

**SQUAW VALLEY MUTUAL WATER COMPANY**  
**Minutes of the Board of Directors Meeting**  
APPROVED

**May 18, 2008**

**Directors present:** Alisa Adriani, Terry Deveau, Margot Garcia, David Mercer, Stephanie Pierucci, David Salinger

**Director absent:** John Chisholm

**Staff Present:** John Collins, Operations Manager  
Cory and Anne-Marie Giese, Officer Managers

**Members/Guests:** Cecile Weaver, Harold Weaver, JD Garcia, Cindy Ulrich, Brent Gogwen, Bill Mullins, Jeri Mullins, Steve Reich, Liz Day, Tom Day, Charlie Jones

**Agenda Item #1 - Roll Call and establish a quorum:** Meeting was called to order at 9:00 AM by Board President, Margot Garcia, noting the absence of Director John Chisholm. A quorum was confirmed.

**Agenda Item #2 - Minutes from April 12 meeting:** Action – Item #2 Deferred as the Board of Directors did not have time to read the minutes before the meeting, the minutes of April 12, 2008 were deferred until the July 19 meeting.

**Agenda Item #3 - President's Report**– Margot read her (attached to file) written report updating the attending members as to current and pending future board activities detailing expenditures and contract clarifications of both the Collins Engineering contract for SVMWC operations and the proposal for oversight of the approved Auerbach study for the entire SVMWC system. The Auerbach study is not scheduled to be completed for the SVMWC Annual meeting, but Mr. Auerbach will give a report on what they have learned.

Margot called attention to her letter to RSDIS Risk Control Services that insures SVMWC declaring Placer County now holds the deed to the Poulsen Trust Land. She also outlined the policies in response to their questions about a contract and job description for the General Manager as well as having SVMWC named in insurance policies with out contractors.

**Agenda Item #4 - Treasurer's Report** – (reference attached to file) Alisa Adriani asked both Member's and Directors to note her detailed Current Financial Status in their packages (attached). Alisa also noted that by paying less in company general management fees, the company has started to improve the bottom line with an exception for the unexpected repair costs that occurred in January on Lanny Lane, leaving the company with a minimal operating margin to finish the fiscal year. There are no

outstanding property owner dues. Water treatment tests and electricity have recently increased expenses with a Total Accounts Receivable balance as of 4/30/08 being \$868.53.

Statement of Capital Fund Revenue & Expenses, as of April 30, 2008, is \$91,735 and the Statement of Operating Revenue & Expense Report is \$45,972 (attached).

**Agenda Item #5 – Discussion of Budget and Rate Increase – Members’ comments**

**welcomed** Margot asked all attending members to defer their comments until Agenda Items 5 through 8 were complete. Alisa asked the members to look at the green distributed packet, page 4 or 5, *Effect of Rate Increase on Proposed Budget* and to compare the various five through twenty percent increase columns. Alisa pointed to the Capital Assessment and Operating Maintenance Assessment increases at the 20% increase line then for the members to go to page 5 of 5, same packet, to note that a 20% increase, spread out over the year for each lot. The last rate increase was in 2002. The attending members noted that recently built homes might contain more than the three bathrooms, so there might need to be more categories in the rate structure that would be in an updated and fairer distribution of charges. After some board discussion, Alisa suggested that changing the way rates are constructed could require a SVWMC bylaws revision.

Anne-Marie asked the board if the current billing structure remains as is. Following board discussion, it was agreed to keep the bi-annual payment system the same, \$30 fee for paying in two installments and with a 1% per month late fee.

**M/S/P: Motion made by Alisa, Seconded by David Salinger and Passed 5-0 to increase the rates to all users by 20%.**

**Agenda Item #6 – Operations Manager’s Report – John Collins:** John asked the board to turn to page 18 and 19 of the Directors Packet. He expects the Auerbach study will prioritize the mutual system’s needed improvements. Following his written report, John noted that the water system is currently meeting the State and Federal standards with no reports of bacteria in the system. Approvals were received for the THM Monitoring Plan. John brought to the board’s attention the fact that water production was up for the month of April from same time last year. John also noted that he conducted the final inspection at 1020 Squaw Valley Road, signed off, and charged the property owner for his time to do this inspection instead of the company. He believes this should be part of the fee structure for the Mutual. The board did not disagree.

