

Diamond A Mutual Water Company

OPERATIONS AND FINANCIAL BRIEFING

For Period April 27, 2020 to June 15, 2020

❖ OPERATIONS

- Maintenance
 - Repaired leak in the concrete vault, in the ground, at the top of Spring Drive. A design to improve the facility is underway.
 - Located a buried control valve for the water main on Canyon Road.
 - Completed the installation of generator transfer switches in the electrical control panels at Wells #3 and 4.
 - Adjusted water tank water level controls at White Oak Court and Sweet William Court to increase drawdown to reduce pump cycling.
- Testing
 - Bacteriological Samples are collected and tested each month. All samples taken were determined to not be contaminated.
 - Chemistry tests were taken at each of the 4 wells by JDY. All of the tests were determined to meet regulatory standards.
 - The water level was checked in each of the 4 wells. The wells are in good shape with only small seasonal fluctuations.
- The access easement leading into well #4 was surveyed. The alignment was adjusted to fit the existing access road. The easement realignment has been filed with Sonoma County.
- Dying pine trees were removed from the easement leading to the Viewcrest Drive Tank.
- Continuing to monitor the water in ditches along Kenleigh Drive. So far, no leak has been found in the water company pipes.
- Replaced 2 water meters and repaired leaks at 2 water meters.
- Investigated excessive water usage and potential leaks on a number of properties

❖ CURRENT FINANCIAL STATUS

- YTD 2020 Net Income even with Prior Year, but Trends are Excellent
 - Water Sales Revenue \$12k higher than Prior Year
 - Dry winter has resulted in historically high Water Sales
 - Electricity is \$6k higher than Prior Year, which is a function of the high Water Sales
 - Rate increase takes effect on July 1, which will be reflected in the October billing
 - Repair and Maintenance costs are only \$4k YTD
 - Cash position remains strong with \$163k in the Bank
 - Accounts Receivable continue to be low
 - Loan is being amortized per schedule. Total Debt is \$101k
- 2020 Outlook vs. Budget
 - \$20k better Cash Flow from Operations expected due to First Half Water Sales and Rate Increase in Second Half
 - Would result in Ending Cash of \$135k vs. Budget of \$115k
 - Wild Card is Repair and Maintenance
 - 2020 Budget is \$65k vs. YTD of \$4k
 - YTD trend is very encouraging, but final Repair and Maintenance total is difficult to predict.