

Agenda

- Introductions and Roll-call
- System review
- Our Water Source
- Call to Action
- Drought Conditions
- Wine Awarded
- Election Results
- Financial Review
- Lottery Ticket Awarded

System Review

- Congratulations and Thank You!!!
- Over the last 2 years, we've invested over \$750,000 in system expansions and improvements
 - Bigger capacity
 - Better fire protection
 - 24x365 automatic generator backup
 - Improved battery system for all system controls
 - Extended life of wood tanks
 - Improved safety
- *And* we still have solid financial reserves!

Our Water Source

- Is the Russian River, whose source is...
 - Lake Mendocino, whose source is...
 - The Potter Valley Project, whose source is...
 - Lake Pillsbury, whose source is...
 - The Eel River, whose source is...
 - The Climate
-
- Problem: current “plan” is to remove Scott dam, which is what secures year-round flow for the Russian river

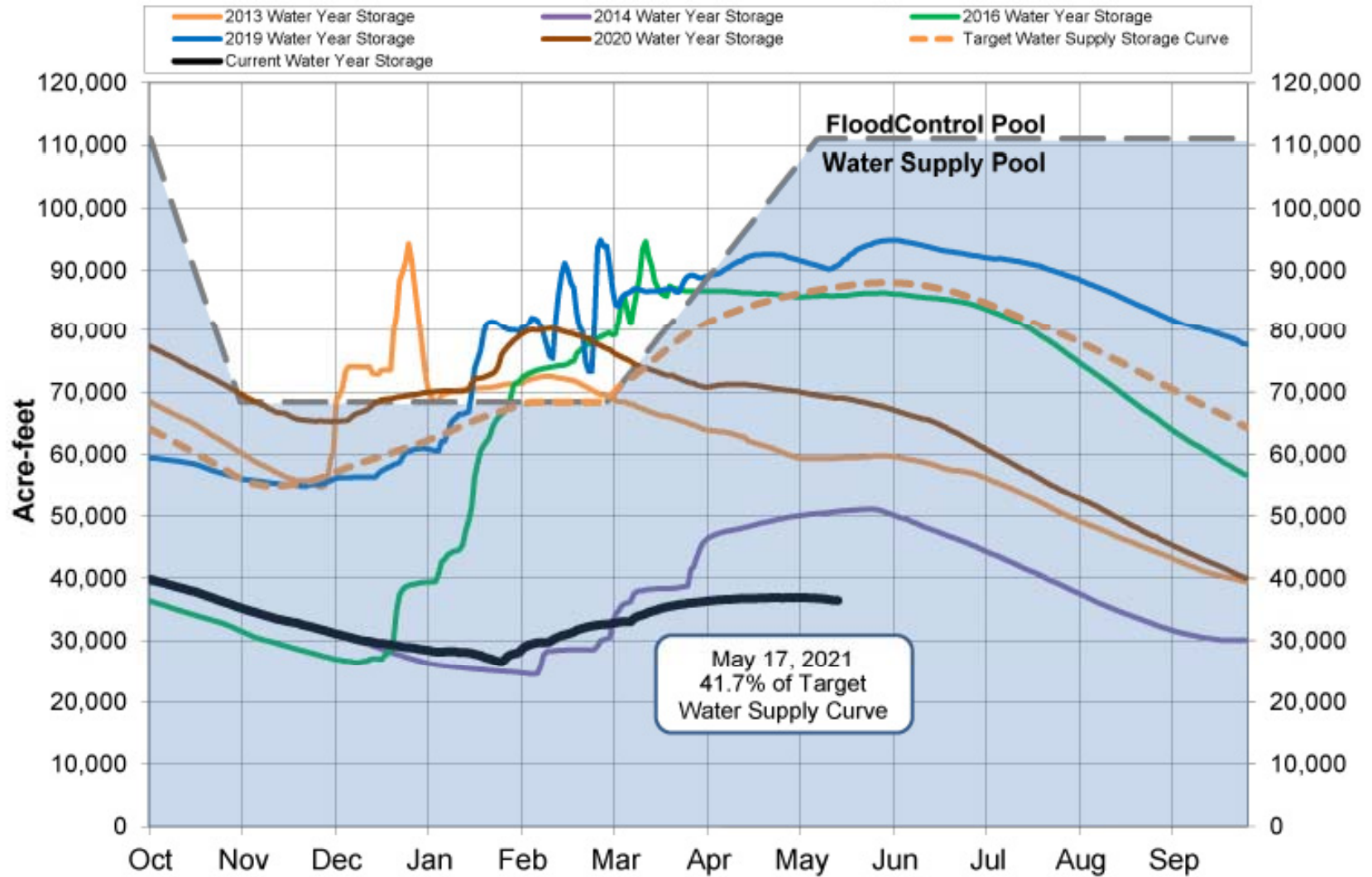
Our Water Source



Call to ACTION

- The Potter Valley Diversion / Lake Pillsbury are at risk
 - A lot of stupid politics in progress
 - Major portion of Sonoma county population and agriculture depend on the Russian river
 - Yet the diversion we depend on may go dry in drought years
- We need to create some posses NOW
 - Water Board, State Agencies: The Water Company
 - City of Cloverdale: Volunteer #1
 - City of Ukiah: Volunteer #2
 - City of Healdsburg: Volunteer #3
 - Farm Bureau: Volunteer #4
 - Wine Grape Commission: Volunteer #5
 - County Supervisor Gore: Volunteer #6
 - State Assemblyman Wood: Volunteer #7
 - US Representative Huffman: Volunteer #8

Lake Mendocino Water Level



Call to ACTION!

