

SQUAW VALLEY MUTUAL WATER COMPANY BOARD OF DIRECTORS

MINUTES

Meeting of January 3, 2009

Call to Order: The meeting of the SVMWC Board of Directors was called to order by President Margot Garcia at 8:10 a.m., January 3, 2009.

Roll Call and establishment of Quorum: A quorum was established by Secretary Lynn Suter, who called the roll.

Directors Present: Alisa Adriani, Ken Bossung, Margot Garcia, Stephanie Pierucci, David Salinger, Lynn Suter

Directors Present by telephone: David Mercer

Directors Absent: None

Members Present: Athena Garcia, JD Garcia, Carl Gustafson, Cecile Weaver

Staff Present: Anne-Marie Giese, Cory Giese, John Collins

Minutes of Meeting of December 20, 2008. Upon motion duly made, seconded and passed the minutes of the meeting of December 20, 2008 were amended as follows (correction in italics):

“(Mr. Wally Auerbach) referenced the Phase Improvement Chart, hydrant spacing (Fig 4.2) and answered questions and observations on fig 8.4 noted by Director Adriana *who pointed out a discrepancy in the numbers in the text of the report. (Mr. Auerbach) made the appropriate corrections.*”

With this correction, approval of the minutes was duly moved, seconded, and passed unanimously.

President’s Report. President Margot Garcia reported on her attendance at the SVPSD meeting regarding the Final SEIR for the Water and Sewer Agreement between the RSC and the PSD. She noted that she “wore two hats” when attending meetings of the Public Service District – that of Director and President of the SVMWC and that of a homeowner. She noted that the condo and stable wells assigned to meet SVMWC’s needs are unacceptable to the Mutual and answered questions regarding the status of these well agreements posed by Director Pierucci. She noted that SVMWC is officially cooperating with PSD to produce an accurate annual groundwater report on amounts pumped by each well and water quality data. In response to a question by Director Pierucci, Anne-Marie Giese noted that current data can be easily provided, but historical data is more difficult to obtain. She further reported on the status of the easements, which still have to be signed by Eric Poulsen and Bill Nagel and recorded by the County Recorder in Auburn. She reported on the Personal Services Agreement drafted by John Collins and with the President’s consultation with David Salinger and Kenyon Weaver.

Treasurer's report: The Treasurer's Report of January 2, 2009 as contained in the Board Packet was presented by Director Adriani, Treasurer.

Upon motion duly made, seconded, and passed, the matter of payment of Roger Pierucci's bill was added to the Board Agenda as a matter of discussion and action. Director Stephanie Pierucci did not participate in the discussion.

The Board discussed the historical basis for Roger Pierucci's billings, his pro bono work, and the work covered by the bill. Director Adriani requested more regular invoices for project based services in the future.

Upon motion duly made, seconded and unanimously passed, it was agreed to pay \$8712.50, as billed by Mr. Pierucci, for work on the lawsuit and the easements.

Cory Giese reported on the availability of credit at various banks.

Treasurer Adriani asked John Collins to follow up on whether or not firemen are available to dig out SVMWC hydrants if operations staff is not available. She noted that firemen dig out the PSD hydrants.

Treasurer Adriani noted that SVMWC is on a tight budget and must make an effort to do things as inexpensively as possible. She noted the protocol that when bills are over \$500, John Collins notifies the board. She and John Collins discussed specific billings by Sierra Control Systems for repair of the auto-dialer on the pump system. In answer to Treasurer Adriani's questions, John Collins noted that there is an administrative cost to all of the engineering and surveying projects, as he had spent time meeting with geo tech people, surveyors, and engineers.

Office Manager's Report: Anne-Marie Giese reported that she is collecting the last little bits of dues, sending out Ziegler letter on Monday, and refund. President Garcia noted the need for a safety deposit box, as she is holding the deed to one of the well sites. Anne-Marie will check on availability of one at Plumas Bank.

Operations Manager's Report: John Collins reported on the SVMWC policy regarding new construction, remodels, and rebuilds, and the matter of pipe easements. Board members discussed complications associated with location of lines, larger lines needed by Members with fire sprinkler systems, etc. Director Salinger noted the need for a standard policy regarding bringing pipes out to the street. John Collins noted he has a set of details to give to contractors, and will schedule a discussion of the for the next Board meeting.

