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# SQUAW VALLEY MUTUAL WATER COMPANY

## Minutes

Board of Directors Meeting  
Public Service Administration Building  
9:00 AM Sunday, May 27, 2007

### **1 - Call to order**

The meeting came to order at 9:09 AM, President Bruce McCubbrey presiding, Director Les Wilson secretary.

### **2 - Roll Call**

Directors Present: Alisa Adriani, Terry Deveau, Margot Garcia, Bruce McCubbrey, Les Wilson

Directors Absent: John Chisholm, Liz Day

Staff Present: General Manager Les Wilson, Office Manager Cory Giese

Staff Absent: Operations Manager Randy Dresselhaus

Members Present: Ken Baber, Dave Brew, J. D. Garcia, Athena Garcia, Russell Poulsen, Cecille Weaver, Harold Weaver, Beverly Wilson

Guests Present: Carl Gustavson, Pam Rocca

President McCubbrey noted that a quorum was present.

### **3 - Approval of minutes of February 17, 2007.**

There being no objection, the minutes of the February 17, 2007, board meeting were approved as submitted.

### **4 - Treasurer's Report (Day)**

Treasurer Day was not present. Office Manager Cory Giese gave the financial report. Cory distributed a Statement of Profit and Loss for the period of July 1, 2006 through May 27, 2007. Cory discussed the major items on the statement, noting that 87% of the capital assessment payments had come in. As of June 30 the payoff amount for the DWR note would be approximately \$128,000.00. After that interest would accrue at approximately \$25.00 per day. Cory noted additional funds might be needed to pay on that day.

MOTION Garcia, SECONDED Deveau,: That the note be paid of June 30 using operating funds as necessary. Discussion followed. A modification to pay off on June 1 was made and accepted by Garcia and Deveau. The revised motion was carried unanimously.

Wilson noted that the \$50,000.00 line of credit with Bank of the West was still in position and did not need to be renewed annually, suggesting that he would retain this line of credit absent objection.

**5 - Legal Report**

Wilson reported that there were legal issues to be discussed. An executive session was scheduled.

**6 - Report of General Manager (Wilson)**

Wilson reviewed the general manager's report that is available on the web site.

**Regulatory Response**

**Resort at Squaw Creek**

Wilson noted that letters of response to the Notice of Preparation of a Supplementary EIR for Resort Phase II had been submitted both to the District and Placer County.

**Moratorium on New Connections**

Wilson noted that the Resolution for a Moratorium on New Water Connections had passed.

**Water System**

**Apache Court Sandy Way 6" Water Main Installation**

Wilson noted that the pipe replacement was complete along Apache Court and then east along Sandy Way to Navajo Court, but that new pipe had been found in the section of Sandy Way from Apache Court west and south to Washoe, that he did not plan to replace this pipe, saving money that could be allocated to replacing pipe along the Sandy backline above Wayne Road.

**Sandy Backline Replacement**

Wilson described the pipe to be replaced along the Sandy backline. He pointed out that exact location and extent of the pipe was not known, and that a "per unit" contract was being worked out with Ed Svendsen. He said when the contract was prepared he would submit it to the board via email.

**Financing**

Wilson reviewed the Plumas Bank loans. He estimated about \$20,000 is still owed Ed Svendson. He noted repayment of the DWR note would add about \$20,000 to operating capital, the sum of the two annual payments, and moved a dues increase of 10% to provide additional funding of \$30,000 for the Sandy Backline project. He noted there had been no dues increase for at least ten years, the extent of the computer records. There was no second for the motion.

It was suggested the cash flow model be completed and comparisons made with the fees of other small water companies in the area.

Wilson noted this would delay any dues increase into next year.

Margot Garcia felt that, even though there had been a number of articles in the newsletter about a dues increase, the membership was still in need of more justification.

It was felt discussion was needed at the Annual Meeting.

Alisa Adriani felt a long term plan to show the members was essential.

Discussion followed.

**Cash Flow Model**

Wilson noted work was being done on the cash flow model. Margot Garcia agreed to help.

**7 - Report of Operations Manager (Dresselhaus)**

Operations Manager Randy Dresselhouse was not present. Wilson reported on a number of points.

**Water Hammer**

The pressure reducing "Cla Valve" intended to reduce water hammer had been installed. Apparently it works quite well. When the pump starts, the valve prevents the shock from being transmitted into the system. However, there is a shock against the valve itself. Wilson suggested installing an air tank to cushion this shock. Randy thinks a Cla-Valve should be installed on well #2.

