



## Proactive Management for Cost-Savings and Quality

*While Cal Domestic’s water rights are over 100 years-old, our pipelines and pumps are new and state-of-the-art. With virtually the entire water system rebuilt or replaced in recent years, the operations focus is on proactive management of the Company’s water distribution and treatment facilities to lower long-term costs and improve supply reliability.*

### Cal Domestic’s Highly Trained Staff Are Essential for Optimum Water Operations

Cal Domestic operates and maintains three primary treatment facilities to ensure that the water supplied to shareholders meets or exceeds all water quality regulations and standards. Those facilities include an Air Stripper Treatment Facility, an Ion Exchange Treatment Facility, and an Ultraviolet (UV) Light Treatment Facility. Each of these treatment facilities utilizes various technologies to treat groundwater supplies to meet safe drinking water standards, and all require planned and scheduled maintenance activities to ensure effective operation.

**Certified Operators.** The State mandates various levels of training, experience, and certification for operators of differing water facilities. Cal Domestic’s system is rated at the highest level of complexity—requiring a Grade 5 certification for the treatment system and a Grade 4 certification for the distribution system. Che Venegas, the Company’s Director of Water Operations, is certified as a Grade 5 operator in both treatment and distribution—one of only about 70 people in California with this dual top-level certification. Che’s expertise, and that of his highly trained operations staff, ensures that Cal Domestic’s treatment facilities are maintained to the highest standards of efficiency and reliability.

#### Cal Domestic’s Team of Certified Operators

T= Treatment                      D = Distribution  
The highest certification available is 5.

|                       |           |           |
|-----------------------|-----------|-----------|
| <b>Adrian Woodard</b> | <b>T4</b> | <b>D5</b> |
| <b>Joe Kipp</b>       | <b>T4</b> | <b>D5</b> |
| <b>Dino Trujillo</b>  | <b>T2</b> | <b>D3</b> |
| <b>Daniel West</b>    | <b>T2</b> | <b>D2</b> |

**Continuing Education.** Cal Domestic encourages and funds continuing education for staff to meet renewal requirements, earn higher certifications, and remain up to date about the latest industry trends and technologies.

**Cross-Training.** All operators are fully cross trained in water production and pump maintenance, water treatment facilities and equipment maintenance, water quality sampling and monitoring, and water distribution and valve maintenance. In addition, operators regularly rotate through all parts of Cal Domestic’s water system to ensure they thoroughly understand the intricacies of maintaining these complex facilities. This cross-training builds knowledge and confidence among the operators and assures more broad experience, coverage, and scheduling flexibility. This allows a small, highly trained staff to efficiently and safely maintain complex facilities, lowering overall staffing costs and improving quality.

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*In recent years, nearly all Company facilities were rebuilt. Cal Domestic has virtually no debt, and its water rates are currently about 60% less than imported water costs.*

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## Proactive Maintenance Is Current Focus of Operations



*Dino Trujillo and Daniel West working on a pressure reducing valve.*

**Meter Testing Helps Prevent Water Losses.** Annual meter testing is an integral part of the Company's preventive maintenance program. This helps the Company spot water losses and ensure its sales to shareholders are accurately tallied. It also helps shareholders tighten up their own systems as required by the State. Cal Domestic's system registers within 1% of expected numbers, showing no leaks. This also demonstrates how well the meters are maintained, since up to a 5% discrepancy is considered standard.

**Vibration and Heat Analysis Improves Efficiency.** Each year, the Company conducts vibration and heat analysis of system motors to ensure they are well balanced. This regular preventive maintenance improves efficiency and extends the life of windings, bearings, and the motor in general.

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**Well 2 Replacement Reduces Liability on a Critical Facility.** Well 2, drilled in 1964, has little or none of the contaminants found in the Company's other wells and is therefore critical for water quality; water from Well 2 is blended with treated water to meet water quality requirements. During a recent rehabilitation process, staff discovered that part of the casing was weak and could eventually collapse. It can take years to plan, permit, and drill a well and put it into operation, and Well 2 must be available—especially in summer. So the Company replaced it. The project completed drilling, construction, and development in 2018–19 and is expected to be operational in the current year.

**In-House Maintenance Saves Money and Improves Quality.** Over time, the Company has been systematically expanding training and capabilities to undertake maintenance on the sophisticated treatment technologies it operates. Each task that staff takes on in-house saves time, decreases failures, and eliminates a costly agreement with a specialized contractor. Our certified operators conduct and supervise annual predictive maintenance, seeking to identify failures before they happen and ensure maximum reliability and cost-effectiveness.