

DIAMOND A MUTUAL WATER COMPANY BOARD MEETING

MEETING NOTES

Date and Location: June 25, 2014, 4:00 p.m., Diamond A Recreation Center Building, 18843 Spring Drive, Sonoma County, California

Presiding: Dick Bryan, President

ATTENDEES: Dick Bryan, Peter Hohorst, Dave Martinelli, Celia Schake and Patrick Treacy. Absent: Joe Lieber and Mike Buckley. Absent: Operations Manager: Bill Angeloni

Shareholder Guest: Steven Pavy .

MINUTES OF PREVIOUS ANNUAL MEETING HELD APRIL 13, 2014 2:00 p.m. Motion to approve was passed by unanimous vote.

FINANCE: Dave Martinelli

1. Mid year financial status: The board discussed the attached Profit and Loss Bridge document. Dave Martinelli will develop a mid year forecast based on income and expenses through June and of projected capital and maintenance costs through the end of the year.
2. Electronic billing and payment: Shareholders will be notified in the next billing that future billings will be issued through email and mailed to those who do not have email accounts.
3. Invoicing/payment process: The board is evaluating alternative payment systems in addition to bank checks.
4. Retention and storage of financial records: The board discussed and is evaluating ways to effectively retain and store company records.
5. Insurance coverage: Dave Martinelli will evaluate current coverage and make recommendations to the board if changes are required.
6. Status of funding for replacement of Tank # 1: The tank is scheduled to be replaced in 2016 at a cost of \$250,000. Funding for the replacement tank is behind schedule due to recent repairs to leaking water mains.
7. Grant Investigation: Joe Lieber is continuing evaluation.
8. Excess parcel: No action at this time regarding future use or sale of the parcel.
9. Solar: Dave Martinelli to investigate use of solar panels on the system.

TECHNICAL Dick Bryan

1. System Status: The system has been operating well except for the maintenance issues described below. 18.7 million gallons were supplied by the system to date which is normal consumption.
2. Instrumentation of wells to monitor water levels: The installation of the air lines for the instrumentation has started. In order to install the air lines for the instrumentation the contractor needs to remove and replace the well pumps and motors which will be evaluated

for damage, wear and service life. Two motors and pumps will need to be replaced based on the evaluation of wells 1 and 3. Additional work may be requires pending full evaluation of the remaining wells, 2 and 4.

3. Replace phone lines with cellular equipment: Under evaluation
4. Back flow valve at tank # 3: Under evaluation
5. Roof replacement, Viewcrest Tank : Temporary tank at Alta Sonoma will be moved to Viewcrest during repairs.
6. Maintenance repairs to date for 2014:
 - a. Water main repair at Grove and Prospect (cost \$25,000)
 - b. Water main repair at Kenleigh and Grove (cost \$3,400)
 - c. Water main repair at White Oak Drive and Kenleigh (cost \$2,000)
 - d. Upgrade of valve and meter on White Oak Drive (cost \$ 3,400)
 - e. A leak on Cory Drive is being investigated.

PERSONNEL/PROFESSIONAL SERVICES: Dick Bryan

1. On June 20, Dee Young provided a proposal to the Finance and Personnel/Professional Services Committees to assume the duties of Administration Manager upon the departure of Shirley Angeloni at the end of 2014.
2. Dick Bryan recommended that the board accept the proposal based on the June 20 presentation. The board discussed the proposal and voted unanimously to accept it.
3. Dick Bryan will work with Dee Young and Shirley Angeloni to develop a transition plan.

GOVERNANCE: Peter Hohorst

1. The company By-Laws will be reviewed and revised as required to conform with AB240. If required, the changes will require approval through a shareholder referendum.
2. Appropriate information in the Rules and Regulations (1987) document will be placed on the company website.
3. A process will be developed and approved by the board to place a lien on property for non payment of quarterly water bills in accordance with the company By Laws.

COMMUNICATION: Dick Bryan

1. A maintenance report with photographs will be included in the next Newsletter.

ADJOURNMENT: 4:45pm