

# Meeting Minutes for Sambrito Mutual Domestic Water Consumers Association

President: Mike House  
Secretary: Cherie Young

Date: October 12, 2021  
Time: 6:30 PM

**Attendees:** Mike House (President), Kyle Guire (Vice-President), Debbie Holder (Treasurer), Cherie Young (Secretary), Rick Neuenschwander (member at large), Germaine Chappelle (Legal Counsel), John Dustin, Christine Dunn, Heidi Lewis, Clare Wingfield, Zar Neuenschwander, Tommy Saunders, Kristi Valesques, Sandy & Leon Valdes (Community Members)

## **President's Report:**

Mike had a conversation with Jean Phelps. Operators Lonnie & Theresa have been pulling water meter cans that have been consistently full of water and trying to identify any leaks and address any known issues. To date there is no further information on the Nob Hill Well.

## **Legal Counsel's Report (Regulatory & Transition):**

- NMED met with RJV & legal representative to discuss what steps are to be taken going forward. Regulatory entities expect water rights to be transferred prior to our takeover of the system. PRC expressed interest in the repairs RJV agreed to make which are listed in the transfer agreement. This is what Lonnie and Theresa have been working on.
- Jim Jones came out to inspect the repairs done on the leaks and was satisfied with the work. He also questioned whether RJV had completed any required work and was informed by RJV that they had and sent photos to confirm.
- There are currently two outstanding issues to be resolved:
  - 1) Transfer of water rights. (RJV is working with their lawyer)
  - 2) Transfer of property; this is being held up due to the difficulty in obtaining a surveyor. Sauder Miller will provide us with a timeline and an estimate of cost.
- The RJV attorney will be working with Germaine to expedite the process. Water rights transfer is a long process and could potentially take months to complete. IF we can show that RJV have complied with other regulatory orders, we may be able to access funds sooner.
- The Sauder Miller report should be finished and available to us within two weeks.
- John Dustin questioned whether a lease to purchase option was a possibility. He was informed we currently do have a lease but will not purchase as the water rights will come with the transfer of the system.

**Legal Counsel's Report (Sauder Miller Operator):**

- Regulatory entities are happy with Sauder Miller operator. Marvin is a Level 4 operator with 30 years experience.
- Marvin has seen deficiencies in the system, but feels once we have access to funds, we can get the system up and running efficiently. His first stated priority is to ensure the water is consistently treated with chlorine. With a system design such as ours, with no flow through, disinfectant is imperative.
- He located a couple of leaks, which RJV is currently attempting to remedy.
- Marvin noted there are issues with the pump and check valve at the Nob Hill well. It appears water is not going into the system but is being circulated back into the aquifer.
- He expressed concerns that pump size and capacity may not be sufficient to deal with the pressure gradient to the upper system. He also stated the pump house needs to be upgraded.
- He said automation is the way to go. He also said, our concerns can all be addressed once we have control of the system.

**Legal Counsel's Report (Additional issues with the system):**

- There are only two functioning pumps at present. RJV has confirmed that one pump which was supposed to be taken offline has been taken offline. Germaine would like confirmation.
- We won't know the extent of the pump problems until we have ownership of the system and are able to pull the pumps and assess them properly. We don't know at this time if the pumps are commercial or residential.
- Kyle has been monitoring the pumps every night. Jamie is there most mornings to reroute water if required.
- Heidi had questions about the upper tank. It is in service, but we don't know if the pump is able to send water to that location, or even if there is a check valve to maintain levels. Once we have the Sauder Miller report, we will know more.

**General Discussion**

- John asked about release of funds and was informed that PRC would like to see RJV take certain actions before they release any money.
- There are a handful of members who are in arrears with their water bills. Currently, we are showing \$10,000 in arrears. This leaves the remaining community members holding the ball. We may have to consider shutting off service to those members who are several months behind. John suggested we impose sanctions on delinquent accounts. The Board agreed, but we need to speak to PRC, NMED, and RJV before any action is taken.

**Bylaws and Association Articles Report and Discussion**

- Response to complaints was discussed and will be posted and sent to complainant as well as PRC and NMED.
- The board is in learning mode and training will be provided.
- The draft bylaws we currently have came from a larger mutual domestic. Because of this, the percentages noted would give a small number of people too much influence on community decisions.
- It was recommended we keep the language on both elections and resignations.

- There was a discussion as to whether we had confirmed bylaws or not. Heidi stated that the bylaws were voted on, but when asked for documentation to support that statement, she said she had not received any training and was unable to provide minutes from her term as secretary.
- It should be noted that as an association, we are not required to operate under bylaws.
- The NMED has concerns about the bylaws in their current draft form, most particularly regarding percentages for voting purposes.
- A motion was put forward to modify the percentages. John Dustin objected, but Germaine stated as a board, we produce the initial bylaws and as they are not final, we can make necessary changes up to the point they are voted on and adopted.
- In the interim, under articles of incorporation, we are allowed to operate without finalized bylaws.
- Heidi asked if training was required but was informed that as we are not the actual owners of the water system, no training is required. Going forward, training will be scheduled for board members.
- The final draft of the bylaws will be presented to the community at the annual meeting. The meeting is scheduled for November 3, 2021, at the Grange at 6:00 PM.
- Rick suggested 25% required to call a special meeting. The board agreed on 25%.
- Regarding elections, it was decided to eliminate vote by mail as too onerous, but was agreed for in person, call in, and proxy. Any proxy must be registered with the board no later than one week prior to the vote. For any who do not receive water bills, a mailed notice of upcoming votes will be sent.
- Any member not in good standing cannot vote or appoint a proxy.
- The usual quorum for a meeting is 50%. It was agreed to maintain that percentage.
- Removal of a board member should be 2/3.
- A notice is to be posted for the 3 positions to be voted on at the annual meeting. These positions are; vice-president, treasurer, and secretary. Nominations must be received with all pertinent information on the nominee no later than October 27<sup>th</sup> and will subsequently be posted on the website one week prior to the vote.

Meeting was adjourned at 8:35

Minutes submitted by Cherie Young, Secretary