

DIAMOND “A” MUTUAL WATER COMPANY
A California Non-profit Mutual Benefit Corporation

MEETING NOTES

A virtual Meeting of the Corporation was held via Zoom at 7:00pm, Monday, December 5, 2022 pursuant to order of the Board of Directors acting by authority of the Corporation By-Laws.

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 (absent)

Guest shareholders: John Walker, Judith Walsh

AGENDA

1. The Meeting was called to Order and a Quorum Determined
2. The Minutes of the Board Meeting held on September 12, 2022 were approved as well as the Agenda for the Annual Meeting to be held on April 2, 2023.
3. Committee reports and discussion topics
 - a. Operations and Administration
 - i. The system operation has been nominal. No water quality issues have arisen.
 - ii. There has been little maintenance and repair activity for the quarter. The water line serving four homes on upper Mesquite Court failed and was repaired and a broken water meter was replaced
 - iii. A hydraulic model along with an evaluation of the system has been completed by Brelje Race. The evaluation identified system deficiencies and improvement options with a preliminary cost estimate for each of the options. The improvements include:

1. Improved resiliency by providing redundant feed to pressure zones. A pressure-sustaining valve will be installed between 3S and 2N that will combine the two zones and eliminate one zone (2W).
 2. Reduced pressure in exceptionally high-pressure areas.
 3. Reduced operational complexity
 4. Increasing size of pipe in critical locations
 - iv. A contractor will be engaged to check and exercise the system valves and replace two inoperable valves
 - v. Steel tank 3N (Sweet William) and Redwood tank 3S (Viewcrest) will be inspected.
 - vi. Instrumentation and controls enhancements will include:
 1. Well water level measurement
 2. Replacing leased telephone lines for pump controls with wireless
 3. Developing schematic diagrams for the system
 4. Developing remote operation for selected pumps
 5. Renewal of Service Agreement with Iconia Corp. to provide instrumentation services to the Company
- b. Financial update (For detail, a complete financial report is issued with Meeting Notes as a separate document
 - i. Revenue for 2022 is substantially lower due to reduced water usage. Cash Flow from Operations was break even.
 - ii. A Rate Increase for 2023 was proposed due to the following
 1. Unprecedented drop in Water Usage has changed our Revenue Assumptions going forward
 2. General Inflationary Pressure -- cost of professional services has increased
 3. The system needs upgrades for legal compliance and resiliency against natural disasters
 4. Reserves need to be increased, but Board wants to avoid an Assessment
 - iii. The Board provided input on the 2023 Annual Budget and the Rate Increase.
 1. These items will be addressed in a Special Board meeting later in December.
- c. Governance
 - i. The Nominating Committee nominees for 2023 election of potential board members listed below were approved by the board.
 1. Richard Bryan
 2. Joe Lieber
 3. Celia Schake
 4. Patrick Treacy

- ii. The Board agreed to pursue a change in Bylaws to increase the number of Board directors (current limit is 7) as an option to increase member participation.
- iii. The Board approved the Agenda for the 2023 Annual Meeting.
- iv. The CALwarn registration was obtained. CALwarn acts as a clearinghouse for water companies in emergency conditions.
- v. A policy to establish "Reasonable use" of water, as stated in the Bylaws, will be developed.
- vi. The Emergency Response Plan has been updated to include drought considerations and submitted to State Department of Drinking Water for review and approval.
- vii. The California Department of Water Resources informed the water company on November 22 that it would be awarded a \$2 million grant to upgrade water mains as part of their Small Community Drought Relief Program. The water company proposal was for about \$6.5 million which would have allowed replacement all of the 4" pipe with 6" pipe. The \$2 million will allow replacement of what is determine to be the least reliable parts of the system from the standpoint of mainline failures. The overall efficiency of the system will be improved with these improvements. Berlje and Race Engineers will be engaged to provide engineering and project management services.
- viii. Board Meeting dates for 2023 were established:
 - 1. Sunday, April 2, 4:00pm. Annual Meeting followed by a Board Meeting
 - 2. Monday, June 19, 7:00pm
 - 3. Monday, September 11, 7:00pm
 - 4. Monday, December 4, 7:00pm

4. Comments from shareholders (limited to 3 minutes each)

5. Adjournment of meeting

6. Open closed meeting

a. A discussion was held to discuss the terms of a service contract.

7. Adjourn closed meeting

Richard Bryan

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, Agendas and Notes
 - b. News Letters
 - c. Annual Reports (financial information)
 - d. Annual Consumer Confidence Reports (results from State water testing program)
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.