

# PALOMINO LAKES MUTUAL WATER COMPANY

POST OFFICE BOX 687 CLOVERDALE, CALIFORNIA 95425

MINUTES OF 2017 ANNUAL MEETING of the Palomino Lakes Mutual Water Company, Saturday, May 13, 2017, **The Old Crocker Inn, 1126 Crocker Inn Road, Cloverdale.**

Board Members present: Doug Chamberlin, President; Jan Tolbert, Vice President

Board Member absent: Debbie Carey, Secretary/Treasurer

The meeting was called to order at approximately 12:35 PM. 27 members (including Board Members) were present.

Doug Chamberlin gave a short introduction of David Taber, nominee for Board of Directors.

Treasurer's Report: Doug Chamberlin reported that the water system is experiencing slowly declining operating funds, water revenues are down due to declining usage. There is an issue with the system using more electricity than has been budgeted. We may be looking at a (small \$10/month?) rate increase this year.

The Financials prepared by our accountant were presented and briefly discussed.

Doug Chamberlin made a motion to accept the Financials; Jan Tolbert seconded.

Old Business:

System Update: Doug reported that the new system has been operating quite well. There was a catastrophic pump failure a few weeks ago – the pump shaft was broken. Lee Tolbert manually kept the tanks filled until a new pump could be installed. The old pump is being repaired and will be used for a back-up spare.

Boron Update: Lee Tolbert reported that the State requires us to sample for Boron. The new well had an initial 7ppm Boron. This is not a health and safety issue, but Boron above 1ppm is very hard on vegetation. The latest sample done this spring after all the rain was 3ppm. Lee expects the Boron level to keep falling.

Drought Update: The Governor rescinded some drought requirements. We are now only required to report on monthly usage and must alert households when we believe there is a leak in their system. As a cost-saving measure, we may discontinue monthly meter readings. We have asked our attorney to find out if the State has lifted the ban on any new water connections.

Gate Replacement: The personnel gate leading into the treatment building easement from River Road was rebuilt and replaced to make it more secure.

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Broken Pipe Repair: There was a major failure of piping outside of tank #2. The break occurred very early in the morning on a Monday. The Board contacted a contractor who responded within a few hours. The repair costs were approximately \$9,000.

New Business:

New Emergency Rate: A new rate structure will be put in place if another drought is declared. The drought structure will be such that water will cost more based on higher tiers used. The drought structure will be proposed and voted on at the next Water Board Meeting (date not set). We are determining if we need to wait for the next billing cycle to put such a structure in place.

Revision of By-Laws: Our attorney has strongly recommended that we revise our by-laws. Many regulations have changed in the last 30 years – we will work with our attorney on this. An estimated cost to revise the by-laws is \$3,500.

New Tank at Site 2: Engineering for a new (second) tank at Site 2 is all done and ready to go. We have asked our Engineers, Brelje and Race for a revised cost estimate. The easement is already in place for the new tank. We will start looking at some funding sources.

Electronic meter reading devices were discussed. It was asked how people feel about this – this would eliminate the cost for manual meter reading, but could cost \$75,000 for the equipment. There was discussion about individuals opting in or out of this type of program (at their own expense). If some homeowners want it, they could pay an extra fee per Quarter. The Board will look into the expense and pros and cons.

Backflow Devices: We are looking for a plumber to install backflow preventers. We need to install devices for all homes with pools, livestock tanks, and any other potential cross-contamination sources. We will install devices on the properties with the highest risk for cross-contamination first. We are looking at installing all devices at once to cut down on labor costs.

Our website is being updated – hopefully completed within the next month or so.

Election results: 62 ballots were received. The Board of Directors for 2017/2018 are:

Doug Chamberlin  
Jan Tolbert  
David Taber

Many thanks to out-going Board Member Debbie Carey! Welcome David!

Adjournment: Approximately 3:00PM on May 13.