

# **Oak Trail Estates Mutual Water Company**

## **Annual Shareholders Meeting Minutes, May 14, 2022**

Location: Saint Mark's In-The-Valley Episcopal Church  
2901 Nojoqui Ave  
Los Olivos, California 93441

### **Board of Directors Attending:**

President:	George Silva	Director:	Dennis Jorgensen
Treasurer:	Nancy Eckhous	Watermaster:	David Mexico
Secretary:	Mike Rhodes		

Director Hank Cook could not attend

### **Introductory Remarks**

At 10:15AM President George Silva called the meeting to order. He welcomed the shareholders and introduced the attending Oak Trail Estates Mutual Water Company Board of Directors and Water Master, David Mexico. George thanked the directors for their hours of volunteer work over the past year. George then briefly outlined the meetings topics to be covered and encouraged shareholders to ask questions when they wish.

### **Approval of Minutes**

There were no minutes to be approved. The 2020 & 2021 Annual Shareholder Meetings were not held due to Covid. Documents were distributed to shareholders for these two years.

### **Treasurer's Report**

Nancy Eckhous alerted attendees to gather information prepared for them, this included 2021 Actual, 2022 Operating and Reserve operating budgets, our Reserve Funding Disclosure summary and the Independent Review of our Financial System.

Documents included a statement of income and expenditures for year-end December 31, 2021.

First Bank checking:	151,010.33	Budget Allocation:	Operating Fund	20,000.00
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First Bank CD's	<u>131,302.32</u>	Reserve Fund	<u>262,312.65</u>
Total Bank Balances:	\$282,312.65	Total:	\$282,312.65

Nancy also highlighted our installation and the full operation of new ultrasonic water meters over the past year. In particular, the benefits of automated water leak detection and its smart phone app to alert water leak conditions for each shareholder's meter. She noted that we are ahead of state regulations to provide such oversight. Nancy pointed out that our Reserve balances are all positive and in conformance with long term plans. She also noted that our largest expense, electricity has risen some 17% over the past year.

### **Water Master's Report**

Dave Mexico provided a summary of our water system, noting that there have been no significant water line breaks or interruption of service over the past year. He encouraged shareholders to visit the site:

“saveourwater.com” for useful and practical information that each of us can use to reduce water waste. Dave also reported on a few state regulations that are now, or will shortly be, effective. SB552, “The Drought Contingency Plan” has several requirements for us, among them:

1. Jan/2024 we are to have a power generator (we have a generator),
2. Jan/2023 we are to have a well level monitoring system (we have this),
3. Jan/2023 we are to become a member of mutual aid organization among water companies (to be done),
4. Jan/2027 we are to have one back-up supply of water(Woodstock Ranch HOA for us)
5. Jan/2032 meters for each connection are to monitor for leaks (now in place)

The state has also created the Groundwater Sustainability Agency (GSA) which mandates the creation of a roadmap to bring the Santa Ynez River Valley Groundwater Basin into a sustainable water resource. GSA will prohibit the approval of a permit for a new groundwater well, or for an alteration to an existing well, unless the

extraction of the proposed well is consistent with a sustainable groundwater management program. For the Santa Ynez River Valley Groundwater Basin, there are 3 areas, Eastern (our area), Central (Solvang) and West (Lompoc). For our Eastern area we are currently overdrawing water slightly. Dave noted that it will take 3 years of above average rainfall to fully replenish our aquifer.

Adele Nguyen asked what the approximate cost would be for a shareholder to drill there own well. Dave said that our newest well, Well#7, would cost now approximately \$500K. A homeowner well would be smaller but likely to be above \$100K. Adele was reminded that any existing shareholder would continue to pay the base rate for OTEMWC whether water was drawn or not. Don Burg asked about solar power for our wells. The board received solar power proposals but was unable to find a shareholder or easement location for the panels. Further effort is stalled at this time.

Dave briefly compared 2021 versus 2022 water conditions for our newest, primary well, Well#7.

2021		2022
425 feet	Standing Water Level (SWL)	405 feet
490 feet	Pumping Water Level (PWL)	465 feet

**Election of Board Members**

Carol Robinson reported that having received 40 shareholder ballots, we have a quorum of ballots. The newly elected board of directors were Hank Cook, Nancy Eckhous, Michael Rhodes, Dennis Jorgensen and George Silva.

**Adjournment**

The meeting was adjourned at 10:30AM.

Respectfully submitted,

Mike Rhodes, Secretary