

New Avenue Mutual Water Company

Board of Directors Meeting Minutes

Summary

February 23, 2023

DiPietro Residence,
Gilroy, CA

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

Board Members absent: None

Guests: None

1. Welcome - Meeting called to order by Mike DiPietro at 7:25 pm

Moment and toast to recognize passing of NAMWCO Board of Director Member Dave Biasotti was observed. His friendship, wit, knowledge and contributions to the Water Board and Rolling Hills Estates will be greatly missed.

Focus of tonight's meeting to discuss manganese contamination, the action plan, and current fee structure.

2. Review and Approval of Minutes for January 19, 2023 : Motion to approve minutes made by Alan and Second by Jim. Vote taken all in favor, minutes approved.

3. Financial Report, Jim Armstrong.

Jim reported the following information as of February 23, 2023: Chase Checking balance \$173,044. Chase Savings balance \$168,688.

(Last meeting/February Chase Checking balance \$278,266. Chase Savings balance \$168,688).

Discussion on bills, water usage concerns and past due accounts:

Large invoices were paid out this month: Well #3 Tax @ \$56,000, and Well #3 Refurbishing estimated \$40,000.

Raising Rates Discussion:

In depth discussion on the need to raise water user rates and/or the monthly lot fee due to higher than expected cost for Well #3 refurbishing and ongoing infrastructure cost. This is caused by damage due to weather and road erosion that effects NAMWCO water delivery system/pipes.

Current lot fee is \$58 per month. If we raise the fee by \$42 to \$100 per month x 105 NAMWCO shareholders, it would be the additional monthly increase of \$42 to each shareholder with an annual increase of \$52,920. Yearly total income, including the new lot fee would be \$100 per month x 105 shareholders = \$126,000 annually.

Motion was made by Alan to raise lot fee to \$100 per month, second by Jae. Motion to raise monthly fee to \$100, vote taken all in favor was approved. Mike will prepare an information letter to shareholders and include as an agenda item for the annual shareholders meeting. Annual shareholders meeting scheduled for June 14, 2023, 7pm at Alan's house.

Eigleberry Tax and Accounting service was discussed. There have been issues on correct monthly billings and past due accounts. Board to review and discuss Eigleberry service at a future meeting.

4. Presidents Report: The Board needs to fill Dave's position to continue on with his projects; Communications with shareholders and the development of an electronic/email contact list. Including Water District follow-up and monitoring, and ongoing water supplies and rates. We all should be thinking of someone who can fill-in until the elections in June. The Board has the authority to appoint a member to fill Dave's seat. Jim will talk to Carnes to see if he would be interested.
5. Manganese Action Plan Updates: Jae Schwartz.

Manganese updates and discussions. Water from Well #3 continues to be pumped out to clear the well contamination per our current plan. NAMWCO testing must be consistent. Steve Keene needs to test water once a week. Jae will be working on the annual electronic report and needs input from Board members. State is asking for an action plan from us. We can reclassify the Well as a stand-by source, or disconnect it. Board agreed to keep the Well in standby mode until manganese problem is resolved.

To address manganese issues options discussed were to dig another well or install a filter system that would require a certified Level 1 operator. This will be a monthly cost that needs to be researched and discussed. Hopefully the manganese contamination will be resolved.

Jae has meeting scheduled with Mike Sweitzer, Circuit Rider, California Rural Water Association for Well #3 consultation on March 8, at 1 pm at his house and at 11am another Zoom meeting with State Inspectors to discuss Well 3 findings. All Board members are invited to attend

6. Water Use, Rates and Water Levels: No updates at this time.

For better communication with NAMWCO members electronic contact and mailing list to be developed and updated.

7. Maintenance, Operations and Water use reading: Alan Heinzen.

Well #3 Status: The Well is running for 15 minutes per hour to drain off the manganese's. Steve and Alan are monitoring on regular basis. Continue discussion at next meeting until issues resolved and approved by the State.

Butch Drive Erosion: Discussed the water runoff due to the heavy rains and the erosion and damage to Butch Drive and shoulder of the road. NAMWCO will only repair erosion and road repair that negatively effects our water system, including areas around storage tanks.

7. Old Business: None

8. New Business: None

9. Next Board Meeting: Wednesday, March 22, 2023, @ 7 PM, at Alan's house, 2482 Howell Lane.

Meeting adjourned 9:09 pm. Minutes respectfully submitted by Joe Cardinalli, Board Secretary.