

THE TRUJILLO WATER COMPANY
DIRECTORS ORGANIZATIONAL MEETING

JUNE 12, 2017

AGENDA

1. Call to Order – President
2. Approval of Minutes of May 23, 2016
3. Election of Officer -
 - a. Vice President
4. Motion to appoint Andrew Walcker as Vice President – President Austin
5. Trujillo Water Company Infrastructure Overview – Todd Jorgenson
6. Irrigation Pipeline Assessment
7. Financial Report by Assistant Secretary-Treasurer
8. Levy of Assessment for 2017 – General Manager recommends \$4.05 per share
9. Other Business
10. Adjournment

MINUTES OF REGULAR MEETING
BOARD OF DIRECTORS
THE TRUJILLO WATER COMPANY
RIVERSIDE, CALIFORNIA
May 23, 2016

The Board of Directors of THE TRUJILLO WATER COMPANY met in a regular session at 6:43 P.M. on Monday, May 23 2016, at 3900 Main Street, Riverside, CA, in the Riverside City Hall Council Chambers.

PRESENT: Directors: Darrell Ament, Dave Austin, Ron Cole, Sarah Garner, Mary Hamilton, Jennifer O'Farrell, David Crohn, Justin Scott-Coe, Andrew Walcker

Also present General Manager, Todd Jorgenson

MINUTES – 2015 ORGANIZATIONAL MEETING

MOVED by Director Scott-Coe second by Director Cole and unanimously carried that the Board dispense with the reading of the minutes of the last REGULAR MEETING held on April 17, 2015, and accept them as presented.

UNANIMOUSLY CARRIED

BOARD OF DIRECTORS - ELECTION OF OFFICERS, PRESIDENT, VICE PRESIDENT AND SECRETARY/TREASURER

The following nominations and votes were taken to elect officers for 2016:

Dave Austin – President ----- Motion, Justin Scott-Coe, second, Ron Cole
Justin Scott-Coe – Vice-President ----- Motion, David Austin, second, Ron Cole
Sarah Garner – Secretary/Treasurer----- Motion, Justin Scott-Coe, second, Ron Cole

By a unanimous vote, the officers confirmed for the 2016 Trujillo Water Company calendar year are:

Dave Austin – President
Justin Scott-Coe – Vice-President
Sarah Garner – Secretary-Treasurer

TRUJILLO WATER COMPANY INFRASTRUCTURE OVERVIEW

MOVED by Director Scott-Coe second by Director Cole

FINANCIAL REPORT

The General Manager reviewed with the Board the financial position of the Corporation as of December 31, 2015 and the cash flow requirements through May 23, 2016. He referred the Board to the Corporation's Balance Sheet and Statement of Income and Expenses through December 31, 2015.

After the General Manager reviewed the 2014 Financial Report, the Report was received and filed.

LEVY OF ASSESSMENT FOR 2016

MOVED by Director Scott-Coe, second by Director Walcker and unanimously carried that an Assessment charge of \$4.00 be levied upon the shares of the Corporation, payable to the General Manager at 3750 University Ave., Riverside, CA.

UNANIMOUSLY CARRIED

OTHER BUSINESS

None

ADJOURNMENT

There being no further business to come before the Board, it was MOVED by Director Garner, second by Director Austin that the 2016 Board of Director's meeting was adjourned at 6:49 P.M..



Todd L. Jorgenson, General Manager - Assistant Secretary/Treasurer

THE TRUJILLO WATER COMPANY
TRUJILLO IRRIGATION PIPELINE ASSESSMENT
JUNE 12, 2017

BACKGROUND:

The Trujillo Ditch was originally developed as a diversion from the Santa Ana River to provide water to the Spanishtown settlement. In 1874, construction of the Lower Riverside Canal by the Riverside Water Company (RWC) interfered with the Trujillo Ditch. The Trujillo Ditch owners settled with RWC allowing for the construction of the canal and delivery of water to the Trujillo Ditch.

