

IN THE FLOW

Newsletter of the San Andreas Mutual Water Company -- June - 2023

To contact Owen Sharp, our manager, call 831-728-3850 and leave a message

President's Message

By Jay Zucca, SAMWAC Board President

Dear SAMWAC Shareholders and Water Users:

Our annual meeting this year was a success. It was well attended and people seemed to like the SAMWAC-branded swag--pens, water bottles, and notepads. There are more of these items available if you were unable to attend the meeting and would like to get some. Please contact me at samwacwater@gmail.com and we can arrange to get those items to you. In addition to an opportunity to meet your neighbors and learn about what's going on in the water company, we had an election. Owen Sharp, Carrie Widenboer, and myself were re-elected to two-year terms. Thank you for placing your faith in us.

I have been writing in these pages about expected new regulations coming from the State of California. At the time of this writing, the State is expected to release its new maximum concentration level (MCL) for Chromium-6 in the next few days. As I have noted before, we expect to be out of compliance with the new MCL. Our understanding is that we will have four years to come into compliance. It is unclear at this stage what the cost will be to come into compliance. The Board believes that our water is safe for drinking now and after the new MCL is released. Whatever the cost is to come into compliance, it will almost certainly raise our water rates. We are working with the CalMutuals organization to meet with our local legislative leaders to inform them of our concerns. The release of the new MCL will start the conversation. You can help this process. The Board needs to know your thoughts on this issue. Please watch this space for ways to get involved.

Best regards,

Jay Zucca President, SAMWAC Board of Directors

Financial Report

Paul Lego, Treasurer, pglego@gmail.com

Financial Performance Through May 31st, 2023

For the first five months of 2023, your water company had revenues of about \$53,900, which were about 10% lower than the same period last year. Lower revenues were probably due to lower water use given our wet winter. Overall expenses during the same period were about \$56,900 or about \$6,500 higher than last year. Higher expenses were mainly due to more maintenance and major leak repairs. Your water company had a net operating loss of about \$3,000 for Jan-May of 2023. There were no new connection fees so far in 2023, but we did have almost \$7,500 in interest income from the investment of our reserve funds in CD's at Charles Schwab. We are keeping a close eye on revenues vs operating expenses for 2023, and, if the negative trend does not substantially reverse, we will need to consider a rate increase to prevent us from continuing to lose money.

As of May 31st, 2023, your water company had a total of \$408,808 in its bank accounts including \$26,006 in its Wells Fargo Checking account and \$382,803 in its Schwab Reserve Account. The Schwab Reserve account is primarily invested in Certificates of Deposit (CD's) with a 6-24 month time to maturity and bearing 4-5% in annual interest.

CPA Financial Review and 2022 Tax Return Completed

We recently completed our 2nd ever Certified Public Accountant (CPA) annual financial review (per California requirements) with Egan & Egan, CPAs. Our CPA firm again found that our financials meet Generally Accepted Accounting Principles (GAAP) with no material modifications necessary. We also completed our 2022 Federal and CA tax filings.

Updated Payment Options — Zelle and Venmo

We are continuing our trend of having more customers pay via Zelle than the previous period. We hope for even more payments via Zelle this coming period as people become familiar with the payment option. For us, it eliminates the work of having to deal with paper and its transport. It seems to be easier for our customers also!

If you wish to try Zelle, use our company email (samwacwater@gmail.com) to find the company account. If you wish to just test it out, transfer an amount equal to your account number in cents and we will let you know if it went through (or email Owen if you need further help).

We have also had customers successfully send us payment via Venmo. Please contact Owen if you would like to use this payment method.

No matter what form of payment you use, **PLEASE include your account number** on any transaction, Zelle or paper checks, so the correct account can be credited.

System Report

Owen Sharp, oz_@sbcglobal.net, 831-728-0426

Emailing Water Bills

Several customers have requested that I email them their water bills, often because of the poor service we are getting from the Post Office. Historically, this has been a pain since I had to individually extract the bill files by hand. I have recently crafted a software script to do this work, so it is easier. If anyone would like their bill to be emailed to them, please let me know. The email message will be the bill and newsletter. If you do not want the paper bill in addition, please let me know so the paper and postage are not wasted.

Major System Fixing

There was a successful, last minute, effort that got Well-2 reassembled. Since we have to do a careful flushing before we lock up the packer and do tests, I have no results to report at this time.

As a reminder, Well-2 has not been contributing to our water supply for a couple of years because of high nitrate content. We decided to try a procedure where we place a block around the well pipe that seals the space between it and the casing pipe. This was placed about 50 feet below the water line in an effort to "seal off" the upper part of the water column and only draw water from the lower depths. We hope there is less nitrates in the later down lower.

Distribution System Water Quality

"Distribution System Water," that is, the water that comes out of your tap, comes from blending the controlled production of two of our three wells. We are currently NOT using water from Well-2. To provide an ongoing source of quality drinking water, monthly water quality samples are drawn and tested from throughout our community system. This is how we ensure you continue to enjoy safe and pleasant tasting drinking water. Following are recent test results:

Bacteriological Examination

May 2023	Coliforms: Absent	E.coli: Absent	Jun 2023	Coliforms: Absent	E.coli: Absent
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General Physical (GP) Examination at Delivery Point

	pH	Nitrate (as N)	Turbidity	Color	Odor
May 2023	7.2	7.2	0.15	4	<1
Jun 2023	7.4	7.2	ND	ND	<1

The County/State have changed our source reporting requirements from Quarterly to Yearly due to the stability of our sources. However, we are testing nitrates monthly on all wells. We do not use water from Well-2, but we monitor it. Well-2 went off-line in Feb-2023.

General Physical (GP) of Each Source (2023)

2023	pH	Nitrate (Jan)	Nitrate (Feb)	Turbidity	Color	Odor
Well-1	7.5	5.7	5.8	0.7	none	1
Well-2	N/A	N/A	N/A	2.2	3	2
Well-3	7.4	6.1	7.6	0.15	none	<1

Conservation Report

We are starting this familiar chart fresh in the new year. The reference year for conservation is 2020. Last year we did better than the goal in less than half of the months of the year. This year will have an unusual start because of all the rain. We start off Jan/Feb equal to the Goal and in Mar/Apr we were well under the Goal.

The goal, set by the State during the current drought, is "15% reduction of 2020 usage," which is the **Goal** "diamond" line. Our **Actual** from last year are the pyramid points. This year, our **Actual** usage points are the large circles. While the State says the "drought is over", I bet it is back very soon. Please note that our conservation efforts are showing very well. Much better than last year at this time.

Please examine your individual usage charts and see how you compare to last year. We should be able to make it this year.

Conservation Goals

