

SENIOR CANYON MUTUAL WATER COMPANY
ANNUAL MEETING OF STOCKHOLDERS
April 24, 2010

Pursuant to due and official notice, the annual meeting of stockholders of the Senior Canyon Mutual Water Company was held at 407 H Bryant Circle, Ojai, CA 93023 on April 24, 2010.

President Bill Blackburn called the meeting to order at 9:18 o'clock and directed the Secretary to call the roll of shareholders. There were present in person 659 shares and represented by proxy 82 shares, making a total of 741 shares, which number was sufficient for conducting the business of the annual meeting.

The minutes of the Stockholders Annual Meeting of April 25, 2009 were presented as mailed, and on motion by Keith Nightingale, seconded by Steve Selwyn and carried the minutes were approved as mailed. In addition, on motion by Keith Nightingale, seconded by Tom Munzig and carried, the minutes of the Special Shareholders Meeting of November 24, 2009 were also approved as mailed.

Director Al West reported on the progress of the committee to evaluate a possible Senior Canyon merger with Casitas or other management options. He stated that the committee was still gathering information which will take several years to compile for an ultimate presentation to the shareholders of the total costs and possible options. His committee's concern is how to lower costs to the shareholders. Keith Nightingale asked the committee to please review the cost of generating more water internally. Fritz Sloman expressed his concern for the welfare of the current employees should the water Company merge with Casitas. Tom Munzig asked whether the committee had considered having Casitas take over the management of the Company but leave the rest of the facility intact. Keith Nightingale responded that Casitas Municipal Water District has made it clear in the past that they do not want to manage a company that has, in their opinion, a substandard system. Mike Weaver asked what the efficiency is of the Company. Al West responded that there is a water loss of about 16% each year due to leaking pipelines.

President Blackburn asked that the shareholders please review their title reports for any legal easements on their property in order to update the Company records. Muriel Lavender indicated that she had been unable to find hers and that the county was of no help.

President Blackburn reported that CPA Jack Jacobs was present should anybody have any questions as to the Company's previous fiscal year's financial statement format. However, any questions regarding the details of the line items should be brought to the offices of Jacobs & Jacobs at a later date. There were no questions. Blackburn requested the record reflect that the financial statement for the Company's previous fiscal year had been previously mailed to all shareholders.

Director Gary Barnhart reported that Manager Larry Catlett was not present due to illness and that he would make the report in his stead. Unfortunately, the water Company had to spend most of their money last year on deferred maintenance items and very little in the way of improvements. He further explained month by month the expenditures of the Company in that regard.

The next order of business was the presentation of the Treasurer's report. Treasurer, Peter Passell reported that the Company has always operated without an administrative manager due to price constraints and that the preparation of a budget is very difficult because the costs vary enormously from year to year due to unforeseen maintenance costs and the weather. The Company drastically needs a working capital reserve to level out this volatility of unpredictability. The budget reflects a 20% across the board increase (in water rates, meter charges and annual per share assessments) for all shareholders in order to avoid a discussion of favoring large or small stockholders. The hope is that the 20% increase will avoid special assessments, but this cannot be guaranteed. He also discussed that well #2 will cost approximately \$30,000 to put on line and will generate about \$6,000 per year in additional net revenues to the Company which is a good return on the investment. Michelle Herzel asked whether this investment makes sense due to the fact that it only benefits a few shareholders. Passell responded that the 20% rate of return will benefit all shareholders and not just the few who will be receiving the water. Keith Nightingale responded that every gallon used from well #2 is a gallon that does not need to be purchased from Casitas Municipal Water District. Herzel asked whether or not there would be any sulfur smell, and shareholder Louis Tomasetta, who would be utilizing some of that water, indicated that the smell has not been a problem. Bob Bonewitz questioned whether or not we should be charging more for the water from well #2 in order

to increase the rate of return. Mr. Tomasetta responded if he were charged more it would be to his benefit to drill his own well. Paul Dougherty asked why not raise the rate of all non-potable water to the agricultural rate. Bill Blackburn responded that it would be worthy of consideration in the future. Peter Passell indicated that the difference in raising the well #2 water rate to that of an agricultural user would not make a significant difference to the operation of the Company. Keith Nightingale asked the Board to please propose an ideal budget and review the by-laws in light of the changes in the billing structure over the years in order to give the shareholders some sense of what it would cost to bring the water system to peak utility. Mark Latker stated that well #2 is fractured permeability which is very unpredictable, and it could stop producing just as quickly as it began. He questioned whether it had been hydrologically tested. Paul Tante responded that he will review the county records with regard to that well and go over them with Mr. Latker at a later date.

The representative from the Krishnamurti Foundation asked why the approximately \$100,000 debt to Rabobank had not been paid off with the last round of assessments from last year. Paul Tante responded that that was never intended.

President Blackburn gave a brief discussion about the status of current grant requests and indicated in response to a question from Louis Tomasetta, that there is no pending legal litigation.

President Blackburn then indicated that if there was further business to come before the meeting the ballots should be voted for the election of a new Board of Directors, and he asked if there will be any additional nominations to the current 7 Directors who were all running for re-election. On motion by Maureen Tomasetta, seconded by Michelle Herzel, Connie Hanstedt was nominated. With no other nominations being brought forth, President Blackburn asked that everybody vote for a slate of 7 directors and also on proposition #1 to approve the proposed budget for the coming fiscal year. The final count for the Directors was as follows: Gary Barnhart 730 votes, Bill Blackburn 720 votes, Bruce Botnick 697 votes, Michael Chambliss 171 votes, Peter Passell 733 votes, Paul Tante 689 votes, Al West 729 votes, and Connie Hanstedt 657 votes, and the budget count was 710 in favor and 5 against.

There being no further business to come before this meeting, on motion duly seconded and carried; same was adjourned at 11:10 o'clock A.M.


John Jacobs, Acting Secretary

Attested to:


Bill Blackburn, President