

OTEMWC Board of Directors Meeting Minutes December 1, 2021

The meeting was held at the home of George and Marian Silva, 3000 Woodstock Dr. George Silva called the meeting to order at 4:35PM. Board members participating: Hank Cook, Nancy Eckhous, Dennis Jorgensen, Mike Rhodes and George Silva. David Mexico, the OTEMWC Watermaster, also participated.

Meeting Minutes

Minutes for the board meeting of September 22, 2021 were reviewed and approved.

Treasurer' Report

Nancy provided a statement of income and expenditures for year-to-date June 30, 2021.

First Bank checking:	119,404.67	Budget Allocation:	Operating Fund	20,000.00
First Bank CD's	<u>130,664.21</u>		Reserve Fund	<u>230,068.88</u>
Total Bank Balances:	\$250,068.88		Total:	\$250,068.88

Nancy noted that our income over expense is running \$26,331 favorable which does not include significant past due accounts. Water usage for the past few billing cycles is slightly favorable when compared to the same period last year but year-to-date remains 9% higher. The A/R Aging Summary shows two shareholders have significant late balances. Lot numbers 54 and 26 together account for \$10,000 outstanding. Nancy alerted the board that there has been no response from Lot26 shareholders after asking them to suggest a payment schedule that could help bring their account current. The board asked Nancy to contact the shareholders again giving them another short term opportunity to suggest a payment plan. If the shareholder fails to comply, the Board will give notice of requirements to avoid initiation of collection procedures. If the shareholder does not meet requirements, the water company will take legal steps to collect the amounts due, including fees, costs of collection efforts and place a lien against the shareholder's parcel.

Nancy then outlined tiered water rate options as requested by the board at our last meeting. After detailed discussions, Hank advanced a motion to adopt a five-tiered rate to be effective January 1, 2022. This was seconded by George and unanimously approved. The approved five-tiered rate is shown here:

Base Rate	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5
Every 2 mos	<10,000 ft ³	>10,000 ft ³	>20,000 ft ³	>30,000 ft ³	>40,000 ft ³
\$178.00	0.0124/ft ³	0.0200/ft ³	0.0250/ft ³	0.0300/ft ³	0.0350/ft ³

Nancy with Hank then summarized our efforts to purchase a solar system to reduce electrical expense. Solarponics has provided the most comprehensive proposal and Montecito Bank has proposed a business loan. Several issues including timing, cost impact to shareholders, panel siting and shareholder update were discussed. Nancy suggested that Solarponics visit with board members. This has been arranged for December 10th. The board authorized a new Reserve Study to be crafted that would include a solar system using Solarponics data as a representative cost.

Watermaster's Report

Dave reported that all Bacti tests have passed and the annual backflow testing is now complete. During this month water quality tests will be conducted. Dave noted that Well #7 will be have a new 4" meter installed with the cellular system. He provided pumping (PWL) and standing water levels (SWL) for Well #7 as compared to last year:

PWL - Dec2020: 467' Dec2021: 463'

SWL - Dec2020: 410' Dec2021: 408' Note that in both cases the aquifer appears to have improved.

Old Business

Dave was reminded to provide Hank and Nancy the contact information for an attorney with whom we can consult regarding our generator. In addition, Dave was asked to identify a generator that would be permitted by the County including it's cost and lead-time for delivery.

Adjournment There being no further business to come before the board, the meeting adjourned at 5:52PM

Respectfully submitted,
Mike Rhodes, Secretary