

APPROVED MINUTES
Squaw Valley Mutual Water Company
April 12, 2008

Directors Present: Alisa Adriani, Terry Deveau, Margot Garcia, David Mercer, and David Salinger

Directors Absent: John Chisholm, Stephanie Pierucci

Staff Present: Cory and Anne-Marie Giese – Office Managers

Members Present: Cecile Weaver

Guests: Mr. and Mrs. Wallace Auerbach

Agenda Item #1 and 2 - *Call to Order, quorum established (see above):* Margot Garcia, President, opened the meeting at 9:00 and noted the absence of the secretary. She said the meeting was being recorded and Margot would write up the minutes.

Agenda Item #3 - *Approval of the Agenda:* M/S/P

Agenda Item #4 - *Call to the audience.* No one came forward to comment.

Agenda Item #5 - *Approval of the previous meeting minutes:* January 5, 2008 Board Meeting Minutes. M/S/P.

Agenda Item #6 - *Report from the President Margot Garcia.* Margot's written report is attached. The Board agreed Margot should send a letter to Dennis McShane, Risk Assessment Director of our Insurance in response to his letter of January 2008. The Board members want to read over the newsletter before it is sent out. Margot will send out the draft newsletter and give board members 48 hours to make suggestions or changes. A flyer will be included noticing the budget hearing and possible rate increase discussion at the next meeting.

Agenda Item #7 - *Report from the Treasurer.* Alisa Adriani reported that all assessments and all special assessments have been collected. Expenses are following the budget with the exception that the amount budgeted for water treatment was much more than actual costs. On the other hand, maintenance is \$5,000 over budget due to extra costs of snow removal around fire hydrants. Alisa recommends getting a contract for mechanical snow removal instead of relying on whoever has time to dig out the fire hydrants without agreement ahead of time as to cost.

The costs for repairing the leak at Christy Lane and Lanny have depleted the capital improvements budget. We still need to do a hot tar patch for the road and repair the damage to the Tolman's landscaping. We also had a leak that was on the member's property. The members will be sent a bill for the costs of finding the leak. Mutual's policy is that leaks that occur on lines from the service box to the house or on the property are the responsibility of the property owner. Mutual recognizes that billing only for time to find

the leak and fix it does not represent the full cost. There is no charge for water lost or the power required to pump the water up to the tank.

The Mutual pays for emergency call-outs, like for fire. We also absorb the cost for turning water on and off due to construction if it fits into the operation manager's schedule. If he has to make a special trip, then we would be charged and we would pass that charge along to the customer.

A suggestion was made that in the fall we place taller stakes at the fire hydrants so they are more readily observable. We will probably be locating hydrants and service boxes with GPS this summer.

We have about \$20,000 to cover the remainder of the year. Hopefully, we will not have to borrow from our line-of-credit in order to pay the bills through June 30, 2008.

Alisa has been investigating grant opportunities to offset some of the upcoming costs of bringing the water system up to industry standards. We are members of the California Rural Water Association and they will help us find a professional to write the grant once the Mutual is on the California State Revolving Fund list. We will get on that list.

Agenda Item #8 -*Report from the Office Managers* Anne-Marie Giese reported that the reapplication for the Line of Credit (LOC) is nearly complete and she will get the last two signatures in the next two days.

The website is ready to go. The domain names will be SVMWC and SquawValleyMutualWaterCompany.

Agenda Item #9 -*Report from the Operations Manager*. John Collins was not present at the meeting. He sent an email that his meeting with Rick Lierman and Jess on April 8 went well and that there are a number of technical problems to creating an intertie between the two water systems,

Agenda Item #10 -*Discussion of the Budget for 2008-2009r*. Cory Giese presented the draft budget for discussion. He pointed out that there is an extra \$6,000 for water quality testing over last year because this is the year (every third year) we have to do the large suite of tests for the state. He has added extra to maintenance to cover the large leaks like we had this year.

It will be important in the newsletter to let our members know about the financial issues. Also it would be possible to go to quarterly or even biyearly billing without any increased costs because Anne-Marie has to do so many follow-ups with members to get them to pay now.

The Board discussed using the LOC for emergencies and then making a special assessment to cover that particular bill. We also talked about different levels of rates increase to create a capital improvement fund to cover needed investment in infrastructure.

