

**PALOMINO LAKES MUTUAL WATER COMPANY**  
**SPECIAL MEETING OF BOARD OF DIRECTORS**  
**JANUARY 11, 2014 - 11 AM**  
**MINUTES**

A Special Meeting of the Palomino Lakes Mutual Water Company Board of Directors was held on January 11, 2014 at 11 AM at the Old Crocker Inn, 1126 Old Crocker Inn Road, Cloverdale, CA. The meeting was noticed via mail on January 4, 2014.

Directors present: Rick Corriea (President); Doug Chamberlin (Vice President); Jan Tolbert (Secretary)

In addition to the Directors, owner(s) of twelve parcels were present at the meeting.

The Directors met to discuss acceptance of the United States Department of Agriculture (USDA), Rural Development loan offer in the amount of \$872,000 for a new well and treatment facility.

President Corriea reviewed a letter from USDA dated January 3, 2014 discussing the loan conditions and requirements.

Secretary Tolbert discussed the Changes to the New Well Special Assessment, noting the proposed final assessment on March 1, 2014 to be \$153.18 per lot.

President Corriea discussed the Changes to Quarterly Water Billing, noting the expected quarterly loan and projects assessments charge will rise by \$17.00/quarter.

Vice President Chamberlin reviewed the Preliminary Water Supply and Treatment Facility Improvements Project Timeline with project completion projected to be mid-November, 2014.

The Directors voted unanimously in the affirmative to accept the following 5 Resolutions:

- Resolution authorizing the submission of a loan application to Rural Community Assistance Corporation (RCAC).
- Resolution accepting conditions of USDA loan
- Resolution authorizing completion of USDA loan documents
- Resolution ending the Special New Well Assessment
- Resolution changing water rates.

Other items discussed at this meeting included:

- The need for voluntary water conservation.
- Volunteers agreeing to read water meters on a monthly basis to facilitate leak repair included: Debbie Carey, Andy and Jacquie Grose and Lynn VonHooenstyn

The meeting adjourned at 12:30 PM

Jan Tolbert, Secretary/Treasurer