The Board discussed problems associated with Members who have built over pipes without permits, and methods of addressing easement encroachment. Director Adriani suggested letters be sent to Members notifying them of easement encroachment.

President Garcia agreed to draft a protocol dealing with final subdivision maps and encroachments for discussion at the next Board Meeting.

Redwood Tank Replacement –

Engineering Agreement: Director Bossung recapped details of his telephone meeting with Shaw Engineering regarding proposals for engineering services associated with replacement of the Redwood Tank. He noted that Shaw’s original proposal did not include bidding and construction phase services, and that designers should be involved on construction. These issues were added as Tasks 4 and 5 to the scope of work required. Shaw’s bid of \$36,000 will be increased by \$19,000 to include additional services agreed upon. Director Bossung and John Collins discussed inspection of the tank coating and the importance of the type of coating put inside and outside the tank, adding to the expense. He explained that \$19,000 is justified for such specialized inspection services. Director Bossung suggested that bids include a “not to exceed” clause. He also noted that other services are included in the additional fee. Shaw will review shop drawings for compliance, send comments to the construction firm, adjust drawings and prepare a final set. Director Adriani commented that a breakdown is needed as to where \$20,000 is allocated between Task Four and Five, and suggested that this be provided by Auerbauch. She also asked that the travel time and mileage component be identified in the bids.

The Board discussed details of the Gary Davis bid for the same tasks, and the relative experience of both bidders. Director Bossung agreed to ask Davis for a re-bid based upon Board discussions of time lines, travel costs, sequencing and assurance of continued water operations during construction.

Director Bossung agreed to go back to both Shaw and Davis to request a time schedule, breakout for each task, and travel costs, sequencing and other details and report back to the Board via email within one week.

Member Comments: Carl Gustavson made comments regarding the scope of work involved in an easement survey, utilizing historic maps to indicate the easement sites. John Collins stated he turned over the easement maps to Webb Survey and will do the same with the Engineer to determine the actual boundaries of the tank site. Mr. Gustavson stated he simply wants to make sure where the site and easements are.

Professional Services Agreement: President Garcia passed around a draft Professional Services Agreement that had been reviewed by Director Salinger. Minor corrections were noted during Board discussion.

Upon motion duly made, seconded, and unanimously passed, the Professional Services Agreement was adopted including the minor changes.

Financing Redwood Tank Replacement: The Board discussed options for financing replacement of the Redwood tank, estimated at a totally cost of \$487,500. Treasurer Adriani pointed out the necessity of maintaining the SVMWC’s \$150,000 line of credit

with Plumas Bank when considering bank financing and its associated costs. Discussion included a special assessment to Members which could be paid on a one-time basis, or in eight annual payments including interest at 6.5% and a service fee of \$50. An option for Members to lend funds to the district in \$50,000 increments was included in discussions. The two payment options proposed are: (1) full payment of \$1,729 by March 16, 2009 and (2) payment in 8 annual installments of \$292.

Director Pierucci objected to proceeding with an assessment before determining the full cost of additional phased improvements to the system. She stated that five phased assessments are unfair to Members and that she disagrees with “stair-stepping” assessments when SVMWC does not know the amount of total funds needed for the five phases of improvements.

Upon motion duly made, seconded, and passed on a vote of 5 ayes and 1 no, a Member assessment was adopted to use a combination of two payment option, reflecting a total assessment of \$487,500 total and including an offer to Members to loan funds to SVMWC in a minimum amount of \$50,000, with bank financing to be structured at a later date.

President Garcia noted the goal of sending out letters to Members by February 1 with 45 days to respond to one of the payment options. The 8 annual payment option will be the default payment schedule for Members who don't respond within 45 days.

SVMWC Bylaw Amendments:

Upon motion duly made, seconded and unanimously passed, the Board adopted an amendment to Section 4.3 of the SVMWC Bylaws relating to Board vacancies.

Upon motion duly made, seconded, and unanimously passed, the Board adopted an amendment adding Section 4.4.5 to the SVMWC Bylaws relating to electronic voting.

Next SVMWC Meeting:

The next meeting of the Board of Directors is scheduled for 8:00 a.m. on Saturday, March 14, 2009.

Adjournment:

It was duly moved, seconded, and passed unanimously that the meeting be adjourned.

Respectfully submitted by Lynn M. Suter, Secretary
Squaw Valley Mutual Water Company