

# Diamond A Mutual Water Company Newsletter



Spring 2017

DIAMOND "A" MUTUAL WATER COMPANY

## Report on Our Water Company

### 2017 Annual Meeting

The Annual Meeting of the Corporation was held on Sunday, March 26, 2017 at 4:00pm at the Diamond "A" Recreation Center Building.

#### Operations Overview:(Bill Angeloni/Dick Bryan)

No health or safety incidents

Produced, treated and distributed 31 million gallons of water

#### Major replacements and upgrades over the past three years

- Replaced Well pumps 1, 2, 3 (2014-15)
- Installed air tubes in all wells (for measuring water level) (2014-15)
- Replaced Zone 3N tank (2015)
- Replaced Zone 1 Tank (2016)
- Upgraded chlorination systems for Zone 1 and 2 Tanks (2016)

#### Major repairs included

- Zone 3S Tank leak repair and cleaning
- Re-roofed Zone 1 and Zone 2 sheds
- Repair hatches for Tanks 2 and 3S
- State Inspection was done and we are implementing the recommendations.

#### Plan for 2017/2018

- Replace Zone 2 Tank
- Issue an updated Operations Manual
- Life extension projects for Zone 3B Tank
- Upgrade chlorination system for Zone 3

Upgrade and install additional system controls which include:

- A simple enhancement to the pump controls for Zone 1 Tank (White Oak Court) to allow off-peak only pumping. This change is expected to save \$1,200 annually in electrical charges.
- Modernize the controls for Zone 2 tank (Grove) and Zone 3(s) tank (Viewcrest) with a cloud based SCADA (supervisory control and data acquisition ) system in order to provide real-time water system status and avoid unexpected outages for the most heavily used segment in the system.
- Well 4 pump replacement (2018)

#### Financial Status (Dave Martinelli)

##### Fiscal 2016 Year End Report

- Final 2016 Profit and Loss was in line with Budget
- 2016 Budget was \$145k vs \$148k Actual
- 2016 Capital Expenditures were \$13k below Budget
- We are paying down Westamerica Tank loan as agreed
- 12/31/16 Balance is \$129k
- Cash Position is strong with 12/31/16 Ending Cash balance of \$177k

##### 2017 Plan

- Budgeting \$135k Net Cash Flow from Operations
- Lower than 2016 Actual due to additional Interest Expense forecast for 2017 due to new Zone 2 Tank Loan
- Budgeting \$45k for Capital Expenditures, excluding new tank
- Projecting 12/31/17 Ending Cash of \$107k
- Will construct Zone 2 Tank in 2017:
- \$336k budgeted cost, including 15% contingency allowance
- Costs are based on prior two tank construction jobs plus inflation allowance

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- Approved for Westamerica Loan on new tank for \$250k

## Property and Casualty Insurance

Prior to 2016, DAMWC (the Water Company) carried General Liability insurance of \$1mm per occurrence/\$3mm aggregate.

At renewal in 9/16, these limits were increased by \$5mm in Excess Liability coverage for an incremental \$3,400 premium

## Earthquake Insurance:

DAMWC does not currently carry Earthquake Insurance

We have received a proposal for coverage under the following conditions:

Premium: \$17k/yr

Limit: \$1.1mm insured value

Deductible: \$75k

The Board will evaluate whether or not to purchase this coverage.

## **Communications and Conservation – Joe Lieber**

### Newsletters

Joe will endeavor to create newsletter that summarize our quarterly meetings for those of you who were unable to attend. These meetings are always open.

## Emergency response plan:

Joe has been developing an emergency response plan that follows the format provided by the Water Boards. This will better prepare the Water Company to respond to unforeseen situations such as major earthquakes, slides and fires.

We have had a “robo-call” based notification system in place for a few years to rapidly notify all of you by phone should there be an urgent need to do this.

## Pipe Liner

Joe attended a demonstration of a real-world installation of an AquaPipe liner in Lafayette. EBMUD (East Bay Municipal Utility District--a major water provider in the East Bay) was lining a 12” diameter asbestos cement water main using AquaPipe’s lining technology.

This requires very little excavation and allows for very durable lining of existing water mains. Once we have a good “ball-park” cost estimate, we will research perhaps getting a FEMA hazard mitigation grant to fund this work. If implemented, it would greatly increase the reliability of our water mains not only in terms of protection from major earthquake damage, but also, it is likely it would reduce our mainline breakages. This lining material is very strong.

## **Governance - Celia Schake**

Matters for Action by Members

The following Directors were elected::

- Richard Bryan (incumbent)
- Dave Martinelli (incumbent)
- Joe Lieber (incumbent)
- Patrick Traacy (incumbent)

The meeting was adjourned at 5:00pm

## 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: Robert Blade, Nelleke Cooper, Rich Cooper, Dick Hanna and Lorrie Hohorst

**For emergency water problems, please call the Emergency Answering Service - See Below.**

- Emergency Answering Service: 576-6136
- Water Problems: Jerry and Don's Yager Pump and Well 762-1473 info@jerryanddonsyager.com
- Operations: Bill Angeloni 996-3854 angeloni@vom.com
- Business Office: Dee Young 939-9440 4deeyoung@sbcglobal.net