

**MINUTES OF A SPECIAL MEETING  
OF THE BOARD OF DIRECTORS  
OF LAZY H MUTUAL WATER COMPANY  
ON JULY 22, 2016**

A special meeting of the Board of Directors of Lazy H Mutual Water Company was held at the office of the Company on Friday, July 22, 2016 at 3:00 p.m.

Special Meeting  
07/22/2016

**1. ROLL CALL – DETERMINATION OF QUORUM**

Call to Order  
3:00 pm

President Continelli called the meeting to order at 3:00 p.m.

Directors Present:

Present: 4

Maher, Hall, Continelli and Cardone

Directors Absent:

Absent: 1

West

Others Present:

Others Present: 2

Lori A. Johnson, YMWD General Manager

Amy Reeh, YMWD Finance Manager

**2. APPROVAL OF AGENDA**

Approval of  
Agenda

No changes to the Agenda. Director Hall made a motion to approve the agenda as posted. The motion was seconded by Director Cardone and carried.

**3. PUBLIC COMMENTS**

Public Comments

President Continelli opened the public comment period, noting that comments regarding specific agenda items would be taken up when those items are being considered. Manager Johnson introduced Amy Reeh, Yuima's new Finance and Administrative Services Manager.

**I. ACTION/DISCUSSION**

**1. Discussion and Response to the SDIRWM Workgroup July 14<sup>th</sup> questions**

Manager Johnson stated that the IRWM committee has requested the Lazy H Mutual Water Company Board of Directors to consider the following questions so the committee can evaluate the boards response

1. Will the Lazy H Board consider combining the Yuima GSA/GSP project and the Lazy H consolidation project into one grant project?
2. Would there be any cost savings as a result?
3. For Lazy H, the grant award would be contingent on documenting a 2/3 majority shareholder vote in support of consolidation study within the next 60 days. In the meantime, can the Lazy H Board document a majority vote of the board before July 26<sup>th</sup>?

President Continelli requested the board to consider combining the projects, understand that there may be a cost savings for Yuima to do the project administration and consider sending a special ballot following shareholder outreach to obtain a vote of the shareholders if consolidation of the water system should be studied under the grant. Upon motion offered by Director Continelli, seconded by Director Hall and carried by the following vote:

Ayes: Continelli, Hall, Maher, Cardone

Noes: none

Absent: West

Abstain: none

2. Proposed Resolution Supporting Consolidation of the Lazy H Mutual Water Company with the Yuima Municipal Water District

Res. 16-5  
Supporting the  
Consolidation with  
YMWD

Manager Johnson stated that in May the Lazy H MWC board asked Yuima to apply for grant funding for the planning of a system consolidation. The planning grant would provide the needed funding for education of the shareholders, outreach and preparation of the hydraulic studies and preparation of shovel ready plans and specifications for the required system improvements, including obtaining easement, environmental studies to address long term water supply sustainability and compliance with SGMA. The project will ensure safe and reliable drinking water to a small community and dissolve the mutual water company status. Upon completion of the planning phase, grant funding would be applied for the construction phase. Upon motion offered by Director Continelli, seconded by Director Hall and carried to approve *Resolution No. 16-5 Supporting the Consolidation of the Lazy H Mutual Water Company System with Yuima Municipal Water District and Supporting Combining the Lazy H MWC with Yuima Municipal Water District's GSA/GSP Planning Grant*, by the following vote:

Ayes: Continelli, Hall, Maher

Noes: none

Absent: West

Abstain: Cardone

## II. OTHER BUSINESS

President Continelli requested Manager Johnson move forward with the consolidation information and set up a couple shareholder informational workshops. In addition, a pros and cons sheet would be helpful. Manager Johnson asked the board to submit their pros and cons and she will put together an informational sheet for the workshops. She stated that she will see if the Pauma Valley Community Center would be available for a couple evening meetings in August. She reminded the Board that the

results of the shareholder vote need to be submitted to the IRWM by September 26<sup>th</sup>.

### III. ADJOURNMENT

1. There being no further business to come before the Board, upon motion offered by Director Maher, seconded by Director Hall and carried unanimously, the meeting was adjourned at 4:15 p.m.

Adjournment  
4:15 pm

  
\_\_\_\_\_  
Kirk Maher, Secretary