

Palomino Lakes Mutual Water Company Newsletter

January 2018

Next Open Board Meeting: TBD

The next Palomino Lakes Mutual Water Company (PLMWC) Board of Directors meeting will be the annual meeting typically held in mid-May; details to follow.

Board of Directors – Members Stepping Down

Jan Tolbert and Doug Chamberlin plan to step down from the Board at the end of their term in mid-May. Both Jan and Doug have been working on the Board for over five years and it is time for others to take the reins. David Taber will stay on and Doug and Jan will facilitate the transition and assist as issues arise. **It is the community's responsibility to identify and elect two new Board members.** If new Board members are not elected, the water company would legally have to transfer to a receivership, which would likely **highly** increase costs for all. If you are interested in serving on the Board, please contact us at the email addresses at the end of this newsletter.

Water Rates Changing

As discussed at the Annual meeting and approved by the Board at an Open Meeting on September 23, 2017, the water rates are changing. The board decided to delay the change until February 1, 2018, so it won't affect you until the May 2018 bill. The changes are required to offset higher operating costs and lower revenues. In addition, a new loan will be taken out to implement improvements at Tank Site 2 as discussed below. The following is paraphrased from the minutes of the 9/23 meeting:

PLMWC will pay for the system improvements via a 40-year loan, at a fixed commercial interest rate. That loan will add approximately \$18 a month per household. We are also changing the rates for usage above the drought threshold to compensate for our increased costs and reduced revenue. The base rate for usage (the first 25,000 gallons per month, or 275 gallons per day) will not change.

Following is a comparison of the existing and new rates (billed quarterly):

	Base	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5
Old Tiers (gal/qtr)		30,000	60,000	90,000	120,000	> 120,000
Old Rates	\$264.00	\$2.25	\$10.00	\$15.00	\$20.00	\$25.00
New Tiers		25,000	35,000	45,000	55,000	> 55,000
New Rates	\$317.00	\$2.25	\$11.00	\$17.00	\$23.00	\$29.00

Board Motions:

1. *Motion to implement rate changes starting in Q4 of the 2017/2018 fiscal year (approximately 11/2/17) as distributed and discussed at 9/23/17 open Board of Directors meeting. APPROVED UNANIMOUSLY.*

New Water System Update

The water system installed in 2015 is operating well except for the chlorine analyzer. This is a device that monitors the level of chlorine and if a high or low level of chlorine is sensed, our control system sends out alarms to the system operators and the Board members. Earlier this year the Water Company replaced the analyzer, but the new unit is not operating reliably. Our system operator has sent the unit back to the manufacturer to determine if there are any issues with the newly installed unit. Please note that we are

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monitoring the system closely and following State Water Resources Control Board (SWRCB) requirements by taking manual chlorine readings to ensure the chlorine levels are safe (which they are).

New Tank Site 2 Improvements

As voted on at the Annual meeting, the board is moving forward to implement changes at Tank site #2. These changes were originally planned to be implemented during the construction of the new well and treatment building, but were value engineered out in response to higher than anticipated bids for the construction of the well, treatment building and new control system. The improvements include a new 15,000 gallon storage tank and repiping to allow higher water flows down hill in case of an emergency. The Board is currently soliciting loans and will soon engage our design engineer.

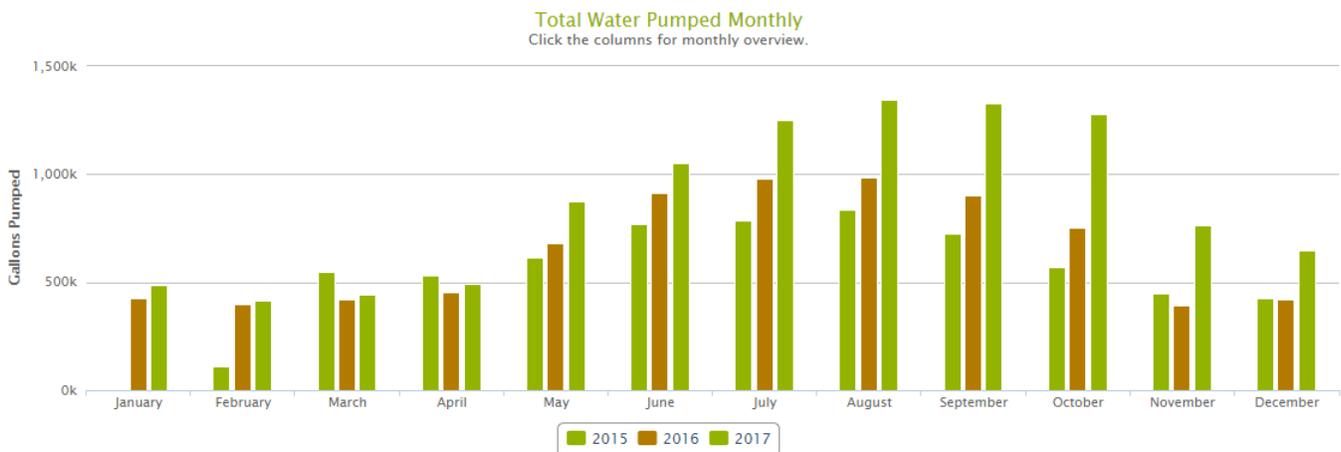
Drought Update

Although we received tremendous rains in the 2016/2017 rain season, the 2017/2018 rain levels are well below normal. However, as of this writing, we have not received any word from the SWRCB regarding any new restrictions. We will notify you as soon as we know more – in the mean time, pray for rain.

Water Use

Although the Community did an incredible job decreasing consumption in response to the last drought, current water consumption is up drastically and nearing levels consistent with our 2013 baseline consumption. This is not a cause for concern in and of itself, but will only make responding to the next drought that much more difficult. The following graph shows water usage over the last three years. Please note there is no record of consumption in January of 2015 and little consumption in February of 2015 as the new monitoring system was just coming online at this time. *(It is, admittedly, a little difficult to understand the graph as 2015 and 2017 bars are the same color, but for each month, the 2015, 2016 and 2017 amounts are read left to right. This is just a “feature” of the new control system, which, other than a few minor quirks (not including the chlorine analyzer) is operating very well.)*

PALOMINO: TOTAL WATER PUMPED



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Palomino Lakes Mutual Water Company
P. O. Box 687
Cloverdale, CA 95425

Douglas R. Chamberlin, P.E., President
925-200-6250
dchamberlin@palominolakes.org

Jan Tolbert, Vice-President
707-695-5225
jtolbert@palominolakes.org

David Taber, Secretary/Treasurer,
650-326-2626
dtaber@palominolakes.org

www.palominolakes.org