

**APPROVED MINUTES**  
Squaw Valley Mutual Water Company  
January 5, 2008

**Directors Present:** Terry Deveau, Margot Garcia, David Mercer, David Salinger, Stephanie Pierucci

**Directors Absent:** John Chisholm, Alisa Adriani

**Staff Present:** Cory Giese – Office Manager

**Members present:** Dan Kenney, Dale Cox

**Guests:** None

**Agenda Item #1 - Call to Order quorum established (see above):** The meeting was opened at 9:30 a.m. by Margot Garcia, President noting that the meeting will hold a telephone conference, on speaker phone, promptly at 10:00 a.m. with John Collins, recently hired by the board as the new SVMWC Operations Manager.

**Agenda Item #2 – Approval of Agenda:** M/S/P

**Agenda Item #3 – Approval of previous meeting minutes:**

September 1, Annual Meeting Minutes – M/S/P with exceptions of David Mercer, David Salinger and Stephanie Pierucci.

September 1, 11 AM Board Meeting Minutes – M/S/P with exception of Stephanie Pierucci due to late attendance to meeting.

November 3 Board Meeting Minutes – M/S/P. All approved

**Agenda Item #4 – Report from President as presented and attached to these minutes.**

Margot added the following update under the title: *Canceling “Land Purchase” of Poulsen Trust Lands* section: Les Wilson has been in contact with Placer County Counsel asking her to defer action to rescind sale of this land due to current SVMWC Board of Directors acting in bad faith of the shareholder’s wishes. Additionally it was noted that Mr. Wilson might file a Notice of Motion in Opposition to Rescinding the Sale. Margot, acting on advice of Mr. Brown, SVMWC’s Counsel of Record, had a detailed discussion with Mr. Wilson to try and persuade otherwise. Margot did so, but felt she had clear indication from Mr. Wilson as to his intentions. Margot advised a wait and see attitude. . Judge Couzens is scheduled to review pleadings and, hopefully, determine an outcome on this case February 5, 2008.

Margot updated the Board on trying to sign the Easements over *Poulsen Commercial Land*. Russell Poulsen will not sign any easements until the Land Purchase Rescinding action is complete

The Board discussed Margot’s proposed letter of apology to PSD Board of Directors and Rick Lierman, General Manager. The letter was edited and the new version accepted.

Moved T. Deveau, Seconded D. Salinger, and Passed 6 to 0 to send edited letter of apology.

**Agenda Item #5** – *Call to Audience*: No questions from the attending shareholders.

**Agenda Item #6** – *Treasurer's Report*: With Alisa's absence, Cory presented the Treasurer's report on her behalf (see attachment to Agenda). Cory had several suggestions regarding Asset Replacement funds, Terry reviewed the Fair Market to Value return and Cory answered Director and attending shareholders questions regarding assets. Our application to the Plumas Bank for a Line of Credit is still in progress. Cory was asked to investigate if Plumas Bank would lend us money for the redwood tank replacement and if so at what rate of interest.

**Agenda Item #7** – *Report from John Collins, Operations Manager*. Report Deferred until the March Meeting.

**Agenda Item #8** – *Office Manager's Report*:

*New Telephone System*: Cory discussed the new telephone system and reviewed with John, via conference call, how emergency calls would be handled. We have people on call 24/7 to handle emergencies and the issue is who notifies them. The resolution is that John is to be notified and he will notify the appropriate person.

*Update on website design*: The design was chosen and approved. Cory noted he now sends approximately twenty-five copies of minutes to various shareholders and organizations. He expressed a trust that this expense will be replaced with the inclusion of minutes on the new web page.

*Budget implications of John Collins contract*: Cory asked if the Mutual should pay its yearly dues to the California Rural Water Association. The board agreed not to pay these dues at this time and to check with John if he thought this was important. Again Randy's consulting fees were reviewed and received full board approval.

