

PALOMINO LAKES MUTUAL WATER COMPANY

POST OFFICE BOX 687 CLOVERDALE, CALIFORNIA 95425

MINUTES OF PLMWC BOARD OF DIRECTORS MEETING
October 30, 2014, 6:30 PM—131 E 1ST STREET, CLOVERDALE CA 95425

A. The meeting was called to order at 6:36 PM.

Directors present: Doug Chamberlin, President; Jan Tolbert, Vice President; Janet Vail, Secretary/Treasurer

Nine homeowners were present

B. Secretary's and Treasurer's Report

a. Secretary Vail went over the account balances. Rick Corriea noted that there was less money in the CIF account than expected. President Chamberlin and Secretary Vail responded that it was probably because we've been loaning money to the new well account from our other accounts while we wait for the loan from the USDA to close. We will look into the discrepancy.

There has been a delay in getting the loan closed as the title company and the USDA work out some details, but it's nothing that won't be solved.

C. Old Business

No old business

D. New Business

a. Construction Update

President Chamberlin gave an update on the well and treatment plant construction project:

- A meeting was held today (October 30) with Piazza and Brelje and Race to discuss the "cutover" to the new piping. This first cutover is scheduled for Nov. 4 and 5. We will not be able to draw water from the well for 2 days during the cutover, but we have plenty of capacity, so it should not be a problem. Customers on Cedar Lane will be without water while the crew is working for those two days. Cedar Lane homeowners will be notified.
- After the 5th we'll still be drawing from the old well, but most of the new piping will be in, and we will be able to drop the chlorine level by about half—from about 4ppm to about 2ppm.
- If all goes well the new well and treatment facility will be on line by the end of November/early December, and we will be able to reduce the chlorine level further to .6 to .8 ppm.
- In mid-November we'll be putting new level sensors into tank 1, which hasn't been disturbed in 30 years. Water will be a little murky; we will send notice to the community. The new sensors will be able to supply the state mandated flow to the fire hydrants automatically and without electricity.
- We still need to get power to the treatment building—a new power pole needs to be installed on the Trincherro property, but before PG&E can do that all the

easements need to be signed off on—easements are generally the holdup in such cases according to Randy DeCaminada. Randy will use his contacts at PG&E to determine what the holdup is with the power pole.

- As mentioned above, the loan closing has been delayed while the USDA and the title company work out some details. The RCAC bridge loan is due on Oct. 31—without the money from the USDA loan, however, we can't pay that off. Jack Locey advises that we just pay the interest, which is minimal, until we do close the USDA loan.

b. New Compliance Notice from the State

We did finally get the Compliance Order from the State Water Resources Control Board (Order No. 02_18_14R_003, dated October 17), which is not as drastic as we feared. We will be able to switch to the new well, we DO NOT have to limit the community to 50 gals/person/day. The Order outlines 8 directives to which we must comply:

1. There can be no new connections made to the system
2. We have to identify the properties for which we have issued water certificates but which do not have connections to the system. This applies to 4 properties.
3. By Nov. 21, we must send a letter to the property owners of the 4 properties identified in #2, rescinding their water certificates and telling them they cannot connect to the system. We will have our attorney draft that letter. Vice President Jan Tolbert suggest we ask the attorney what will happen if those 4 property owners stop paying their fees.
4. We must provide the state with a number of documents including copies of the water certificates for the 4 properties identified in #2, a list of the property owners to whom we sent letters rescinding water certificates (#3 above), and a current list of all service connections.
5. Also by Nov. 21 we must provide the state with a plan for complying with the “Mandatory Actions for Water Suppliers” as listed in the State Conservation Order, which stipulates that we either limit outdoor irrigation with potable water to no more than 2 days/week OR other mandatory conservation measures that will achieve comparable reduction in water use relative to the amount consumed in 2013.
6. By April 17, 2015 we must send the State a Source Capacity Plan. There's some question if this is required. We will check with the attorney on that. If required Jack Locey would be the logical person to do the Source Capacity Plan.
7. Directive 7 has to do with reporting on the Source Capacity Plan
8. Direct 8 has to do with unmetered connections and does not apply to us.

E. Other

The issue of private wells has taken a backseat and will be left there for the time being. We have had requests from several property owners, however, and we do owe them a response. The board will consider whether we should have our attorney respond.

F. Business from the Floor

None

G. Adjournment The meeting was adjourned at 7:45 pm.

This was the last regularly scheduled board meeting until the annual meeting in the spring.