

DRAFT
DIAMOND “A” MUTUAL WATER COMPANY
A California Non-profit Mutual Benefit Corporation

MEETING NOTES

A Meeting of the Corporation was held Monday, June 18, 2018 at 7:00 pm, at the Diamond “A” Recreation Center Building, 18843 Spring Drive, Sonoma County, California pursuant to order of the Board of Directors acting by authority of the Corporation By-Laws.

Presiding: Richard Bryan, President

ATTENDEES:

Board Members:

Richard Bryan
Joe Lieber
Dave Martinelli,
Ron Matteson
Celia Schake
Peter Hohorst
Patrick Treacy (Absent)

Staff:

Dee Young- Administration and Finance Manager
Bill Angeloni-Operations Manager

Shareholders: Nelleke and Richard Cooper, Martin Westfield

The meeting was called to order at 7:00pm upon determination of a quorum.

The Board approved the meeting notes from the Quarterly Board Meeting held March 25, 2018.

COMMITTEE REPORTS AND DISCUSSION:

1) Committee reports and discussion

a) Operations and Administration

- i) Four water meters were found to be not operating properly and needed replacement.
- ii) Recent inspection of the well water elevations found them to be normal.
- iii) Trees adjacent to the Zone 3S tank (Viewcrest) need to be pruned.
- iv) The new Zone 2 tank is scheduled to have final inspection by The County on June 20. (Note: The tank passed the inspection)
- v) A new well pump and motor was installed in Well 4.

- vi) The piping for the booster pumps at Well 4 to the Zone 3S Tank has been reconfigured to improve efficiency and operation.
- vii) A discussion was held on developing and installing an operating system for water production, treatment and distribution. This system would apply basic electronic measuring and communications technology.
 - (1) Concern was expressed over the cost of such a system. It was agreed that the money spent would reflect value gained.
 - (2) Ron Matteson will convene a meeting to identify and prioritize systems controls applications within the system to identify high value investments for possible implementation.
- viii) A discussion was held on installing backup power at one or more of the wells for use during a power outage. Dick Bryan will contact the DAMWC water service provider, JDY, to discuss feasibility.

b) 2018 Financial Update

- i. Our overall financial condition is very good
- ii. Overall Net Income is \$12k better than the Prior Year
 - 1. YTD water sales were \$10k more than the same time period in the prior year
 - a. However, YTD electricity costs are slightly below the prior year, suggesting that the trend of higher water sales may not continue
 - 2. YTD Repairs and Maintenance are \$10k lower than prior year
- iii. Cash Position remains strong with a cash balance of \$158k as of 6/15/18 (this is before the July billings)
 - 1. Special recognition to Dee's collection efforts, including e-billing and e-payment. Our Accounts Receivable balance is \$1,300 (on YTD revenue of \$118k). Excellent work Dee!!!
 - 2. Current projections are that we end 2018 with a significant (i.e.>\$150k) cash balance.
- iv. 2018 Capital Expenditures are tracking to come in below Budget
 - 1. Zone 2 Tank will come in \$51k lower than Budget
 - 2. Total Cap Ex is expected to be \$58k lower than Budget
 - 3. Our \$30k Budgeted Capital Reserve should adequately cover the unforeseen Capital Projects (Hydrant at Well 4, Pump at Well 4, Earthwork at Tank 2) that we have encountered this year

c) Communications

- i) Joe Lieber attended a California Financing Coordinating Committee workshop on grants and loans on June 12th to determine the potential for DAMWC obtaining a grant or loan. Based on the criteria for qualification, at this point, it does not look very optimistic.
- ii) The June Diamond A Fire Fair was very successful this year. Attendance was great and there was a lot of information to assist residents in making

their places more fire-safe and how best to deal with a fire emergency such as the one we had last October.

d) Governance

- i) A review of the process for the issuance of meeting notes and meeting agendas was reviewed.

2). Comments from shareholders (limited to 3 minutes each)

No material comments.

Adjournment

A motion to adjourn the meeting was approved at 8:05pm

The next meeting will be held on Monday September 17, 2018, 7:00 p.m.

Attachment:

Notes:

- (1) Approved Board Meeting Notes for the previous meeting are issued electronically with the Meeting Agenda for the upcoming meeting. The meeting notes are also posted on the Diamond A website (<http://diamondasonoma.com>) under Water Company Board Postings. Any member may obtain a copy of the report upon written request to Diamond A Municipal Water Company, PO Box 150, El Verano, CA 95433.
- (2) The 2017 Annual Report (financial information) has been posted on the Diamond A website and can also be obtained by mail (see above).
- (3) Board actions are in **underlined bold**