**Agenda Item #9** – *Contract Approval with John Collins, Operations Manager*:

Board Conference Call – John Collins, Operations Manager:

This call was scheduled for 10:00 AM and happened earlier on the agenda. The Directors participated in a conference with John asking questions and receiving clarifications from Mr. Collins regarding Insurance coverage and liability of his employees, phone procedures between his company and the office manager, along with the differences between California and Nevada Water Operation licenses for the state requirements on Mutual Water Systems. All Board Members had previously received by email and reviewed John's proposal. There were two other proposals that were considered as appropriate, but Collin's Engineering was considered the best. David Salinger suggested an addition to the contract, Cory read this addition and John approved it.

**Resolution 07-12** Requesting the Squaw Valley Mutual Water Company to enter into a six-month contract with Mr. John Collins, Operations Manager.

M/S/P with full board approval to approve the contract as written with previously noted modification.

**Action**: Cory will email the modified contract to the board for signatures of Margot and John as soon as he gets back to the office.

John is in contact with Randy Dresselhaus. Randy has sent a billing for 2 hours of consulting at \$85 per hour.

**Action:** M/S/P Mutual enters into a consulting arrangement with Dresselhaus Plumbing at \$85 an hour for the next six months. This consulting arrangement will be reviewed at the time of John's contract renewal.

**Agenda Item #10:** *Discussion of hiring John Collins to do a review of water systems, as it exists today and to develop a short priority list of needed improvements, including the need for one or two tanks.*

During the conference call, David Mercer reviewed this request with John and they agreed to meet to continue this priority assessment as soon as John returns from vacation and David is available. They also discussed the pump replacement. A report should be available to the Board at the next March meeting. Dale Cox noted that we were in good hands with John Collins as Dale was well aware of John's overall field expertise. Dale, likewise, approved this contract. Margot noted her regret that Alisa was not in attendance to witness the approval as she spent many hours of her time to find an Operations Manager's, Randy Dresselhaus, replacement.

**Agenda Item #11** – *Update on Redwood Tank Replacement* – David Mercer

David met with Resource Development and is waiting for their written response. Terry asked about gallon availability for fire suppression if the company was operating with one tank. This is an important item and David Mercer will bring it to John's attention and coordinate the expectation with Pete Banson. David will bring his findings to the next March meeting.

**Agenda Item #12** – *Discussion of SVMWC Director's compensation.* .

Discussion was held regarding the minimal compensation to each director for their time and expenses spent with this company to ensure its professional operations. Alisa was again, made an example and thanked for many hours she spent these past months, David mentioned that it is up individual directors as to their compensation acceptance. Attending shareholders, Dan Kenny and Dale Cox noted that \$100 is so minimal compared to the demand of time and expenses that to consider eliminating or reducing this cost is completely unnecessary. Margot noted that each member of this new board is working hard to replace the salary of a General Manager.

**Action:** M/S/P to continue with \$100 compensation for each director for each meeting attended.

**Agenda Item # 13** – *Set up Bylaws Committee.* Margot mentioned that any bylaw change should have shareholder's participation and that this Subcommittee will take some time to coordinate. Dan Kenney said he has several resources available though he does not have personal time to devote to the project. Stephanie mentioned with the full plate this new board has assumed and until several major items are resolved it might be best to defer review of the Bylaws (to include email voting, etc.) until later. Margot asked Dan Kenney and David Salinger to work on this with her.

**Agenda Item #14** – *Policy on Director's expenses and pre approvals.* David Salinger and Stephanie asked the previous Board's procedure for minor expenses incurred and if there is a petty cash that is brought to each meeting for reimbursements for copy expenses, etc. Cory said

to bring all expense-incurred receipts to meetings and reimbursement will be added to the director's compensation. The limit was set at \$100 without prior Board approval.

The Board discussed the budget ramifications of the new Operation's manager's contract. There is very little financial cushion for any emergency. Discussion was held regarding future Shareholder assessments and how any future emergency assessments will be handled if they occur. In the next SVMWC Newsletter, Margot will write about the financial situation and the issue of possible emergency assessments. Costs to operate are projected to increase about 10%. Dale Cox suggested 18% is more in line for the next several years.

