

New Avenue Mutual Water Company
Minutes of the Board of Director's Meeting
Held at the residence of Alan Heinzen
October 30, 2014
newavemutualwater.com

| Board Member | In Attendance? | Office # | Best # | Home/email # |
|----------------|----------------|--------------|--------------|--|
| Jim Armstrong | Yes | | 408-202-3509 | jarmstrong9508@gmail.com |
| Dave Biasotti | Yes | | 408-309-1726 | 408-848-5717 dbiasotti@verizon.net |
| Tim Burke | Yes | 408-924-7555 | 408-848-2022 | 408-310-9703 timandrose@earthlink.net |
| Joe Cardinalli | Yes | 408-847-6394 | 408-832-8902 | 408-847-6394 jmcardinalli@gmail.com |
| Mike DiPietro | Yes | 408-391-5094 | 408-391-5094 | 408-842-4499 mikedipietro@aol.com |
| Alan Heinzen | Yes | | 404-422-1548 | 408-848-2116 alan@heinzen.com |
| Jae Schwartz | Yes | | 408-892-2887 | 408-847-4919 jae1@aol.com |

The meeting was called to order at 7:06 p.m. by the president, Mike DiPietro.

1. President's Report: Mike DiPietro

Anonymous letter from a shareholder read and discussed.

2. Financial Summary: Jim Armstrong

Checking 31.8K

Chase MM 132.5K

Major upgrades and repairs are eroding cash in checking and MM. (See section 5)

Assessment or rate increase recommended.

3. Maintenance Report and Project Updates: Alan Heinzen

- Problems:
Overflow of lower Butch Drive tank causing erosion of road. Well 2 meter broken. Well 2 running in place of Well 3. Antenna system does not work properly.
- Overflow of Bridle Path tanks. Well 1 running without communication controls.
Recommendation: replace or upgrade water-level sensor/controls at Twin Tanks.
- **Board Discussion:** Electrical Power outage. During a power outage, water would only be available from storage tanks. Board discussed outage simulation test and generator availability.

4. From Steve Keen's and Alan Heinzen's Maintenance reports (September):

1. Search for leak at Duke Dr. Water hammer from Well 3. 9/4 Broken pipe Ann Curtis Lot, 6 a.m.
2. Chappell truck stuck in mud at Well 1
3. 9/9 No water @ Howell and Twin Tanks. Chappell replaces pump saver.
4. 9/18 Lower Butch Tank empty.
5. 9/21 Well 3 signal tripped.
6. **Water sold September** 83.3%

| Stats from S. Keens Sept. 2014 Maintenance Inspection | | | |
|---|-------------|-------------------|------------------------------|
| | Gpm average | Chlorine residual | Problems or Maint. performed |
| Well 1 | 195 | 0.3 mg/l | Well 1 upgrades |
| Well 2 | 180 | 0.4 mg/l | Needs meter/upgrade |
| Well 3 | 288-310 | 0.8 mg/l | 9/21 signal tripped |

5. Board Discussion:

1. Alan to be compensated for field time with credit on water bill.
2. Board agrees to fund budget for impending and delayed maintenance projects.
3. Increase in storage capacity to be next major project.
4. Projected maintenance projects and budget submitted. (numbers rounded; see below)

| Recommended and Pending Maintenance Projects | | | | | | Budget | Status |
|--|---|---|---|-------------------------------------|--|----------------|------------------|
| Well 1 | Expanded Well 1 enclosure added concrete pad. | Upgraded control panels w/support | New antennas installed. | New starter panel. | Ground to be leveled around well from drilling rig damage. | \$16.5K (paid) | almost done |
| Well 2 | Change radio antennas. | Pull pump to measure static water level and repair leaks. | Landscape PGE pole easement/well surround.Verify w Hurby & Dufur. | Base rock road that leads to Well 2 | | Budget \$15K | |
| Well 3 | Re-work controls, so Well 3 will run from W1 and W2 hardware | Test and calibrate. | | | | Budget \$5K | |
| Booster Pump to Howell Ln. | Clean up controls. | Concrete slab. | Install new level controls. | | | Budget \$4K | Test & calibrate |
| Butch Tanks | Road to upper Butch cleaned. | Replace or repair leaning pole. | | | | Budget \$1K | |
| UpperButch Rd Leak | Continual leak. tested positive for Chlorine. Locate leak and repair. Major road repair Outside contractor: Leak Detector | | | | | Budget \$9K | Priority |
| | Total Estimated Budget | | | | | 34K | |

6. Water rate review.

a. Discussion: Increase second tier water rate.