MOVED, SECONDED, and PASSED unanimously: that a Cla-Valve be installed on well #2.

**Water Quality**

Alisa Adriani asked for information on water quality in the Mutual system. She noted the question had come up in the property owner's annual meeting. She wanted to know how Mutual water quality compared with that of the Public Service District.

Wilson discussed the quality of the water from the hillside wells versus the quality of water from the valley wells. The water from the hillside well is of very high quality and of neutral Ph (acidity). The water from the valley wells tends to be of higher acidity and may contain traces of iron and manganese due to cumulative time in the aquifer. The Mutual treats the water from the valley wells with caustic soda to reduce the acidity and prevent etching of faucets in older homes and consequent exceedances in lead and copper.

*End of Tape #1 Side A*  
*Start Tape #1 Side B*

Margot described the very strict water quality standards enforced by the Department of Public Health including the primary and secondary standards.

She explained that tests for coliform are relatively easy to perform, that positive tests do not indicate a threat to human health, but rather an indication of a breach of integrity of the water system, and therefore are of concern as an indication of the possibility of other more serious forms of contamination.

She further discussed contamination problems now occurring in the east, where for the first time contaminants from drugs and other human uses are appearing in the water supply. Contaminants from birth control pills are apparently affecting the sex ratios of fish.

She noted Mutual water is similar to that of the Public Service District or perhaps somewhat better as more of it comes from hillside wells as opposed to valley wells.

She further noted the elaborate testing program enforced by the state for all drinking water.

**Leak on Christy Lane**

Wilson noted that water was running in the ditch below 1740 Christy Lane. This water could result from a leak in the service line for 1730 Christy Lane, as the service for that home was quite old whereas the service for 1740 was new. The matter was being investigated.

**8 - Report of Office Manager (Giese)**

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## **Five Year Plan**

Cory commented on progress of the five year cash management plan.

## **Meters & Assessment**

Pam Rocca noted that without meters users of moderate amounts of water were penalized, in effect subsidizing users of large amounts of water for irrigation.

She noted a number of people had asked her about the Mutual assessment. Her response was that the assessment was justified. However, this indicated communication between the board and members could be improved.

## **Cost of Meters**

Terry Deveau questioned the cost of meters.

Wilson commented that an accurate service box inventory needed to be made before an accurate estimate of total cost could be made, but that the cost per service box was estimated to be in the \$500 to \$1000 range, depending on a number of variables.

## **9 - Committee Reports**

### **Report of the Groundwater Management Committee (Garcia)**

Margot Garcia noted she had submitted detailed comments on the latest draft of the plan. In general her comment was that the pumpers in the valley other than the District were being ignored, particularly the Mutual. The Implementation Group was to be the directors of the Public Service District; all other pumpers were to participate as members of the Advisory Group.

She also felt that global warming needed very serious consideration in the plan. More of annual precipitation would come as rain and run off earlier in the season accentuating the problems in the dry season in summer and fall.

She noted the Ski Corp had reported five wells on valley floor, not recognized in GMP.

She reviewed Don Mooney's comments on behalf of the Mutual:

1) Mooney asked questions about changing the definition of the "basin" from that specified by the DWR.

2) Mooney noted the GMP did not mention the possibility of assessments on pumpers as a funding mechanism.

3) Mooney noted that, as a result of the change in definition of the basin, the Mutual members would be in effect disenfranchised in an election for the levy of assessments.

Pam Rocca felt the plan is for the purpose of qualifying for DWR loans; that, once the grant money has been obtained, it will not be implemented.

*End of Tape #1 Side B*  
*Start of Tape #2 Side A*

Margot Garcia and Pam Rocca discussed the inter connection of the wells needed for redistribution of pumping.

*Tape at 42.* Russel Poulsen brought up the matter of the Mutual's participation in the Committee to Conduct an Aquifer Stream Well Interaction Study as described in District Resolution 2007-1, transmitted to the Mutual by Rick Lierman's letter of February 14 to Les Wilson.

Wilson noted that he had responded at that time, and forwarded Lierman's letter and the District resolution to the board. In his letter Wilson suggested the Mutual participate in planning, but reserve the right to review the scope of work before agreeing to commit funds.

Poulsen reviewed his interpretation of the resolution. He noted the costs, not to exceed \$500,000, would be divided among the participants according to water usage. He noted some funds might be available from Lahontan if requested.