Meeting was adjourned at 12:20 PM.

Next meeting scheduled: March 1, 2008 at 9:00 AM in the SVPSD Meeting Room. Please let Margot know, in advance, if you are unable to attend.

Meeting Minutes Respectfully Submitted,  
Stephanie Pierucci

Resolution 7-12

**AGREEMENT FOR SERVICE AND MAINTENANCE  
OF SQUAW VALLEY MUTUAL WATER COMPANY  
WATER FACILITIES**

THIS AGREEMENT, made the 5 th day of January 2008, is between Squaw Valley Mutual Water Company, "SVMWC", and Collins Engineering Consulting. Ltd., "CONTRACTOR."

RECITALS

WHEREAS, SVMWC owns and operates a municipal water supply, storage and delivery system for the residents of Squaw Valley; and

WHEREAS, SVMWC requires consistent maintenance and service of its water supply, storage and delivery system; and

WHEREAS, SVMWC and CONTRACTOR desire to enter into an agreement for the operation and maintenance services of the SVMWC's water system; and

In consideration of the covenants and promises and understandings contained herein, SVMWC and CONTRACTOR both agree as follows:

1. **General:** SVMWC engages CONTRACTOR to furnish the services, including any incidental items, listed in Exhibit B and for the compensation listed below, and CONTRACTOR accepts said engagement upon terms of this contract. CONTRACTOR shall obtain within six months of the date of execution of this agreement the appropriate State of California Certifications A copy of CONTRACTOR's State of Nevada, Water Distribution Operator Certification, Grade 3 and application for reciprocity to the State of California is attached as Exhibit A.

2. **Scope of Services:** CONTRACTOR shall provide all labor necessary to professionally operate and maintain the SVMWC water supply, storage and delivery facilities in accordance with industry and state standards as set forth in the Scope of Services attached hereto as Exhibit B, "Services."

CONTRACTOR agrees to provide on call services 24-7 in accordance with industry standards as set forth in the Scope of Services attached hereto as Exhibit B, "On Call Service." CONTRACTOR agrees to respond to service calls or emergency calls within sixty (60) minutes from the time of notification. In addition CONTRACTOR will file an updated Water Quality Emergency Notification Plan with the California Department of Health Services within 30 days of approval of this contract.

**3. Compensation:** In consideration for CONTRACTOR's professional operation and maintenance of SVMWC's water system, SVMWC agrees to pay CONTRACTOR as follows:

a. Operation and Maintenance Services – The sum of \$ 825.00 per week.

b. On Call Services – The sum of :

\$50.00 per week day

\$75.00 per weekend day and holiday (holidays are New Years Day, Martin Luther King, Presidents Day, Memorial Day, 4th of July, Labor Day, Veterans Day, Thanksgiving, Family Day, Christmas Day)

\$82.50 per hour for a minimum of 2 hours for each call out

All services will be billed twice monthly and are due and payable within fourteen (14) days. Any unpaid balances will bear interest at the rate 1 ½ % after ten days.

**4. Means of Performing Obligations:** CONTRACTOR will provide all necessary labor to perform the normal operating work tasks required to keep SVMWC's water system in good operating condition. This includes labor for repairs and/or equipment that can normally be completed in the field with operator skills. Special technician or craftsman personnel required to complete other repairs or services will be arranged by CONTRACTOR and billed directly to SVMWC.

SVMWC will pay for all repairs and parts that are necessary for equipment repairs or replacement during the term of service not provided for in the paragraph above.

CONTRACTOR agrees to submit data for monthly operation reports and any other required reports and shall insure that they are filed with local and State Health Officials.

