

Chemeketa Park Mutual Water Company

P.O. Box 588, Redwood Estates, CA 95044-0588

NOTICE OF THE CHEMEKETA PARK ANNUAL MEETING with proposed rate changes to be held on June 3, 2018

Notice is hereby given that the Annual Meeting of the Chemeketa Park Mutual Water Company will be held on Sunday, June 3, 2018 at 1:00 pm at the Clubhouse. Members must be in good standing either to vote or to assign a proxy. Signed proxies may be presented to the Board Secretary at the meeting or beforehand.

For this meeting there are two ballot measures to consider.

FIRST PROPOSAL – Increase monthly assessment by \$15

Currently, each member pays a monthly assessment of \$159 per connection. This includes a base monthly rate of \$130 and temporary monthly assessments of \$29 that expire in March 2020. At the Annual Meeting, the Board of Directors asks the membership to consider an increase of \$15 to the base rate.

This would result in a monthly assessment of \$174 until March 2020, at which point the monthly assessment would return to the base monthly rate of \$145. It is estimated that this will result in \$27,630 of additional annual revenue.

The cost of maintenance and capital improvements has increased over the years and it's difficult to make progress on repairs. Once we've budgeted for normal operations and paid for emergency repairs, there isn't enough left over for maintenance. The increased assessment would be used for these types of projects:

- Increase the amount contributed each year to the roads fund. The cost of this year's road resurfacing and fixes is \$75,000, where five years ago it was \$39,200.
- Make progress on valve replacements in the distribution system and have regular leak detection. Some of our valves are 60 years old and are difficult to open and close.
- Move faster on refurbishing the upper tanks – liners, painting, roof repair, etc.
- Start saving for larger projects - new storage tank, repairing the bridge on Apache Trail, etc.

If this proposal is not approved, then repairs will continue with the lower budget. We will only be able to work on the highest priority projects and it will take years longer.

SECOND PROPOSAL – Create water system improvements fund

At the annual meeting in 2012, the membership voted to create a special fund for the purpose of increasing water storage capacity. The current balance is \$151,010 and these funds are dedicated to the construction of a new water storage tank at the park's lower entrance.

The Board proposal is to change this special fund to apply more generally to water system improvements and not only for the water storage tank project. This would allow us to move forward on other, higher priority projects.

- Main pump replacement
- Short well engineering and planning

An additional tank is still part of the longer-term plan, so funding for this project will be addressed at a future date.