Other significant events include:

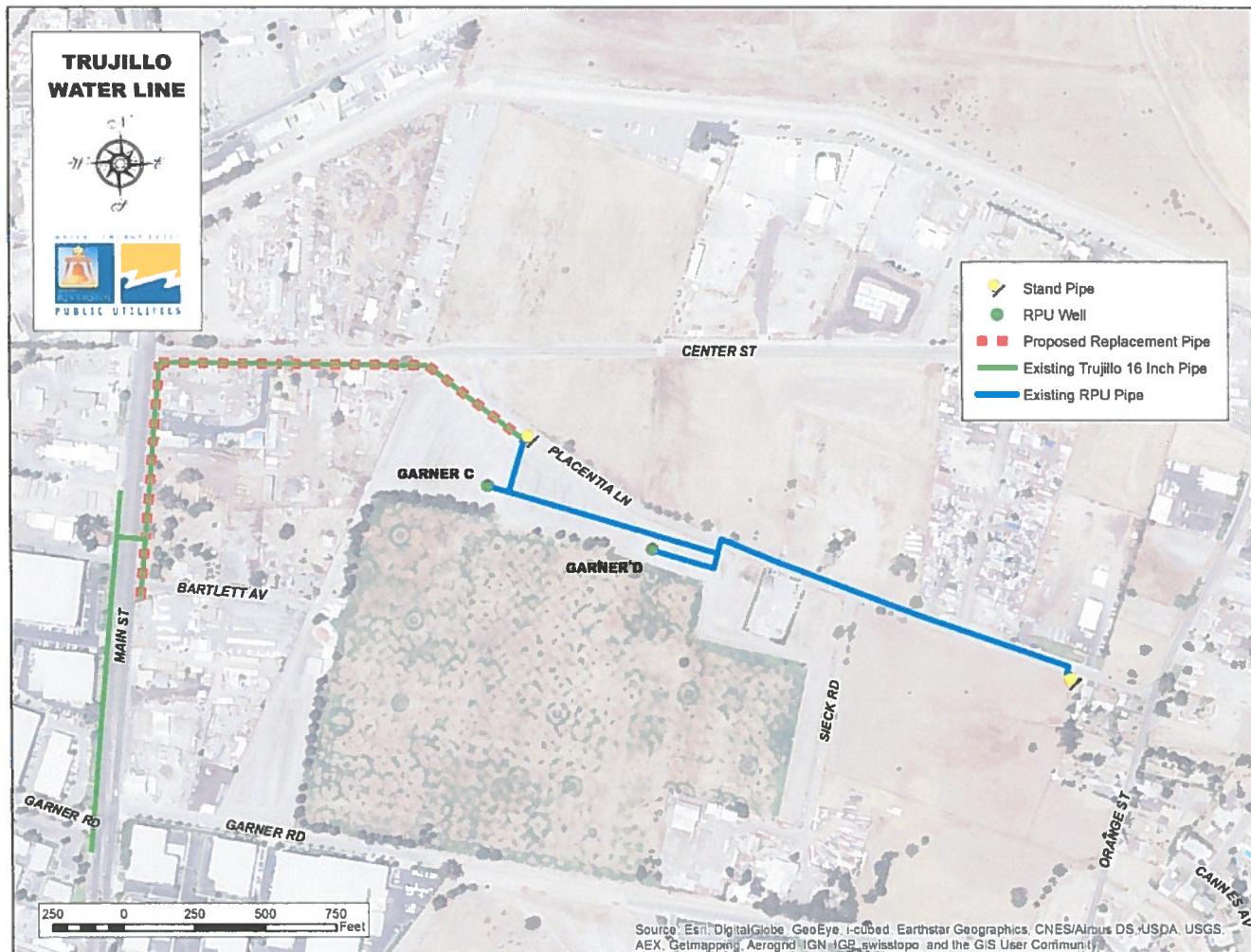
- 1884 courts decreed that the Trujillo Ditch was entitled to a continuous 100 miner's-inch flow (900 gpm).
- 1910 the Trujillo Water Company (Trujillo) formed.
- 1913 the RWC abandoned the Lower Riverside Canal. RWC established a pipeline from the Upper Riverside Canal to deliver water to Trujillo.
- 1959 the City of Riverside (City) condemned the RWC.

