

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 July 19, 2020

Notice is hereby given that the Annual Meeting of the Chemeketa Park Mutual Water Company will be held on Sunday, July 19, 2020 at 1:00 pm outside of 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 proposals to consider.

This meeting was original scheduled for June 7th, but postponed due to the COVID-19 public health emergency. This annual meeting will follow orders and guidelines from the Santa Clara County Department of Health to protect public health. It will be held outdoors and require masks and social distancing. There will also be an option to view the Board's presentation via a Zoom videoconference, but proxies and voting ballots must be submitted at the clubhouse.

Further details will be posted on the company's website at <https://chemeketapark.org>. Also, please consider subscribing to the email list at <https://chemeketapark.org/subscribe/>.

FIRST PROPOSAL – Set the base monthly assessment at \$165 per connection

Currently, each member pays a monthly assessment of \$174 per connection. This includes a base monthly rate of \$145 and temporary monthly assessments of \$29 that expire in April 2020.

At the Annual Meeting, the Board of Directors asks the membership to consider increasing the base monthly rate to \$165 per connection. It is estimated that this will result in \$36,744 of additional annual revenue.

The cost of maintenance and capital improvements has increased over the years and it's difficult to make significant progress on repairs. There have been improvements in certain areas, but there is still a backlog of deferred maintenance. The increased assessment would be used for these types of projects:

- More 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 a lower budget. We will only be able to work on the highest priority projects and it will take years longer.

SECOND PROPOSAL – Update to Bylaws regarding annual meeting

The Board recommends updating Section 3.1 which defines the date and time of the annual meeting. In order to make it clear that the Board has the flexibility to reschedule the annual meeting in the case of a natural disaster or other unexpected circumstances, it is recommended that the language "shall be held" in this section be replaced with "shall normally be held".

The Annual Meeting of Members shall **normally** be held on the first Sunday in June of each year, beginning at 1:00 p.m.