

New Avenue Mutual Water Company

Board of Directors Meeting Minutes

May 27, 2021

Held virtually on Zoom,
Gilroy, CA

Board Members New Avenue Mutual Water Company (NAMWCO); Mike DiPietro, Joe Cardinalli, Alan Heinzen, Jae Schwartz, Jim Armstrong, Dave Biasotti.

All Board Members Present

Guests: None

Meeting called to order by Mike DiPietro 7:10 pm

1. Welcome by Mike, attendance recorded.
2. Review and approval of minutes for April 15, 2021.
Motion to approve made by Jae, seconded by Alan. Minutes approved.

3. Financial Report, Jim Armstrong.

Jim Reported: Chase Checking balance \$206,394. Chase Savings balance \$168,651.
(FYI Last Month: Chase Checking balance \$191,982. Chase Savings balance \$168,649).

4. Presidents Report General Discussion: Mike DiPietro.

Mike reported that SCVWD is going to raise their rates by 10% and announced a mandatory 25% water reduction for all users. Mike will include this notice in the next water bill regarding the mandatory 25% reduction. In regards to the 10% rate increase more information on our revenue and expense details are needed for the Board to make an informed decision. To track expense and income it was agreed that more details are needed. Jim will contact Jackie at Eglebrrry Tax Services to prepare for the Board a monthly income and expense report for the Board to determine if a future rate increase is warranted. This will become a monthly report to the Board. Rate increases may be a topic at the annual meeting.

Dave will also research and report out on Santa Clara Valley Water district well water rates. We believe the new rates come out in July and we are billed twice a year.

Update from Dave:

Here are SCVWD rates (acre ft);

- 2018/19 rate = \$450 went up 6.9% for 2019/2020 to \$481 eff July 1, 2019
- 2019/20 rates went down with the new zone restructuring of South Co; we are in modified Zone 5 where they split off additional zones to North of Morgan Hill (new Zone 7) and additional zone to west of Gilroy (new Zone 8)
2019/20 rate = \$467, down 2.9% from 2019, eff July 1, 2020
- 2020/21 rate = \$488, up 4.5% from 2020, eff July 1, 2021

So our rate went down last year/ currently and overall since July 2019 to newest increase this coming July is only 1.45% increase

The Annual Shareholders meeting was discussed, live or virtual. On June 15th. Governor Newsome will make announcement on COVID guidelines for face-to-face activities in California. General consensus is the state will open up for events and gatherings with some guidelines. The Board agreed to wait until after his announcement to make a decision for a face to face or virtual annual meeting. The date for the annual meeting is schedule for August 9, 2021, at Alan's house. Pending guidelines, we may only have a meeting with none of the annual food and drink.

5. Water Quality updates: Jae Schwartz.

No water quality concerns.

Jae reported that CRWA consultant Darin McCosker toured our system on April 20, 2021. Jae said the tour went well and that Darin was impressed with our electronic meters. We are waiting for official report from Darin. Magnesium levels were discussed. He recommended we continue to monitor levels, if the levels raise, he has recommendations he will provide for us.

Update from Jae:

Hi Darin,

We certainly enjoyed your visit, and all the useful discussions regarding our water system.

I know you are quite busy, but we had a board meeting today, and we were wondering if you were still planning to provide a report with some of the recommendations and comments that we discussed during your visit.

Please let us know either way, as we can always contact you regarding some of the important questions we discussed, such as increasing our storage capacity, backflow prevention, chlorination delivery devices, Mn sequestering strategies, etc. Thanks Darin, and hope you are well! Jae C. Schwartz

Electronic annual water report is still pending, Jae will be requesting information from Jim and Alan.

6. Water Levels: Dave Biasotti.

Levels are low. Andersen Dam is 10-year project. They will build a bypass channel as part of the project. The proposed dam off of Hwy 152 near Casa De Fruta is now over 2 billion dollars and years away.

7. Road Committee – On Hold: Dave Biasotti.

Action item on hold. Item to be discussed at general in person meeting to gather input from membership. Roads Committee item to be kept on agenda for future discussions.

8. Maintenance and Operations: Alan Heinzen.

Alan reported that there have been operating issues with Well #3. The well currently runs for short period of time and is unable to fill our storage tanks. He has Well #1 running to compensate to fill storage tanks and is concerned because Well #1 is in tax zone it will increase our water bill. Well #3 water level is 40' lower than last reported.

Action Item. Alan will continue to adjust Well #3 operating times for optimum usage.

Water Storage capacity is still an issue. Alan spoke to Roca's, at 2569 Butch, regarding the extra tank of her property. She will give the tank to the Water Company.

Action Item: Jae and Alan will inspect the tank interior, to determine if the tank is worth our time and expense to get it back into service or not, and report back to the Board.

After the tank inspection inside and the exterior, with discussions and recommendations, the Board will determine the next steps if we continue with the tank or abandon the idea. Joe brought up an idea can we hire company to take over the entire project, to engineer it, to clean, sandblast and restore the tank and pour pad and install. Up for future discussion.

Anderson's 10430 Duke, hydrant replacement is in progress. Chris has started work on it.

As we agreed, we will split cost of the hydrant because it met the criteria to be replaced or was one of the top five hydrants to be replaced.

9. Old Business: Joe recommended to hire Ciara Mullen to maintain Water Board Website. She is college students from Gilroy attending UC Davis, that works for Joe's wife and has the skills to maintain our site. She will update site for \$300 fee, and will maintain site monthly for \$50 a month; to add in minutes, agendas and other items we send her. She will begin June. Board agreed to hire Ciara.

Update: Joe made offer and Ciara accepted.

10. Next Zoom Board Meeting, June 24, 2021 @ 7 PM, Joe will send out Zoom invitation notice. Meeting adjourned at 8:30 pm. Minutes respectively submitted by Joe Cardinali Board Secretary.