



S&T Mutual Water Company

NEWSLETTER

Serving the Community of Sunset Terrace



October 30, 2016

The Board of Directors of S&T Mutual Water Company held their quarterly meeting on October 27th. In attendance were the three directors, Charlie Cote, Aaron Floyd, Bill Garfinkel, our secretary Sandy Farber and four shareholders.

There were no issues reported from our operations in 2016 as of this date. Two of our directors have resigned from the board leaving us with just three directors. This is the minimum number allowable in our bi-laws. The maximum number is five. At our annual meeting in July of 2017 you will have an opportunity to vote for directors and if any of you are interested we would love to have your name on the ballot. Prior to that meeting we will be sending you information that will allow you to sign up.

With no major expenses this year plus the revenue from the new assessment fee our reserve fund has begun to build toward our \$300,000 goal. This money is kept in reserve to fund emergencies and future major projects.

Reserve fund

Beginning balance 2016	\$36,723
From assessments and operations	\$43,527
Forecast balance at year end	\$80,250

Following are the three important action items on the agenda at this meeting which were discussed and voted on. Each resolution passed unanimously.

We do not expect to have any major changes in operation in 2017 except for some additional charges which will occur as a result of our participation in the Los Osos Basin Management Committee (BMC). Per the 2015 settlement of the Los Osos water basin lawsuit, S&T Mutual Water Company provided one of the four directors of the BMC and is responsible for 4% of the cost of its operations. The other three directors represent the LOCSD (38%), Golden State Water Company (38%) and the county of San Luis Obispo (20%).

Resolution 2016-6 Operations Budget for 2017

Income (not including assessments)	\$82,240 - Water delivery, fees, interest etc.
Assessments	\$21,480 - \$10 per month for each of 179 properties
Expenses	\$56,800 - All operations

(A copy of the detailed budget is available to shareholders upon request)

After analyzing our expected expenses for 2017 the board has decided to again keep our water rates at the same amount except for the top tier which we increased by \$2 per water unit. Very few properties ever enter tier 4 in a billing period.

Resolution 2016-4 Water Rates for 2017

Bi-Monthly Water Rates as of 1/1/2017 (one unit = 1,000 gallons)

	From	To	Per Unit	+ Base
Tier 1	0	6	\$0	\$60
Tier 2	7	12	\$2	\$60
Tier 3	13	30	\$5	\$72
Tier 4	31	60	\$10	\$162



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As all of you are aware, even though we have received some rain recently, rainfall predictions for this season are mixed and we are still in a severe drought. We are proud to say that the residents of Sunset Terrace have made tremendous progress on cutting their water use.

In 2014 S&T passed a resolution for penalties against properties that use excess water. At that time, we set very high limits for water consumption and no property has reached those limits. After carefully studying of the issue we have concluded that those maximum levels needed to be adjusted downward in order to maintain awareness of over using water, thus we have amended the excess water use resolution. We also changed the penalty to a more reasonable level. We believe that these new levels are fair and in fact, if we had them in place this year only one property exceeded their limit and only for one billing period. To give you an idea of its ramifications, the state of California has set a target of 50 gallons per person per day of indoor water use. Even if a family of four used an average of 60 gallons per person per day, in a 61-day billing period their consumption would be only 14,640 gallons which is slightly less than half of the maximum that we have set. In fact, of the 179 properties we deliver water to, 115 use on average 10,000 gallons or less in a two-month billing period.

Resolution 2016-5 Excess Water Use

Maximum allowable water use per billing cycle

Single family property 30,000 gallons

- Two-unit property 35,000 gallons
- Three-unit property 40,000 gallons
- Four-unit property 45,000 gallons

Penalty for excess water use is \$15.00 per unit (1,000 gallons) above maximum

Pay attention to your water service bill as it indicates if we detect a leak in your system. We have left intact the existing penalty for unrepaired leaks.

Additionally, in our meeting we spoke about setting up a web site for S&T and to hold meetings quarterly in January, April, July (Annual Meeting) and October (budget and water rates).

We encourage you to attend our meetings and provide us input on any issues that you believe would be helpful for your company.

Although we do not have a manned office we have an email address (STMutualWater@gmail.com) and we use an answering service (805-316-0640)

As we enter the season we wish you to have happy holidays and enjoy the rest of the year.

Attached are the results of October's meter reading.



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Total All Invoices \$13,584

Sep-Oct 2016		Water Usage This Period (Gal)					
Gallons	From To	0	6,001	12,001	20,001	40,001	
		6,000	12,000	20,000	40,000	60,000	Total
No. of Properties		62	72	34	10	1	179

Current Period Duration (days)	61 Days		Well #5 Data (gal)	
	Gallons	Properties		
Total water use this period	1,722,495		Pump Meter 8/31/16	232,008,500
Commercial properties usage	63,264	1	Pump Meter 10/31/16	233,744,500
Total residential properties usage	1,659,231	178	Pumped This Period	1,736,000
Single family properties usage	1,386,277	163	Delivered This Period	1,722,495
Average single family use	8,505		Unaccounted water	13,505
Avg per day single family use	139		% Loss	0.78%
Multi-Family properties usage (42 units)	272,954	15	YTD Pumped	8,520,100
Average use per unit	6,499		YTD Delivered	8,471,521
			YTD Unaccounted water	0.57%
Properties at or below target use of 150 gal/day		109		