried.

Hope Ranch rent and maintenance yard agreement

The maintenance yard (Las Palmas Drive) five year rental agreement with Hope Ranch has expired. Mr. Alvarado proposed to the Board that another five year agreement be approved with a stipulation that Hope Ranch is to pick up palm fronds on the Modoc preserve for La Cumbre Water (a yearly savings of approximately \$6k per year). The office rent was agreed to be increased by 2%.

Badger Meter update

A total of 68 meters have been installed so far this year. A temporary employee has been hired and is dedicating his time to meter installation.

State water bond refinancing

The Board of directors for CCWA is looking to approve the refinancing of approximately \$51 million in outstanding bonds that are eligible for refinancing in October 2016. Refinancing now could save the South Coast agencies approximately \$4.1 million, saving LCMWC \$200,000 to \$300,000 a year. Mr. Alvarado and Mr. Dameron will be attending a meeting this Thursday for more information on the matter.

New vehicle purchase approval

Mr. Alvarado explained to the board, two of the utility trucks are over 10 years old and over 80k miles. The trucks are too small and inefficient when doing jobs such as new meter installations. Trucks can only hold 3 meter boxes and meters, therefore; having the crew make several unnecessary trips to the shop in a day. Mr. Alvarado is requesting approval to purchase two new vehicles at a cost of approximately \$35-\$40K each. One or two of the old utility vehicles are planned to be sold.

It was moved by Mr. Rodriguez, seconded by Mr. Russo to purchase two new vehicles at a cost of approximately \$40K each. Motion carried.

Operations:

- Puente meter vault
The Puente meter vault was leaking water from GWD side to LCMWC. We are not currently charged a meter charge from GWD due to this meter normally has zero use. In order to repair it, two shut off valves and the control valves had to be replaced.
- State Street backflow device
The installation of the backflow has been completed with no problems.
- Reservoir #3 mixer update
The mixer was great for temperature reduction but not of trihalomethanes. Mr. Alvarado is not sure why this happened. Mixer has been pulled for the time being.
- Annual Modoc Preserve walk thru
Ms. Lodal reported the walk thru report has been received. The committee is still working on getting the Modoc Preserve agreement with The Santa Barbara Land Trust signed.

Open items:

- Hope Ranch ABR landscaping requirements
To be discussed in the next Long Range Planning meeting, February 18th at 2:00 pm.

Next meetings: Regular Board meeting – Monday, February 22nd at 2:00 pm.

1

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

Maria Armijo
Office Manager