Discussion followed on who might participate and what their share of the costs might be.

Conversation drifted to a discussion of the Groundwater Management Plan, and the participation of the Mutual.

*Tape at 197.* Carl Gustavson found the GMP contradictory, pointing to the treatment of the Ski Corp wells on the Valley floor and other issues including the proximity of District Well #5 and Mutual Well #1.

*Tape at 220.* Bruce McCubbrey suggested the issue at hand was whether or not the Mutual would participate in the formulation of a well creek interaction study, at least up to the point of committing funds. He noted that the Mutual would probably have to go to the members before committing any funds.

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MOVED Garcia, SECONDED Deveau, PASSED unanimously: that the Mutual participate in the formulation of a well creek interaction study, however, that there be further consideration by the board before commitment of funds.

Russell Poulsen noted that there were many well creek interaction studies, but never one that all parties agreed to. He felt that if all parties could agree to one comprehensive study defining the amount of water available in the valley, the question of the availability of water in the valley for further developments could be more easily decided. There were sources of water outside the valley.

*Tape at 344.* Margot Garcia distributed maps and explained the difference in the delineation of the groundwater basin as determined by the state and as adopted by the District in the GMP. Derrik Williams believes the District delineation of the groundwater basin is more valid than the state delineation because it is based on the geology. A more cynical interpretation is that the District by using the smaller delineation is able to exclude the Mutual's service area. This avoids the legal prescription against managing a basin with a mutual water company without that company's agreement.

Dave Brew noted that geologically a ground water basin is that entity that contains water that is in the alluvial material in the valley, and that Derrik's definition is the better.

*Tape at 390.* Discussion followed on the definition of service area. The District had at one point extended their service area to include the entire watershed, including Ski Corp property. A management plan for the watershed would require the cooperation of the Ski Corp as well as the Mutual.

Russell Poulsen felt that the meanings of service area and basin and watershed were being confused.

Discussion on the meanings of watershed, service area, and basin followed.

Russell Poulsen raised the question of Mutual Wells being in the Mutual service area.

*Tape at 441.* Wilson noted that Mutual horizontal wells are in the Mutual service area as defined in the Mutual articles of incorporation. Hidden Lake and parts of the valley floor are also in the Mutual service area. However, subsequently the District expanded their service area to the watershed so now their service area overlaps all of the Mutual service area including Mutual horizontal wells.

Margot felt that since the service areas overlap, both District and Mutual have equal rights of representation. She noted the District claims that as the only public entity, they must set up the groundwater management plan. However, the District

could have organized the implementation group on a collaborative basis. She noted when the implementation plan came out she was very disappointed; she hoped it would be organized on a collaborative basis. It seems the Mutual is not being asked to collaborate, only to contribute.

Alisa Adriani said that if there is to be a plan, a proportionate part of the voting power should go to each participant.

Margot commented that there are many different ways of defining proportionate, including the amount of water pumped. The manner of sharing should be the subject of a legal agreement between the Mutual and the District.

Wilson pointed out this amounted to a joint powers agreement, that this had been discussed and rejected because of the time it would require.

*Tape at 502.* Pam Rocca mentioned various studies on aquifer capacity, well creek interaction, and diversion for the golf course irrigation, that pumping could be shut down if the creek is put at risk. She noted possible limitations on pumping are scary for the District.

*Tape at 575* Russell Poulsen noted District service area included Mutual service area as they provide sewer and garbage service.

*End Tape #2 Side A at 614*

*Start Tape #2 Side B*

*Tape at 9.* Carl Gustavson noted many people are confusing a groundwater management plan with a watershed management plan, noting the District service area covers the entire watershed, including Ski Corp lands, all the way to the Truckee River. He said he felt the groundwater management should be restricted to the basin, where water is held in the alluvia, the valley floor.

Carl said too much money is being spent on studies with little result.

*Tape at 40.* Pam Rocca noted the horizontal wells and hillside areas need to be included in the groundwater management plan, else there would be no restriction on wells drilled outside the management area, diverting water from the managed area.

**10 – New Business**

None

**11 - Next Meeting**



After consultation among the board members, it was decided that the next board meetings will be at 3:00 PM Saturday April 14, 2007 in the Public Service Administration Building.

*The board entered executive session. The board returned from executive session.*

**12 – Adjournment**

The board adjourned at 6:30 PM.

Signed

Les Wilson  
Secretary