Eventually, the City transferred the water supply from canal water to groundwater wells (Garner C and Garner D) located within the Ab Brown Sports Complex. Requested, irrigation deliveries are made to shareholders at two standpipes located on Placentia Lane; the first one is located at the entrance to the north parking lot of the Ab Brown Sports Complex, and the second one is located next to 3610 Placentia Lane. Please see the attached photos. Deliveries are done bi-weekly for 2-hour intervals at a flow rate of 900 gpm. In recent years, Trujillo has only taken water from the first standpipe (parking lot entrance). A 16-inch pipeline conveyed water from that standpipe to customers along Placentia Lane and Main Street (see attached map).

Over time, the 16-inch pipeline leaked in several locations. The City repaired these leaks and was reimbursed by Trujillo for the costs. In May of 2013, the City ceased delivering water to Trujillo as the 16-inch pipeline located along Placentia Lane and Main Street deteriorated to a condition beyond repair. That same year, the City determined that the cost to replace a portion of the pipeline was \$233,300. In 2014, the City assessed the pipeline by means of a camera survey. The camera could only reach a portion of the pipeline due to debris build-up within the pipeline. The camera survey visually confirmed multiple cracks, deficiencies, and debris. Please see the attached photos.

Figure 1. Trujillo Irrigation Line

Figure 1. Trujillo Irrigation Line



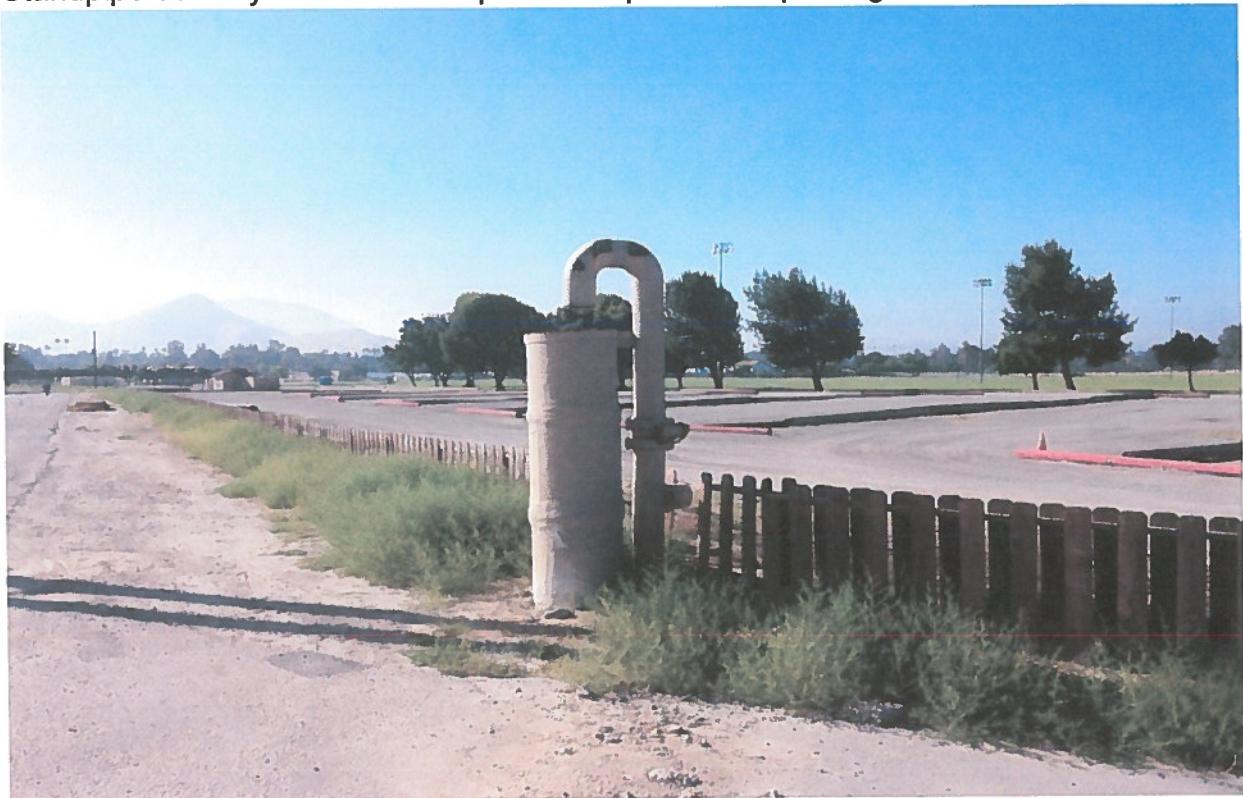
FISCAL IMPACT:

There is no fiscal impact associated with this report.

Prepared by: Todd Jorgenson, General Manager / Secretary

Attachment: Select images of the stand pipes and pipeline assessment

Standpipe delivery at Ab Brown Sports Complex North parking area



Standpipe delivery at 3610 Placentia Lane



MH:3700 PLACENTIA LN TO MH:END
PLACENTIA LN. D/STREAM
EST: (°)

16
DIP
MAP®

0015.5° 07/01/14 9:09 am

MH:3700 PLACENTIA LN TO MH:END
PLACENTIA LN. D/STREAM

19.6 FEET

DSC(Deposits Settled Compacted)

06 0'CLOCK TO 0'CLOCK

010%

CONTINOUS DEFECT NUMBER:

REMARKS:

16 DIP MAP®

0019.6° 07/01/14 9:17 am

MH:3700 PLACENTIA LN TO MH:END
PLACENTIA LN. D/STREAM

57.2 FEET
CM(Crack Multiple)
09 0'CLOCK TO 03 0'CLOCK
%
CONTINOUS DEFECT NUMBER:
REMARKS:

16 DIP MAP#

0057.2° 07/01/14 9:20 am

MH:3700 PLACENTIA LN TO MH:END
PLACENTIA LN. D/STREAM
EST:()

16
DIP
MAP#

0057.4° 07/01/14 9:20 am

THE TRUJILLO WATER COMPANY

Balance Sheet

January 1 - December 31, 2016

ASSETS

Cash in Bank - Bank of America – December 2016	\$ 14,242.96
Water System Plant	\$ 10,134.55
LESS: Accumulated Depreciation	<u>\$ (10,134.55)</u>
	0.00
	<u>\$ 14,242.96</u>

LIABILITIES AND CAPITAL

Capital Stock \$10 par value; Authorized and issued 211.55	
Shares, of which 8.4 shares are in treasury	\$ 2,115.50
Retained Earnings	<u>\$12,127.46</u>
	<u>\$14,242.96</u>

TOTAL LIABILITIES AND CAPITAL

\$14,242.96

STATEMENT OF INCOME AND EXPENSES

Cash Basis

January 1 - December 31, 2016

INCOME

Assessments Levied For Calendar Year 2016	\$ 822.75
Total income	<u>\$ 822.75</u>

EXPENSES

Estimated Franchise Tax Board - Year 2016	\$ 800.00
Total Expenses	<u>\$ 800.00</u>

NET INCOME	\$ 22.75
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CASH STATEMENT - 2016

Cash in Bank - January 2016	\$ 14,230.36
ADD: Deposits during calendar year 2016	\$ 812.60
	<u>\$ 15,042.96</u>
LESS: Expenses during calendar year 2016	<u>\$ 800.00</u>
BALANCE IN BANK DECEMBER 31, 2016	<u>\$ 14,242.96</u>

PROPOSED ASSESSMENT FOR 2017

Balance In Bank (December 31, 2016) \$14,242.96

Estimated Expenses:

STATE FRANCHISE TAX
(2016 ESTIMATED TAX) \$ 800.00

ESTIMATED EXPENSES FOR 2017 \$ 800.00

To Maintain Current Balance:

\$800 ÷ 203.15 Shares = \$4.05 per share

2017 Assessment - \$4.05 per share