

NOTICE of the Cascadel Mutual Water Company
Annual Membership Meeting & Elections
10:00 AM, Saturday, June 22, 2019
CDC (Old Mill Site) Conference Room

PRELIMINARY ANNUAL REPORT TO THE MEMBERSHIP
Fiscal Year 2018-2019

In anticipation of the annual membership meeting the Board of Directors have prepared the following information for your review and response:

Firstly, the water company is financially sound and continues to operate within budgets including reserves as required by Federal and State guidelines. Last year's financial reports will be provided at the Annual Membership Meeting. Current financials and all future reports will also be available on the Company's Website. If you would like hard copies of any of these reports please notify the office.

The assessments for water service have remained unchanged since 2010. Due to efforts to improve efficiency and reduce spending we do not foresee a need to increase water rates.

There have been a number of changes to the corporation over this past year.

Security of the Water system has been a focus of the Board for this year. In the past the forest has hidden our system infrastructure from sight. With the loss of so many trees our tanks and well sites are more visible from nearby roads or passers by. In order to combat potential vandals signage identifying our equipment as part of a Public Water System has been posted. And soon nearly all major infrastructure will be enclosed in gated areas to prevent tampering.

During this year's winter season the cold took its toll on many residents exposed plumbing. Fortunately in our search for water loss there was no damage to the water distribution system. There were however many homes with burst lines due to freezing and thanks to the "little blue poles" next to meter boxes leaks were found quickly. When obscured by snow or other debris these blue poles provide a means for workers to quickly locate water meters, assess leaks and stop the loss of water until repairs can be made. They worked perfectly. If your blue marker is missing from your box please let us know so it can be replaced before the next winter season.

As always the water delivered to our members is monitored and tested on a schedule set forth by the County Environmental Health Division. This monitoring is performed to ensure the water is meeting State and Federal standards. Any time the community's spring is used to augment our water reserves it is required by the State to be treated with chlorine Those levels are monitored daily on site while in use. The spring is not currently being utilized. All other water quality testing is performed at State approved Laboratories. The water quality testing is summarized each year in the Consumer Confidence Report. This report is available online at the California State Water Resources Control Board and the Cascadel Mutual Water Company websites.

Please find enclosed a new Membership Certificate. Due to changes in ownership and to ensure all records are up to date the Board has reissued all membership certificates to reflect the current property owner(s). All prior Membership Certificates are now void and may be destroyed (if you have one). These certificates only validate the current owner of the membership. By law memberships transfer with ownership of the property to which they are assigned.

Grant Status: As with all things to do with the Federal government we are still waiting on funding of the grants to replace three tanks and drill a new well. We will update as information becomes available.

The biggest change to the Water Company is road maintenance. In September of 2018 the membership approved to accept the responsibility of road maintenance and to assess all property owners required to share in this expense on behalf the membership. This approach, although opposed by a few has proved to be hugely successful. To date all water members are current with their share of road fees and of the 28 non water members who are obligated to share in the expense of road maintenance, all but two have paid in full for last year.

As of the end of the fiscal year and after paying for many road repairs during this year the Road Checking account balance is \$xxxx.xx . Estimates for future road repairs have been received for thirteen identified areas, totaling over \$25,000. At the current rate it will be October 2019 before there are enough funds to cover these expenses. These estimates do not include repairs to the weir (low water crossing) or provide reserves for emergency repairs.

On May 1st, the beginning of the new fiscal year, there was a change to the monthly rate of road assessments. Recall that after the transfer of road maintenance last year's assessments were prorated (at the rate of \$100 per unit) based on a shortened year. This was due to the offset of fiscal years between the CWPOA and the Water Co. and they were billed over just eight months. This year's rates continue the historical rate of \$100 per unit over a twelve month billing. Remember road assessment are charged at the rate of: one unit, for each lot and/or residence, or multiples thereof.

The Board of Directors is currently working with legal council to provide for a separate class of membership for those who pay road fees but are not eligible to be Water Co. Members. This new class of membership will allow non members to vote on road related issues only and may also include a special position on the board for someone to represent their interests.