

DIAMOND "A" MUTUAL WATER COMPANY
A California Non profit Mutual Benefit Corporation

2016 ANNUAL MEETING NOTES

The Annual Meeting of the Corporation was held on Sunday, April 24, 2016 at 2:00pm 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 Article II, Sections 1 and 2 of the Corporation Bylaws.

1. Welcome and Introductions- Richard Bryan
The Directors introduced themselves and provided their years of service on the board followed by the Shareholders who introduce themselves and provided their years of Diamond A residency. Richard Bryan provided an overview of the agenda for the meeting.
2. 2015 Operations overview – Bill Angeloni
 - a. No health or safety incidents
 - b. Produced, treated and distributed 33 million gallons of water
 - c. Met 2015 State water conservation target
 - d. Engaged JDY as Licensed Operator of the system
 - e. Major repairs included:
 - i. Repair of water mains at the end of Wildwood Court and near the intersection of Grove and Viewcrest
 - ii. Replaced failed booster pump at Well 4
 - f. Replaced 100,000gal Zone 1 Tank
 - g. Started upgrading chlorine injection systems at each tank location
3. Plan for 2016
 - a. Start Preliminary Engineering and Environmental study for Replacement of Zone 2 Tank
 - b. Complete upgrading of chlorine injection systems
 - c. Meet 2016 State conservation target
4. Zone 1 Tank installation photographs
 - a. Richard Bryan showed photographs of the Zone 1 Tank showing site preparation, tank installation, final grading and paving of the site access road.
5. Financial status- Dave Martinelli
 - a. Annual Report
 - i. Fiscal 2015
 1. Final P&L in line with Budget
 - a. \$153k Budgeted, \$149k Actual
 2. Received Westamerica Bank loan for \$200k to fund \$275 White Oak Tank
 - a. Loan is being paid as agreed, current balance is \$165k
 3. Ended 2015 with \$124k in Cash
 - ii. 2016 Plan
 1. Budget is \$145k Net Cash Flow
 2. Projecting Ending Cash of \$161k
 3. Project to reduce Westamerica principal by \$48k
 4. Budgeted to spend \$60k in Cap Ex
6. Communications and Conservation – Joe Lieber
 1. A newsletter will be issued in the near future
7. Governance: Matters for Action by Members. - Peter Hohorst
 - a. The Bylaws revision was approved
 - b. The following Directors were elected:
 - i. David Martinelli (incumbent)
 - ii. Peter Hohorst (incumbent)

- iii. Ron Matteson (vacancy left by Mike Buckley)
- 8. Appreciation:
 - a. The Board thanked Mike Buckley and acknowledged his 33 years of service to the company as a board member. He was given a gift certificate to a local restaurant as a token of appreciation on behalf of the Board and Members.
- 9. Open discussion. Topics of discussion included:
 - a. The \$200 per quarter maintenance fee
 - b. A Member proposed, via telephone to the President, a variable maintenance fee based on length of time in residence.
 - c. The next newsletter will carry an article on meter reading and billing, how to read a meter and how to use the leak detector in the meter.
- 10. Meeting was adjourned at 4:10pm
- 11. Appreciation:
 - a. The Board thanked Mike Buckley and acknowledged his 33 years of service to the company as a board member. He was given a gift certificate to a local restaurant as a token of appreciation on behalf of the Board and Members.
- 12. Open discussion. Topics of discussion included:
 - a. The \$200 per quarter maintenance fee
 - b.
 - c.
- 13. Meeting was adjourned at 4:10pm

ATTENDEES:

BOARD MEMBERS: Richard Bryan, Peter Hohorst, Joe Lieber, Dave Martinelli, Celia Schake, and Patrick Treacy. Absent Ron Matteson

STAFF: Dee Young – Administration, Bill Angeloni - Operations Manager

SHAREHOLDER GUESTS: Kip Cutting, Ruth Fassinger, Dick Hanna, Lorre Hohorst, Gail Jacobs, Mary Lex, Helen Mehl, Rick Mordesovich, Tia Pierce, Wayne Schake, Saga Thovtrup, John Walker, Mariann Weber.