

PALOMINO LAKES MUTUAL WATER COMPANY

P.O. BOX 687, CLOVERDALE, CA 95425

WATER SYSTEM UPDATE

October 31, 2011

Your Water Board has been very busy since the August 11, 2011 meeting. Seventy-five properties were represented – an all-time attendance record! As promised at the meeting, the following is an update on the current water system and a progress report on the new well and treatment facility sites.

➤ Operational/Compliance Issues

Since the August meeting, our water system has delivered approximately 3 million gallons of safe water while meeting all requirements mandated by the State including all testing for sanitizer levels, bacteria, by-products of chlorination, asbestos, lead and copper, pH and temperature. Due to the increased monitoring and reporting required by the State, our system operator, Weeks Drilling and Pump has been forced to increase our monthly service cost to \$1,700/month. This, along with increased laboratory testing and increased costs for chlorine and a number of operational incidents (failure of a pressure sensor, Cedar Lane leak, Tank 2 leak, by-pass plumbing at chlorine pump failure, backflow sensor failure at well) although not unusual for a 40-year old system, are severely stressing our operating expenses budget.

➤ Negotiations With Vineyard Owners Regarding New Well/Treatment System Site(s)

Your Board members have met with the owner of the vineyard where our current well is located as well as the vineyard owner to the south of our current well site. Preliminary proposals were made to both property owners regarding our desire to drill a new well and the possible need for a treatment facility. Both property owners appear to be willing to consider a formal proposal from us. We hope to enter into formal negotiations beginning in November. Both property owners are currently fully occupied with this year's difficult grape harvest. We have obtained permission from the vineyard owner to the south of our well to perform testing to determine the subsoil composition and depth which will give us an indication of water availability on his property.

➤ Funding, USDA/State of California

As discussed at the August meeting, a new well and possible treatment facility is expected to cost each property owner a great deal of money. Your Board has directed the Civil Engineering firm of Brelje and Race to proceed with a pre-funding request with the

US Department of Agriculture (USDA). To date, Brelje and Race reports very positive feedback from the USDA. A preliminary funding request to the State of California Department of Public Health Drinking Water Funding has been submitted. Because of the availability of Federal funds and less than desirable conditions for State loans, our strong preference is for USDA funding.

➤ Assembly Bill 54

Governor Brown has signed AB 54 mandating our water system to maintain reserve funding which we hope our current fund will meet. The bill also mandates training for all Board Members. The cost for this required training is not yet known.

➤ Water Billing

Unfortunately, the Board has been forced to continue to spend time collecting past due water bills from a small number of property owners and, in one case to issue a service termination notice. While the Board's time is voluntary, there are additional expenses for time spent on this by our bookkeeper and postage and certified mailing expenses that must be passed on to all of us.

➤ Volunteers Needed

If you are interested in helping your Water Board members monitor our Watchman® Control System, please contact one of your Board members. All you need is a computer and a small amount of training to help us assure a safe and reliable water system.

➤ Your Board has worked with several of the highest water users to identify leaks and improve irrigation systems to dramatically lower their water use. In one case water use went from over 2,000 gallons per day to just over 200 gallons per day! If you have automatic irrigation timers, please remember to adjust them for winter watering requirements now! Also remember that many units revert to the factory-set watering times when a power outage is experienced if the battery back-up is not working – and many of us experienced several outages this year.

Regards,

Howard Blake, President
Rick Corriea, Vice President
Jan Tolbert, Secretary/Treasurer