CONTRACTOR shall provide full worker's compensation insurance coverage, unemployment coverage, medical and liability insurance (a minimum of 1 million dollars) as required by California State law or Federal law for any employees it employs to complete the obligations. CONTRACTOR shall provide to SVMWC written evidence of such insurance and will assure that each such insurance carrier will notify SVMWC of any cancellation of any insurance policy.

**5. Independent Contractor Relationship:** The relationship between SVMWC and the CONTRACTOR hereunder shall be solely one of independent contractors. Except as specifically provided for in this Agreement, neither party shall incur any debt, liability nor obligation for which the other may be held liable without first obtaining the written consent of the other party.

**6. Rental Equipment, Supplies, and Subcontractors:** Should CONTRACTOR need to rent equipment for the purpose of making any repairs, any such equipment rental shall be at cost without any markup charged to SVMWC. Similarly, should any materials or other supplies be necessary for any repairs, any such material shall be charged to SVMWC at cost without any markup. To the extent possible, any equipment rental and or materials supplied shall be charged

to SVMWC. CONTRACTOR will provide accountings of equipment rented and materials purchased with each bi-weekly billing for services in which the equipment is rented or materials are purchased. At this time CONTRACTOR plans to use the following subcontractors to meet CONTRACTOR'S obligations under this agreement: (a) Bill Mullins, Just Rock It, (b) Owen Brothers Pump, (c) Carson Pump, (d) Action Electric, (e) Nevada Generator, and (f) SPB Utilities. This list is not meant to limit the use of any other subcontractors that the CONTRACTOR deems necessary to provide the services under this agreement.

**7. Term and Termination:** The term of this contract shall be until June 31, 2008. Prior to June 31, 2008, the parties shall agree upon future extensions. SVMWC and CONTRACTOR may agree to terminate this Agreement in writing at any time upon sixty (60) days written notice. This Agreement may be terminated upon failure of either party to cure a material breach of the terms of this Agreement within sixty (60) days of receiving written notice of such breach.

**8. Attorneys' Fees:** In the event of litigation arising from the terms of this Agreement the prevailing party shall recover from the losing party all reasonable attorney's fees incurred.

**9. Severance:** In the event one or more sections of this Agreement are found by a court to be unenforceable, the remaining provisions shall nonetheless remain in full force and effect. Any modifications or revisions to this Agreement shall be in writing.

**10. Notice:** Any and all notices pursuant to this Agreement shall be delivered as follows:

Squaw Valley Mutual Water Company  
P. O. Box 2276  
Olympic Valley, CA 96146

Collins Engineering Consulting, Ltd  
28 Vine Street  
Reno, NV 89503

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement as indicated below:

SQUAW VALLEY MUTUAL WATER  
COMPANY

COLLINS ENGINEERING CONSULTING

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Squaw Valley Mutual Water Company  
P.O. Box 2276  
Olympic Valley, CA 94146

January 14, 2008

Dale Cox, President of the Board  
Squaw Valley Public Service District  
P.O. Box 2026  
Olympic Valley 96146

Dear Members of the Board of Directors of the Public Service District and General Manager,

We send this letter in acknowledgement that there have been hard feelings between our two boards as a result of uncomplimentary remarks that have been made. We regret the comments in the record made by previous boards. They do not reflect the thinking or feelings of the current board. We would like to apologize for those statements and ask that we start a new era of cooperation. We acknowledge that we will not always agree on how Squaw Valley aquifer water should be managed, but we pledge that our disagreements will be handled in a professional manner, not impugning the integrity of any board member or employee of the district.

For the safety of Squaw Valley residents, we would like to re-establish the inter-ties between our two water systems. We would be happy to start discussions between our operations managers as to where and how this might be best accomplished. John Collins, PE of Collins Engineering Consulting, Ltd. Reno, Nevada has accepted a contract to be our operations manager. I have listed his contact information below.

Sincerely,

Margot Garcia  
President, SVMWC

Letter adopted by the Board on January 5, 2008

John Collins  
775-233-541  
jcollins82643@sbcglobal.net