

# DIAMOND “A” MUTUAL WATER COMPANY

A California Non-profit Mutual Benefit Corporation

## MEETING NOTES

A Meeting of the Corporation was held Monday, September 17, 2018 at 7:00 pm, 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 the Corporation By-Laws.

Presiding: Richard Bryan

### **ATTENDEES:**

Board Members:

Richard Bryan..... President  
Joe Lieber.....Vice-President  
Celia Schake.....Secretary  
Dave Martinelli.....Treasurer  
Peter Hohorst.....Director  
Patrick Treacy.....Director  
Ron Matteson..... Director

Staff:

Dee Young- Administration and Finance Manager  
Bill Angeloni-Operations Manager

Shareholders: Mark Covaro

Guests: Dale Fong, Jim Michelson

The meeting was called to order at 7:00pm upon determination of a quorum.

**The Board approved the meeting notes** from the Quarterly Board Meeting held March 25, 2018.

1. Committee reports and discussion
  - a. Operations and Administration
    - i. The Board has been discussing modernizing the water systems monitoring and controls and reviewing options for an emergency power backup.

In response to a Board request from the June meeting, a presentation was made to the Board by Jim Michelson of John and Jerry's Yeager Well Service (service provider to DAMWC) to install backup power and instrument and control capabilities for the water system. The primary controls proposal would track and manage the 3N tank and well #4 at Grove St. plus the 3N tank on Viewcrest. It is a cloud based digital system that would control and report on water tank levels, flow rates, power utilization, and chlorination. This proposal cost is \$30,289. Jim also presented a proposal for a standby generator at well #3 (Sweet William) at a cost of \$38,410 and a standby generator at well #4 (Grove) at a cost of \$43,594. Each of these propane-powered systems has the capacity to provide 80 to 100 hours of continuous operation. The Board will evaluate the proposals. Joe Lieber will obtain input from the local fire department.

- ii. A water lateral to a property was repaired at the corner of Spring Drive and Grove Street
- iii. Two large pine trees were removed adjacent to the Zone 2S Tank to reduce risk to damaging the tank. Additional trees are planned for removal.
- iv. Zone 2S Tank replacement was completed and approved by the County
- v. Leakage has increased at the Zone 2S Tank. Options and actions to respond to the leakage were discussed and included:
  1. Patch leaks from inside with divers (was performed in 2017)
  2. Plan and prepare for liner installation (Approximately \$32,000)
  3. Install new tank (considering the cost of installing a liner, this might be the preferred option if the existing foundation is adequate).
  4. Determine if the existing foundation would be sufficient for a new steel tank (consider various capacities)
  5. Develop temporary water supply for a tank outage
  6. Resolve water easement status
  7. Develop access options
- vi. Determine if the existing foundation is sufficient for a new steel tank
- vii. Evaluate tank sizes and capacities
- viii. Tank water level monitoring
  1. Historically, the water company becomes aware of a water problem when a resident calls to report that they are out of water.
  2. Diamond A resident Mark Cavaro and colleague Dale Fong updated the Board with their work in designing and installing a cloud-based system to sense and measure tank water depth and communicate a warning through an email or text when water falls below a predetermined level. Mark is interested in using the DAMWC system as a test bed for the technology he is developing. The project would serve as a demonstration to show additional interested parties. Mark is doing the installation at no cost to the water company. The water company has offered to share in some of the installation labor and cost. There is potential for their system to provide enhanced capabilities as their work progresses.

b. Financial

i. Current Status

1. Cash position remains strong with \$155k in the Bank
2. Currently project to end 2018 with \$155k Cash in the Bank, vs. Budget of \$95k
3. \$8k better Cash Flow from Operations, after estimating \$10k for recent repair at Grove and Spring
4. \$52k less than expected Cap Ex, primarily due to coming in \$52k under budget on the new tank
5. Accounts Receivable continue to be low
6. Loans are being amortized per schedule
7. Total Debt is \$227k

ii. 2019 Budget development

1. Finance Committee will meet in Oct/Nov to develop the 2019 Budget prior to the 12/10/18 Board meeting
2. No major changes to the Budget are currently anticipated
3. The oldest of the two West America tank loans (White Oak tank) will be paid off through normal amortization by mid 2019
4. Cash balances should remain above \$150k for all of 2019

c. Communication

i. Diamond A Fire Fair

1. The Fire Fair was very successful this year, in part due to the fires in 2017.
2. Diamond A resident, Dave Duncan, plans to establish Diamond A as a Firesafe Council community that will create a non-profit institution to facilitate fundraising to obtain a Type 6 fire engine for the Diamond A station.  
Such equipment would enable non-commercially licensed operators to respond to vegetation fires. Considering the present composition of the personnel at the station, this would provide the most effective response to smaller fires. Wind-driven embers spread many of the large fires of 2017. A Type 6 engine would be well suited to address these "spot" fires. We would continue to use our Type I engine to address structure fires.

d. Governance

- i. Nominating Committee to provide recommendations for candidates for open board seats at the next Board meeting.
- ii. The next Board meeting will be held on December 10 at 7:00pm

2. Comments from shareholders (limited to 3 minutes each) No comments

3. Adjournment: Board **approved motion to adjourn** at 9:08pm

Richard Bryan  
October 20, 2018

Notes:

1. Postings on the Diamond A Ranch website (<http://diamondasonoma.com> ) under Water Company/Board Postings include:
  - a. Quarterly and Annual Board Meeting Notifications
  - b. Meeting Agenda
  - c. Meeting Notes
  - d. News Letters
  - e. Annual Reports (financial information)
  - f. Annual Consumer Confidence Reports (results from State water testing requirements)
2. Members may obtain a copy of the posted information upon written request to Diamond A Municipal Water Company, PO Box 150, El Verano, CA 95433.
3. Board actions are in **underlined bold**