Dave's analysis indicated that 28 customers are in the 2nd tier.

An increase to \$2.50 (15.2% verify) could raise 17-20K in six-months.

b. Motion: Increase the second tier water charge to customers from \$2.17/unit to \$2.50/unit.

Rate increase effective March 1, 2015.

Motion passes unanimously.

| Present Water Rates two-tier | | March 1, 2015 Rates | |
|------------------------------|-------------|---------------------|-------------|
| 0-100 units | \$1.95/unit | 0-100 units | \$1.95/unit |
| 100+ units | \$2.17 | 100+ units | \$2.50/unit |

7. Landscaping Discussion:

- a. How and where does R. Hurby want the tress planted.
- b. Does the company or will K. Dufur landscape the well?

8. Secretary's Report: Tim Burke

- a. Insurance Review submitted. Looking at Alteris Insurance with lower rates.
- b. Heinzen Manufacturing bills being sent to PO Box. Should go to Helen.
- c. Google check: water main length is approx.. 6.62 miles.
- d. Recommed re-fencing Well 1 similar to Dufur site. Chappell Pump working outside of easement of Well 1.

9. Action Items

| Date | Who | Action | Status |
|----------------------|--------------|---|---|
| 6/08/09 to 6/20/13 | Dave | New and approved By-laws to be recorded | Approved. Investigate the process. |
| On-going | Jim/ Alan | Hydrant replacement/upgrade. Hydrant barriers. Upgrade non-shutoff valves on hydrants. Extra meters and/or gate valves needed. | Annual maintenance. Goal: 2 /year. |
| 10/17/13 5/29/14 | All | Review S. Keen's contract. Have maintenance check for leaks during inspections. Hire additional help. | In progress. |
| 10/30/20 | Maint | Leak upper Butch. Leak Detectors. Well upgrades. See Alan's Email above Estimate/budget costs. See above | I In progress. MM In progress. Meeting with Leak Detectorseetingn |
| 9/18/14 | ALL | AB54 dates of on-line training session. | Schedule dates for November classes |
| Sept. 14 10/30/20 | Chappell | Test water level all wells. Clean/inspect submersible pump at Well 1. Done | When Well 3 is completed. Levels tested quarterly. Well 2 water level tested. |

10. Parking Lot Items

| Date | Who | Action | Status |
|------------------------------------|-------|---|--|
| On-going 10/30/2014 | Maint | Rent emergency generators to power the well pumps and/or booster pumps. Rewire panels to allow for quick connect. Discussed 10/30/14. Simulate power failure. | New well will have appropriate generator connection. |
| On-going 12/11/08 10/30/2014 | Alan | Cost estimate for the installation of 100K tank. See 11/15/07 minutes. Next major project. | Feasibility, cost, engineering, permits. |
| On-going 3/04/10 | | Investigate the Great Oaks vs. SCVWD lawsuit. | Ongoing |
| 1/23/10 2/20/14 9/10/14 | Maint | Pipe corrosion from chlorine. Excess Cl2 in system? Check valve well 1 | Well 1 overhauled Sept. 2014. Review. |

11. Next Meeting

The next meeting is scheduled for Thursday, November 20, 2014.
To be held at the residence of Jae Schwartz.

12. Adjournment:

The President, Mike DiPietro, adjourned the meeting at 8:31 pm.

Minutes respectfully submitted by:
Timothy Burke
Secretary, Board of Directors
New Avenue Mutual Water Company

Cc: Joe for web site
H. Penn, Bookkeeping