- The state has proclaimed a drought emergency
 - Several bureaucratic consequences...
 - But the *county* has not yet put on mandatory limits
- Mandatory county conservation order is inevitable
 - We just don't know what the metric will be
 - Start new habits *now*
 - *Most of your usage is probably irrigation*
 - We'll be reaching out to high-water users
 - Strongly advise \$200 Flume device and gray-water system (we can help you with both)
- Phase 1: 275 gallons/day/household
- Phase 2: TBD – when the county order comes thru

Wine Awarded To...

- Stick around for the grand prize near the end

Election Results...

Financial Review

- Big Picture: we're in fine shape
- Water rates stay the same
- No assessments
- Loans pay off in just 33 years!
 - Major part of your basic bill
- We have to continue building our reserves
 - In some future year: replacing wood tanks & valves

FY22 Budget

| FY21 HISTORICAL | June 30, 2021 Budget | Sept 30, 2021 Budget | Dec 31, 2021 Budget | March 31, 2022 Budget | Full FY 21 Budget | Budget Change from Last Year |
|--------------------------------------------|-------------------------|-------------------------|------------------------|--------------------------|----------------------|---------------------------------|
| Beginning Balance 4/1/20 | \$ 32,142 | | | | | |
| Revenues | | | | | | |
| Water Billing | \$ 82,629 | \$ 12,000 | \$ 18,000 | \$ 18,000 | \$ 12,000 | \$ 60,000 \$ (22,629) |
| Loan Repayment Billing | \$ 80,066 | \$ 20,016 | \$ 20,016 | \$ 20,016 | \$ 20,016 | \$ 80,064 \$ (2) |
| Miscellaneous Income | \$ 3,488 | \$ 430 | \$ 437 | \$ 1,310 | \$ 1,310 | \$ 3,487 \$ (1) |
| Prepaid Insurance | \$ 6,143 | \$ - | \$ - | \$ - | \$ - | \$ - N/A |
| Transfers from Capital Improvement Account | \$ 821 | \$ - | \$ - | \$ - | \$ - | \$ - N/A |
| Total Revenues: | \$ 173,146 | \$ 32,446 | \$ 38,453 | \$ 39,326 | \$ 33,326 | \$ 143,551 N/A |
| Expenditures | | | | | | |
| Administration | | | | | | |
| Accounting & Tax Prep | \$ 15,285 | \$ 3,000 | \$ 8,000 | \$ 3,000 | \$ 3,000 | \$ 17,000 \$ (1,715) |
| Community Communication | \$ 143 | \$ 40 | \$ 40 | \$ 40 | \$ 40 | \$ 160 \$ (17) |
| Dues and Subscriptions | \$ 593 | \$ 40 | \$ 40 | \$ 40 | \$ 40 | \$ 160 \$ 433 |
| Easement Expense | \$ 511 | \$ - | \$ 450 | \$ - | \$ 150 | \$ 600 \$ (89) |
| Government Fees | \$ 1,071 | \$ - | \$ 800 | \$ 400 | \$ - | \$ 1,200 \$ (129) |
| Insurance | \$ 7,500 | \$ 7,750 | \$ 1,000 | \$ - | \$ - | \$ 8,750 \$ (1,250) |
| Misc. | \$ 723 | \$ 250 | \$ 250 | \$ 250 | \$ 250 | \$ 1,000 \$ (277) |
| Rent, PO Box & Record Storage | \$ 917 | \$ 250 | \$ 250 | \$ 250 | \$ 250 | \$ 1,000 \$ (83) |
| Loan Payments | | | | | | |
| CoBank Loan | \$ 19,093 | \$ 3,472 | \$ 5,207 | \$ 5,207 | \$ 5,207 | \$ 19,093 \$ - |
| USDA Loan #2 | \$ 44,268 | \$ 11,067 | \$ 11,067 | \$ 11,067 | \$ 11,067 | \$ 44,268 \$ - |
| USDA Loan #3 | \$ 4,368 | \$ 1,092 | \$ 1,092 | \$ 1,092 | \$ 1,092 | \$ 4,368 \$ - |
| Maintenance and Repair | | | | | | |
| Maintenance, General | \$ 4,474 | \$ 1,400 | \$ 1,400 | \$ 1,400 | \$ 1,400 | \$ 5,600 \$ (1,126) |
| Operations | | | | | | |
| Control System | \$ 4,992 | \$ 1,300 | \$ 1,300 | \$ 1,300 | \$ 1,300 | \$ 5,200 \$ (208) |
| Electric Utilities | \$ 14,627 | \$ 3,800 | \$ 4,000 | \$ 4,000 | \$ 3,800 | \$ 15,600 \$ (973) |
| Meter Reading | \$ 450 | \$ 150 | \$ 150 | \$ 150 | \$ 150 | \$ 600 \$ (150) |
| Water System Specialist | \$ 23,506 | \$ 6,000 | \$ 6,000 | \$ 6,000 | \$ 6,000 | \$ 24,000 \$ (495) |
| Water System Supplies | \$ 1,065 | \$ 250 | \$ 250 | \$ 250 | \$ 250 | \$ 1,000 \$ 65 |
| Water Testing | \$ 2,430 | \$ 625 | \$ 625 | \$ 625 | \$ 625 | \$ 2,500 \$ (70) |
| Generator Expenses | \$ - | \$ 300 | \$ 450 | \$ 1,500 | \$ 750 | \$ 3,000 N/A |
| Well Expense | \$ 700 | \$ - | \$ - | \$ 750 | \$ - | \$ 750 \$ (50) |
| Transfer to Capital Improvement Account | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - \$ - |
| Transfer to CoBank Loan Account | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - \$ - |
| Transfer to Regulatory Reserve Account | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - \$ - |
| Transfers to USDA Loan Reserve Account | \$ 4,865 | \$ - | \$ - | \$ - | \$ 4,865 | \$ 4,865 \$ (0) |
| Total Expenditures | \$ 151,580 | \$ 40,786 | \$ 42,371 | \$ 37,321 | \$ 40,236 | \$ 160,714 \$ (9,134) |
| >>>Expected cash contribution/draw>>>> | | \$ (8,340) | \$ (3,918) | \$ 2,005 | \$ (6,910) | \$ (17,163) |
| Ending Balance 3/31/21 | \$ 53,709 | | | | \$ 36,546 | |

