

## **OTEMWC Board of Directors Meeting**

### **Minutes September 22, 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 July 21, 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:	100,833.32	Budget Allocation:	Operating Fund	20,000.00
First Bank CD's	<u>130,664.21</u>		Reserve Fund	<u>211,497.53</u>
Total Bank Balances:	\$231,497.53		Total:	\$231,497.53

Nancy noted that our reserve expense over budget is shown as unfavorable by \$21,070.92 due to the recently completed installation of shareholder water meters. This circumstance is temporary and should rebalance favorable by years end, noting that income over expense is now \$35,729 favorable. Water usage for the past few billing cycles is essentially even with same period last year but year-to-date remains high (+15.9%). The A/R Aging Summary shows all shareholders are current. Lot #26 however, has an exceptionally large balance due to a recent water leak. Nancy briefly reviewed income and expense against budget noting that Repair and Maintenance is running a significant favorable balance of nearly \$7,000. Nancy then prompted a discussion regarding our tiered water rates. In the context of our extended draught is our rate structure providing an appropriate incentive to conserve water? The board discussed several alternatives, compared our rate structure to other mutual water companies and then asked Nancy to provide a few specific rate alternatives. These would use past water usage scenarios to see their impact on revenue and possible influence on shareholders to reduce high usage. Nancy was also requested to contact an insurance agent that may provide policies for shareholder water leaks.

#### **Watermaster's Report**

Dave led a brief discussion regarding our back-up generator intended to power wells during an emergency. Santa Barbara County will not issue a permit for its operation. We and other water companies are similarly impacted. Dave was asked to provide Hank and Nancy an attorney with whom we can consult. This action was advanced as a motion by George and unanimously approved. 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. Dave then proceeded to his customary report, noting that all Bacti tests have passed since our last meeting and annual back-flow testing will be underway soon. Dave also reported on several service issues:

- (8/13) finished installation of all new meters & endpoints; (8/21) set-up on-line access for meters
- (8/22) Sunday, spent 3 hrs with Lot#26 shareholder to find ~3000 gal/hr leak
- (8/31) read meters manually, checked against auto-reads at midnight, Lot#s & values aligned.
- (9/4) checked Spring Cyn underground service alert and leak;

#### **Old Business**

Hank distributed a solar power proposal to review prior to our next meeting. The proposal outlines a system that could supplement PG&E power needed to run our wells, reduce our expense and help make future expense more predictable.

#### **New Business**

The board discussed the large water leak on Lot#26. Nancy provided data indicating that the leak began prior to the installation of Lot#26's ultrasonic meter. Nancy was to contact Lot#26 shareholder.

#### **Adjournment**

There being no further business to come before the board, the meeting adjourned at 5:40PM

Respectfully submitted,  
Mike Rhodes, Secretary