At the next meeting the board will invite members to come and discuss the budget and the need for a rate hike. Without some increase in income, we will not have enough money to undertake any capital improvements. The redwood tank is an issue, so is the pressure in upper and lower levels, old pipe etc. We discussed loans, grants, rate increases and doing nothing. Even if we were to sell the system to someone else, they would just turn around and assess each property the amount of money needed to bring the system up to standards.

Agenda Item #11 -*Proposal from Auerbach Engineering to review SVMWC system.* Mr. Wallace Auerbach presented a proposal to do a master plan for the water system. The master plan would be based on a hydraulic model of the Mutual's system as it exists today and then using the model to simulate changes to improve the system's operation and reliability. The first job is assembling the data on how the current system operates. They also need information on demands - diurnal, seasonal - to see the weak points in the system. They will calibrate the system with the fire department and development scenarios to resolve problems. The result will be a list of recommendations on improvements to the system in a priority order and with a rough estimate of costs. Included in this analysis will be the need for a replacement for the redwood tank, size, material, and placement. These are not design drawings, but rough estimates including percentage add-ons such as for legal, permits and design. The study will also include information on the issue of water pressure. Mr. Auerbach will not have the final report done for the annual meeting, but will have a report ready for the members on his findings.

The question was raised why we did not get competitive bids for this contract. Mr. Auerbach explained that it is illegal for a registered engineer to put in a bid for work in competition with another registered engineer. An organization can ask for qualifications (RFQ) and compare engineering companies based on qualifications and experience. Then the company that received the nod would negotiate a price for the work to be done. If the negotiations on price were not satisfactory, the organization could go to the next ranked company.

M (Mercer)/S (Salinger)/P to hire Auerbach Engineering to do a system assessment. Vote was unanimous of those present.

Agenda Item #12 -*Update on Redwood Tank.* David Mercer had gotten some estimates on the price of installing temporary plastic tanks for this summer. We will wait to see what Auerbach Engineering study suggests.

Agenda Item #13 -*Reading the newsletter before printing.* Alisa expressed an interest in reading the newsletter before it is printed and mailed out. Margot agreed that she would send the newsletter out to the board with a 48-hour turn-around for comments before sending it to Anne-Marie Giese for printing and mailing.

Agenda Item #14 *Discussion of items to be changed in bylaws.* The board agreed that if a board member misses three consecutive meetings without an excuse, the Board may vote to remove him/her from the Board and appoint a new person. For electronic voting on a topic, Board members should have 7 days for reply. All contracts will be approved by a majority vote of the Board. The bylaws committee of Margot and David Salinger will report back with these changes by the next meeting.

Agenda Item #15 -*Reports from Committee/Task Forces/Groups dealing with water in Squaw Valley.* Margot reported the Mutual was not represented at the last Groundwater Management Plan Advisory Committee meeting, but that she sent comments on the annual report that was written by Derrick Williams. The PSD Board has adopted the report.

David Salinger has been appointed to the Squaw Valley Technical Review Committee representing the Mutual. This is an official committee chaired by the county to oversee management of the golf course so that the groundwater does not become polluted. David will be unable to attend the upcoming meeting. David Mercer will try and go if he is available.

Still no good ideas on whom from the Mutual can attend SVPSD meetings and be able to respond to comments made about the Mutual or answer questions.

Agenda Item #16 *Appoint a nominating committee.* The three people whose terms are up are Jon Chisholm, Margot Garcia and Terry Deveau. Terry Deveau said he did not wish to run again, and John Chisholm has not been attending meetings due to his move to Carson City to live with his daughter. Alisa Adriani will chair the nominating committee made up of Alisa, David Salinger, David Mercer, and Stephanie Pierucci.

Agenda Item #17 *-Evaluation of how we are working without a manager.* The company seems to be working well and has been busy cleaning up past stuff. Lines of communication are kept open and information is flowing to board members.

Agenda Item #18 *-Date for next meeting.* Two people will be gone for the scheduled meeting on Sunday May 25, so the meeting is rescheduled for May 17. It was subsequently rescheduled for May 18 at 9 pm so John Collins could make it. An informal working meeting with John Collins was scheduled for Sunday, April 13 at 10:30. All those interested are welcome to come to the Weaver/Garcia house at 1700 Paiute Place.

Meeting adjourned at 12:15.