FY22 Budget

| FY21 HISTORICAL | | June 30, 2021 Budget | Sept 30, 2021 Budget | Dec 31, 2021 Budget | March 31, 2022 Budget | Full FY 21 Budget | Actuals Change from Last Year |
|--------------------------------------------|----------------------|-------------------------|-------------------------|------------------------|--------------------------|----------------------|----------------------------------|
| CAPITAL IMPROVEMENT BANK ACCOUNT | | | | | | | |
| Beginning Balance 4/1/20 | \$ 131,134.45 | | | | | | |
| Capital Revenues | | | | | | | |
| Projects Billing | 30,741.26 | \$ 7,098 | \$ 7,879 | \$ 8,000 | \$ 7,764 | \$ 30,741 | \$ 0 |
| Assessment Billing | 223,017.70 | \$ - | \$ - | \$ - | \$ - | \$ - | N/A |
| Transfer from Construction Account | 1,560.63 | \$ - | \$ - | \$ - | \$ - | \$ - | N/A |
| Total Revenues: | \$ 255,319.59 | \$ 7,098 | \$ 7,879 | \$ 8,000 | \$ 7,764 | \$ 30,741 | N/A |
| Capital Expenditures | | | | | | | |
| Generators Project | | | | | | | |
| Engineering | 6,146.25 | \$ - | \$ - | \$ - | \$ - | \$ - | N/A |
| Equipment Procurement | 148,864.00 | \$ 1,750 | \$ - | \$ - | \$ - | \$ 1,750 | N/A |
| Installation & Construction | 30,522.82 | \$ 30,000 | \$ - | \$ - | \$ - | \$ 30,000 | N/A |
| Miscellaneous | 1,726.29 | \$ - | \$ - | \$ - | \$ - | \$ - | N/A |
| Permits | 2,360.00 | \$ - | \$ - | \$ - | \$ - | \$ - | N/A |
| Piping Repair & Replacement | | | | | | | |
| Installation & Construction | 37,363.60 | \$ - | \$ 30,000 | \$ - | \$ - | \$ 30,000 | N/A |
| Permits | 1,236.22 | \$ - | \$ - | \$ - | \$ - | \$ - | N/A |
| Tank #2 | | | | | | | |
| Misc | 500.00 | \$ - | \$ - | \$ - | \$ - | \$ - | N/A |
| Other | | | | | | | |
| Underground Main Locating | 1,309.00 | \$ - | \$ 1,000 | \$ - | \$ - | \$ 1,000 | N/A |
| Transfers to Operations Account | 821.41 | \$ - | \$ - | \$ - | \$ - | \$ - | N/A |
| Total Expenditures | \$ 230,849.59 | \$ 31,750 | \$ 31,000 | \$ - | \$ - | \$ 62,750 | N/A |
| Ending Balance 3/31/21 | \$ 155,604.45 | | | | | \$ 123,595 | |
| LOAN BALANCES at End of Fiscal Year | | | | | | | |
| CoBank Loan Balance | \$ 344,154 | | | | | | |
| USDA Loan #2 Balance | \$ 816,093 | | | | | | |
| USDA Loan #3 Balance | \$ 80,450 | | | | | | |
| Loans Total 3/31/19 | \$ 1,240,697 | | | | | | |

Lottery Ticket Awarded To...

- You must be present to win
- You must pledge that the first \$1M of your winnings goes to pay off the Water Company loans!