

Villa Del Monte Mutual Water Company
Shareholder's Annual Meeting Minutes
March 21, 2016
Minutes of the Meeting

Present: John Overstreet, Mike Miller, Fred Eggers, Sylvain Diochon, Neal Wiley, Irene Miller, Greg Illes, Karin Illes, Corky Lakin, Peter van Cleef, Jennifer LaForce

1. Determination of a quorum – One third of shareholders, including proxies, are needed. We have 124 shareholders, therefore, 42 are needed for a majority. 45 are counted.
2. Introductions – Board directors and attending members introduced themselves.
3. Directors –Mike Miller, Fred Eggers and John Overstreet have been elected to another two year term. Director Sylvain Diochin is moving in the next few months and so we need another member to volunteer to serve as a volunteer. We will put this notice in our next billing.
4. Annual Operations Report and Long Range Needs for System Repair and Replacement
 - Item 1 Creek pump
Our uphill pump located in the pumping chamber at Laurel Creek has failed. This could take +/- 3 months for a replacement pump to be in place.
 - Item 2 San Jose Water Company Rate Change
Our credit from over charged by San Jose Water (SJW) is used up and we are again paying full rate amounts. Budget evaluation revealed that SJW charges significant accessory charges (ie: use fee, loan pass-on, uphill charges). Consequently, we adjusted the SJW assessment. Members will now see a \$9 charge for this assessment.
 - Item 3 Filter plant and pumping
The PGE 3-phase power in our neighborhood is often delivered 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 two problems:
 - 1) A secondary power protector turns the pumps off to protect them but the controls keep working trying to operate the system. After several attempts the system shuts down leaving the uphill system without pressure.
 - 2) OR on one occasion damage to our pump speed controllers occurred and we had to replace themWe have had the manufacturer out and he has made an adjustment to make it more sensitive to the imbalance allowing the generator to come on during these periods. Hopefully, this has resolved the issue.
 - Item 4 Uphill pumping safety
Our neighbor at the bottom of Treeview Trail expressed concern over our uphill pipeline (possible erosion if the pipe were to break). We agreed to install a flow sensor with an auto shutoff feature so this would not be an issue.

- Item 5 Tank condition
Our 50 plus year old water storage tank is aging quickly. The tank walls are showing signs of rust along the upper water line. We really need to find funds for replacement. We are trying to accrue reserve funds for this. Ballpart estimate is \$250,000. Discussion ensued among members regarding options.
- Item 6 Pipe condition
We are still repairing pipe leaks as they show up. We have reviewed several grant options, but it does not look like we qualify because of our average income levels.

5. Treasurer's Report and presentation of the 2016 Budget

6. Any Other Business - Attending members inquired about reserves, possible system expansion and how that could bring in funds, and ideas such as rain storage, reclaimed water and gray water use.

Member Greg Illes recommends a whole line shut off valve to other shareholders. This valve can be purchased from Flow Logic at about \$1500 and is very easy to install. It monitors usage so that if there is a leak and a member is not there to notice it, the water is automatically shut off. Mr. Illes estimates that it has saved as much as \$10k in water costs by catching leaks in his system when there was no one home.

There being no other business to discuss, the meeting was adjourned.