The board discussed with John providing an analysis of options available for the leaking redwood tank. He suggested the Dept. of Health Services applications need to be complete along with other permitting requirements. Margot noted the road easement access, likewise, must be signed and easements filed. John suggested the redwood tank leaks up to 30 gallons a minute, costing electricity for pumping water uphill to the tanks that doesn’t get to the customer. Ultimately David wonders how long the tank will last and provided photos of steel tanks that could be rented that provides storage of 42,000

gallons @ \$82/ day x 2 tanks = 5k a month. John said he would look at the redwood tank again, now that the snow has completely melted around the tanks back area, for another material assessment and will email his answer to the board.

The Lanny Lane leak repairs should be complete within the near future using Ed Svendsen Excavating equipment. Alisa noted that this road repair costs will follow into the 09' fiscal year by time the costs are paid and complete.

John suggested writing a letter to Mr. Jim Robinson, SRF Program Specialist, California Rural Water Association asking for support regarding financial applications and to get the SVMWC on the State Revolving Fund list. He will let Margot know when the necessary paper work arrives. This brought up extensive board discussion regarding how to finance the needed overhaul of the system to bring it up to standard that will cost roughly 3 – 5 million dollars. It will take 5 to 10 years to do the upgrades, but it should last another 50 years or more. John also suggested the length of time to overhaul the system was estimated to be 10 years considering seasonal time allowance. Liz Day asked when the Auerbach Report will be available. John responded the final report would be in by the middle of October. Tom and Liz Day asked by providing their email address to Anne-Marie & Cory, if the Auebach contract can be emailed to members of the company.

Joan Klaussen asked if the use of the steel tank is possible but John suggested the lack of pressure valves will blow out the lower portion of the aged system coupled with the lack of fire protection.

**Adopt contract with Collins Engineering for 2008 – 2009: Margo brought up that we need to renew the contract with Collins engineering for 2008-2009.**

Specific discussion followed over the need to add snow removal for fire hydrants after each storm. To hire mechanical removal will cost an estimated of \$2,000 for a season. A vote was taken, full board approval, to revise the maintenance contract to say that hand removal of snow around the hydrants was part of the maintenance contract and that mechanical removal will be a separate contract. Removing all snow around fire hydrants is important in order that the SVMWC be in compliance with SV Fire Department regulations.

Alisa noted on Pages 15 and 16 of the board packet that the budget contains a one time fee for John Collins Study Support of \$15,250 for the Auerbach Engineering Study. Alisa also asked about the Maintenance Costs under the operating Expenses, Page 15. John explained that these are the charges for materials such as pipe or a chlorine pump that are needed to maintain the system or fix leaks.

The board discussed that water boxes should have some means of being able to find them in the snow. Several ideas such as taking a GPS reading and having that in a database, staking the boxes with a blue top stake, and taking diagonal measurements from houses were discussed. The decision on how to do this will be left to john.

The board agreed that Margot needed to revise the contract with Collins Engineering and will send it to the board for an electronic vote before June 31, 2008.

**Agenda Item #7 – Office Manager’s Report – Cory and Anne-Marie Giese**

Anne-Marie asked the board if the method of membership dues and payments needed to be changed for the next fiscal billing period for July and suggested an incentive be available to any property owner to pay the full amount upon receipt or an additional penalty applied for those who wish to spread out the payments. The board discussed options and voted to continue with the current billing system with no changes.

Tom Day asked if the last meeting minutes could be posted on the website, if the board could approve the minutes by email before the next meeting to help members stay updated. The board discussed this request and decided the process would be too complicated and the bylaws do not provide for this change.

M/S/P to approve the Giese Accounting and Tax and Office Services Contract for the 2008 – 2009 fiscal year.

**Agenda Item #8 – Nominating Committee Report:** Alisa has spoken to several SVMWC residents about being nominated for the board. Margot reminded the committee that it needs to meet and present a slate of nominees at the next meeting. No specific nominations were available from the attending members of the board.

**Agenda Item #9 – Bylaws Committee Report:** Margot had copies of the existing bylaws with some of the amendments being proposed, e.g. electronic voting between board meetings and the ability of the board to remove a member for not being present at a number of meetings. Margot pointed out that the bylaws need a total revision. She will work with J.D. Garcia and David Salinger to develop a new set

**Agenda Item #10 – Set Next Meeting (July 19, 20, 26, 27?)**

Board members did not have their calendars with them so the next meeting could not be confirmed. Margot will send out a query noting the July dates asking the directors to respond as quickly as possible.

Meeting was adjourned at 11:45 AM.

Respectfully submitted,

Stephanie Pierucci,  
Recording Secretary