

# **Diamond A Mutual Water Company**

Annual Meeting

March 25, 2018

3/24 Revised DM DRAFT

# Agenda

- Welcome and Introductions
- Operations status and future activity
- Financial status
  - Fiscal 2017 Year-End Report
  - 2018 Plan
  - Earthquake Insurance
- Communications
- Governance: Matters for Action by Members
  - Directors to be Elected
- Open discussion
- Adjourn

# Operations

- Water quality
- Water production
- Maintenance and repairs
- State inspection
- Zone 2 Tank replacement
- Zone 3S Tank roof replacement
- Off-peak well operation for Wells 1 and 2
- Roof repairs for Zone 1 and 2 sheds
- Well 4 pump controller

# Operations (Cont'd)

- For 2018
  - Electrical control panels for Zone 2
  - Parts and equipment storage shed
  - Repair and paint equipment sheds
  - Install selected system controls
  - Update Operations and Maintenance Manual and emergency response process

# Financial Status

- **Fiscal 2017 Year End Report:**
  - **Final Profit and Loss below Budget**
    - 2017 Budget was \$135k
    - 2017 Actual was \$121k
      - Large breaks on Kenleigh and Canyon contributed towards a \$10k over-run on budgeted Repairs and Maintenance
  - **Cap Ex less than Budget**
    - Excluding Zone 2S Tank, we spent \$\_\_\_\_k vs Budget of \$45k
  - **Ended 2017 with \$321k in Cash**
    - Still finalizing costs on Zone 2 tank, but project to maintain a minimum Cash balance of \$90k throughout 2018

# Financial Status

- **2018 Plan**

- Budget is \$122k Net Cash Flow
- 2018 Ending Cash Projected to be \$94k
- Budgeting \$\_\_\_\_k in final costs on Zone 2 Tank in 2018
- Will continue to amortize the Westamerica tank loans with a \$99k principal reduction forecast for 2018
- \$48k in Cap Ex budgeted

# Financial Status

2018						
						2018
<b>Capital Expenditure - Excluding Zone 2 Tank</b>						<b>Budget</b>
	New Pump at Well No. 4					\$ 6,000
	Storage Container / Shed					\$ 7,000
	Instrumentation & Controls					\$ 5,000
	Capital Reserve Account					\$ 30,000
	<b>GRAND TOTAL</b>				<b>\$ -</b>	<b>\$ 48,000</b>

# Earthquake Insurance

- **The Water Company does not currently have Earthquake Insurance coverage in place**
- The Board evaluated such coverage in 2017 but found the costs (\$17k per year, excluding coverage on underground pipes/distribution system) to be prohibitive



# Governance

- Matters for approval by Members
  - Directors to be elected
    - Ron Mattison (incumbent)
    - Joe Lieber (incumbent)
    - Dave Martenelli (incumbent)
    - Peter Hohorst (incumbent)

# Communications

- Communications
  - Reporting water problems and issues
  - Emergency Response Coordination
  - Current grant investigation

# Open Discussion

- Discussion with members on water company operations and management