

Villa Del Monte Mutual Water Co.

Shareholder's Annual Meeting Minutes

March 27, 2018

7:00P.M.

Christ Child Church Community Room

Determination of a quorum – 1/3 of shareholders

Number of shareholders = 125

One third of shareholders/members, including proxies = 42

12 Shareholders/members present, 5 board members, 29 proxies = 46 total (quorum attained)

Introductions

Board Members: Mike Miller, John Overstreet, Jim Culp, Fred Eggers, Pradeep Sanders

Three (3) Directors Elected

Mike Miller, John Overstreet and Fred Eggers for (2) year terms

Annual Operations Report and Long Range Needs for System Repair and Replacement:

Item-1 Source water from Laurel Creek

- Preventive sand bagging and road drainage clearing helped the access road and infiltration gallery to hold up to this years rains.
- The pumping station has no issues at this time

Item-2 Supplemental source water from SJW company (Montevina pipeline)

- We receive supplemental water from San Jose Mutual Water Company.
 - The water runs from the treatment plant at Lexington Reservoir up Old Santa Cruz highway and down summit road.
 - It passes through (3) pump stations owned and operated by SJW company and (1) pump station owned jointly by Villa Del Monte and Big Redwood Park.
- SJW has changed from chlorine disinfection to chloramine disinfection. This is significant because our VDM treatment plant uses chlorine and blending it with the chloraminated water destabilizes the disinfection properties. (See attached summary "water treatment and water storage issues")

Item-3 Filter plant and pumping

- We continue to struggle with the PG&E 3-phase power in the neighborhood. It is often delivered to us with a voltage imbalance.

Unfortunately our emergency power transfer switch does not always recognize this and allows the dirty power into the plant. This causes a secondary power protector to turn off the pumps to protect them. But the controls keep operating trying to operate the system. After several attempts, the system shuts down leaving the uphill system without pressure.

PG&E is aware of the problem, but does not have a solution.

Item-4 Tank condition

- The roof structure on our 50 plus year old water storage tank is failing!
The tank walls are showing sign of rust along the upper water line.
We are preparing to take the tank out of service.
Tank replacement is required.
See attached summary “Water treatment and water storage update 2018-03-25 for additional detail.

Item-5 Distibution Pipe condition

- We are still repairing pipe leaks as the show up.
- We have reviewed several grant options but it does not look like we qualify because of our average income levels.
- We will continue to repair leaks and replace pipe sections as our budget allows.

Treasurer’s report and presentation of the 2018 Budget; projected expenditures and financial needs of the company:

- John Overstreet, Treasurer

Questions and suggestions to the Board

Following discussion it is agreed that interested members will be invited to participate in a future meeting(s) to get updated on the failing tank. The board will set that up when they have more information to share and are ready to make the next decision(s).

Adjournment