

PALOMINO LAKES MUTUAL WATER COMPANY
POST OFFICE BOX 687 CLOVERDALE, CALIFORNIA 95425

BOARD OF DIRECTORS MEETING MINUTES

Date: July 26, 2015, 3:00 PM

Location: Ruth McGowan's, 131 E 1st Street, Cloverdale, Ca 95425

The meeting was called to order at 3:00 PM

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

Approximately 14 property owners and Board Members were present.

Secretary's Report – The Minutes from the Annual Meeting of May 16, 2015 were approved as presented.

Treasurer's Report – The Board reviewed the current Financial Report and related that our last scheduled treatment building easement payment is due December, 2015. There are currently no delinquencies – Doug Chamberlin thanked all property owners for keeping up to date with payments.

Construction Update – Doug Chamberlin indicated that the new well and treatment building construction project has been very successfully completed.

There were some control system issues that have been now taken care of by the control system contractor with help and direction from Lee Tolbert and Doug.

Some control system components were affected by a close lightning strike last month and were replaced by the control system contractor at no charge.

The chlorine system has been fine-tuned and we are now using a much lower chlorine solution – better for all of us, better for the plants!

The old well has been abandoned in place and given to the new vineyard owner which saved us dismantling costs.

Drought – Doug Chamberlin related that we are presently in better shape regarding water supply as Lake Mendocino has more water in storage than at this time last year. In addition, the community (for the most part) has responded very well to the State's 25% water reduction curtailment order. Highlights are:

- In 2014, we achieved a 39% reduction of use in the critical months of June to November over our use in 2013.
- Our results for June 2015 (compared to June 2013) indicate a 42% reduction.
- We are required to submit a conservation report to the State Water Resources Control Board in December demonstrating a 25% reduction in diversion in the months of June to November over the baseline year of 2013.

New Business –

- High Water User's – Doug Chamberlin indicated that one of the main reasons for this meeting was to receive input from the community regarding strategies for continued conservation given that there are 10-15 habitual high water users. These higher users (over 275 gallons/day) receive monthly letters reminding them to check their irrigation systems and check for leaks. The current high users range from 300 to 900 gallons/day. (a 1,200 + gallon/day leak was also identified.) We are now reading meters monthly (instead of quarterly) at an additional \$300/month expense to the community so that we can better monitor high water use and identify leaks in a timely manner so that property owners can make necessary repairs or corrections to their irrigation systems.

Suggestions from the community and ideas discussed were:

- Increase tiered rates
- Institute a penalty charge based on overage – this would cover the additional meter reading charges and allow for the high users to cover these additional costs. Change the 275 gallons/day Voluntary Use to Mandatory Maximum Use – If so, the signs should be changed (and perhaps made to look better over-all)
- The leak forgiveness policy was suspended in 2014 and was kept in suspension at the last Annual Meeting on May 16, 2015 – should this policy be put back into place?
- We should put in place a higher tiered rate policy.
- If higher tiered rates are implemented the Board should consider providing more warning than the 5 days until the next meter reading
- All water should be billed at the highest tier rate used

A question was asked about the ability of individual property owners to drill a well. This is presently prohibited by the HOA CC&R's (which read in part)

“no well for the production of water for private consumption shall be dug or operated upon any of said lots to which a water supply is made available by a water company.”

Post meeting note: Changing the CC&R's requires a vote by the membership. This is primarily an issue for the HOA, but should there be a desire by the homeowners to change the CC&R's, the Water Company must be involved in order to ensure the safety of our water supply.

From the suggestions discussed above, four options were put forward and discussed:

1. Levy a fine for use above a maximum level
2. Increase tiered rates
3. Adjust fees so all water is charged at highest rate of tier used
4. Implement a fine or penalty system that is graduated or tiered based on use over a maximum level.

The option chosen would be in effect only until the Curtailment Order is lifted.

Based on these discussions, a motion was made by Doug Chamberlin and seconded by both Janet Vail and Jan Tolbert to “Adjust billing to implement a graduated penalty schedule to deter high use. This billing schedule to be in place for all water use beginning August 1, 2015 and to remain in place until our Curtailment Order is lifted”.

A motion was made by Jan Tolbert and seconded by both Doug Chamberlin and Janet Vail to make the 275 gallons/day use MANDATORY MAXIMUM USE. The advisory signs will be redesigned and replaced.

A notice of tier rate changes will be included with the invoices sent after the July 31, 2015 meter readings.

The advisory letters sent monthly to high users will also include a statement about the tiered penalties.

Other Business –

Doug Chamberlin indicated that we still need to make upgrades to Tank Site 2. The Board will keep members informed including design information.

Lee Tolbert indicated that we should estimate the savings in electricity due to “time of use” pumping schedules that have now been implemented with the new system.

Gary Vuchinich requested that we look into placing all sites on the Sonoma Clean Power program instead of PG&E. Doug Chamberlin indicated that we would investigate this option by the end of the first year of service.

Dave Rankin asked about the status of the Sonoma County Water Agency Toilet Replacement Program. One of our property owners, Maya van den Heuvel has graciously agreed to coordinate this effort. Jan Tolbert will contact her for status.

Meeting adjourned at 4:15 PM.