

**OTEMWC Board of Directors Meeting
Minutes February 2, 2018**

This meeting of the OTEMWC Board of Directors was held at the home of George and Marian Silva, 3000 Woodstock Road. George Silva called the meeting to order at 4:30PM. Board members present included Carol Robinson, Hank Cook, Nancy Eckhous and Mike Rhodes. David Mexico, the Watermaster also participated.

Meeting Minutes:

Minutes of the September 8, 2017 and November 10, 2017 meeting were reviewed and approved after minor corrections.

Treasurer's Report

Carol provided a detailed account of the company's finances as of December 31, 2017, summarized here:

<u>Bank Balances:</u>		<u>Budget Allocation:</u>	
First Bank Checking:	192,157.12	Operating Fund:	20,000.00
First Bank CD's	<u>128,887.39</u>	Reserve Fund:	<u>301,044.51</u>
Total Bank Balances:	\$321,044.51	Total:	\$321,044.51

A 2017 year-end summary was also provided as shown below:

<u>Operating</u>		<u>Reserve</u>	
Total Cash Collected:	\$147,066.04	Reserve 1/1/2017:	\$391,572.23
Total Operating Expenses	(96,372.26)	Reserve Expense 2017	(141,161.50)
Income Over ExpensesL	<u>50,633.78</u>	Contribution to Reserve:	<u>50,633.78</u>
		Reserve Balance 12/31/2017	\$301,044.51

Carol alerted the board that 2017 water usage had increased by 17% over 2016 and expenses for our new Well #7 are essentially on target, \$823.00 over the budget of \$270,000.00. We have \$965.57 in advance of future billing. Carol has arranged for an independent financial review as required by statute, this is underway and awaits the receipt of financial details from our accountant.

Watermaster's Report

Dave Mexico reported that PG&E has established power for Well #7 on December 28th. As of January 29th Well #7 is on-line, pumping 400 gal/min. The fencing is finished leaving only landscaping to be done. Other activities include:

- (5-Jan) Monthly bacteria sample tested positive for Coliform Bacteria. The subsequent 4-sample re-test was negative
- (9-Jan) Cistern Level transducer failed, transducer replaced.
- (12,21,22-Jan) Well #7 pump power set-up and tested

Dave alerted the board that pump draw-down tests will be conducted prior to the Annual Meeting to provide a system health check up summary for shareholders. In addition, Dave reported that California's "Sustainable Ground Management Act" will require our participation though no financial implications to OTEMWC are known at this time. Dave pointed out that we are part of the Santa Ynez Uplands district, he will keep us posted on any updates as they become available.

Old Business

The board reviewed the interim 2018 budget making several clarifications and updates. The Financial Committee (Carol, Nancy and George) will continue to refine the budget making use of the updated Reserve Study.

New Business

George asked Mike to contact the OTE Homeowner's group to arrange for our 2018 Annual meeting. We have St Mark's facility for May 19th and should the homeowner's group join us, we prefer to hold our meeting first. At that meeting we need to remind shareholder's that our policy is to contribute all revenue over expenses to the reserve.

Adjournment

There being no further business to come before the board, the meeting was adjourned at 5:49PM.

Respectfully submitted,

Mike Rhodes, Secretary