

# SQUAW VALLEY MUTUAL WATER COMPANY BOARD OF DIRECTORS

## MINUTES

### Meeting of March 14, 2009

1. **Call to Order:** President Margot Garcia called the meeting the SVMWC Board of Directors to order 8:08 a.m., March 14, 2009.
2. **Roll Call and Establishment of quorum:** Secretary Lynn Suter established a quorum and called the roll.
  - **Directors Present:** Ken Bossung, Margot Garcia, David Mercer, David Salinger, Lynn Suter
  - **Directors Absent:** Alisa Adriani, Stephanie Pierucci
  - **Members/Guests Present:** Cecile Weaver, Dave Brew, Hans Burkhart, Abby Lippincott, Cindy Ulrich, Russell Poulsen, Patti Guilford, Carl Gustafson, Steve Brigman
  - **Staff Present:** Anne-Marie Giese, John Collins
3. **Addition to Agenda:** Upon motion duly made, seconded, and passed unanimously, with the addition of a new item introduced by President Garcia and related to Ross Zeigler's plea for adjustment to his bill.
4. **Minutes of the Meeting of January 3, 2009:** Upon motion duly made, seconded, and passed the minutes of the meeting of January 3, 2009 were approved *with the following correction and clarification relating to specific changes in the Bylaws:*

*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:*

- **Section 4.3 Vacancies.** *Vacancies on the Board occur when a duly elected Board member resigns for any reason, or when a duly elected Board member is no longer eligible to serve because of loss of membership. A Director's position may be declared vacant when a Board member is absent for two or more meetings of the Board in one year. When a vacancy occurs, the Board of Directors shall appoint a replacement from the membership; that appointed Director shall serve until the next Annual Meeting, when an election shall be held to select the replacement.*

*Upon motion duly made, seconded, and unanimously passed, the Board adopted an amendment adding Section 4.4.5 to the SVMWC Bylaws relating to Duties and Responsibilities of the Board, adding provisions for electronic voting:*

- **Section 4.4.5.** To take any action which the Board of Directors could take at a *meeting duly convened, without the necessity of a meeting. The President will set forth a motion by electronic mail to members of the Board of Directors. They will have seven days in which to cast their votes. The Secretary will kept track of the votes, report them back to the Board of Directors at the end of seven days and report them at the next duly called meeting. If a member of the Board of Directors does not have access to electronic mail, the Secretary shall call that member and take his or her vote and record it.*

**Electronic Votes During Interim:** In accordance with the Bylaws, the Board took the two following votes through electronic communication:

- It was duly moved, seconded, and unanimously passed that the Board approve the assessment letter to Members, and request President Garcia to distribute the letter to each Member.
- It was duly moved, seconded, and unanimously passed that the Board approve the contract with Shaw Engineering.

- 5. President's Report:** President Margot Garcia reported that she sent the final assessment letter sent to Members to finance the Redwood Tank replacement. She noted she received and answered eight assessment protests, keeping all other Board Members apprised through electronic communication. She noted that several appeals would be on the agenda later in the meeting, and requested that Anne-Marie Giese update the Board on the number of payments received.

Anne-Marie Giese reported that 130 lots are paid in full, 47 were paid for the first annual installment, and 104 lots are still outstanding, with a due date of Monday, March 16. In addition there is a 30-day grace period before late charges are added.

President Garcia continued her report noting she has signed the Shaw Engineering contract, and that they are proceeding with design for the redwood tank replacement, with a report from Steve Brigman later in the meeting. She noted that she applied for federal stimulus funds in the amount of \$507,000 for replacement of the Redwood tank, and is awaiting word on the possibility of proceeding in the application process. She noted that all of the easements have been signed between SVMWC and the Poulsen Estate and will be recorded this week. She reported that the Groundwater Management Plan Annual Report has a draft out for review, and that she attended an advisory meeting to review the plan, which includes SVMWC data. She stated that we are moving forward with documentation on the state of the aquifer, and that data is being collected and stored through a grant from the Red Dog Spill fund.

As a SVPSD budget cutback measure, Rick Lierman suggested ending creek monitoring. The members of the Groundwater Plan Advisory Committee expressed concern as the ongoing computer modeling needs data on the amount of water in the creek over time. However, as part of the TMDL settlement between Lahontan RWB and Ski Corp, There will be some monitoring of Squaw Creek, but for different parameters - stream health. It is possible that the Lawrence Livermore Lab study of the aquifer could include creek monitoring and the GWMP advisory committee could check into that. Through an agreement with Lahontan and the SV Ski Corporation, runoff from the parking lot is being monitored and treated before percolating into aquifer. The Skicorp has put in a filtering system. The snow moved off the parking lot and stored at Papoose is still a potential problem, but Well #1 will be better protected. The GWMP advisory committee suggested that there needs to be work done this year to try and reconcile the two different models for aquifer recharge; 1) water is coming off the slopes of Squaw Peak and Shirley Canyon and recharging at the western end of the valley; 2) water is coming down the south and north slopes of the valley and recharging the aquifer. The Board agreed we should invite the researchers at LLL to present their research findings on Squaw Valley and its aquifer.

Director David Mercer noted that prior discussions indicate it is not technically feasible to pump more drinking water out of PSD Well # 2, and that PSD and Ski Corp are still under negotiations that could delay the re-drilling of the well.

President Garcia noted that problems regarding digging out fire hydrants were discussed electronically by Board Members in the past month, and that the Board may want to examine potential legal ramifications of snow-buried fire hydrants. She ended her report by noting that Director Alisa Adriani was appointed to the MAC, according to PSD minutes.

- 6. Treasurer's Report:** Anne-Marie Giese presented Treasurer Adriani's report, which is incorporated in the Agenda on pages 7 and 8. She noted that the expired line of credit with Plumas Bank may be renewed upon signature of the President and Treasurer.

*Motion was duly made, seconded, and passed to extend the line of credit with Plumas Bank for \$150,000 with a \$250 service charge.*

**Appeals from assessment payment plans:** The Board held a long discussion on the four appeals to the assessment that were received since the letter was issued. The first appeal concerned being able to take the 8 year option and then paying it off earlier without penalty of paying the full interest cost. Director Salinger noted that the current Bank offer of an eight year loan to cover the tank replacement costs includes a penalty for prepayment. Therefore, the Mutual has to pass on that penalty to its members He noted that the Mutual may not have to borrow all of the funds, depending upon how many Members pay the full amount by March 16. John Collins noted that contractors normally are paid 25% first month, with a time

period of 3-4 months for the total project. Steve Brigman from Shaw Engineering noted that the project will be starting in June. Anne-Marie Giese noted that the bank's loan officer is willing to work with us.

In considering the assessment appeals, Board Members discussed the necessity that the new tank be completed by October 1, at which time the Mutual will need the full amount of funds raised by the assessment, and a loan commitment for payments made under the 8-year option. Consideration was given to a six-month payment option in light of the appeals. Cindy Ulrich and Abby Lippencourt spoke in defense of Cindy's appeal, and asked several questions concerning the six-month option. Also discussed were the appeals of Brian and Nancy Lungren; Dick and March Terry.

*Motion was duly made, seconded and unanimously passed that for those Members who appealed to the Board for a payment assessment alternative prior to March 16, 2009, a six-month payment option is available. The amount of the first payment is \$310.67, including a \$10 service fee to offset cost of extra staff time, and the next five payments are to be \$300.67 each, and with the full amount of \$1,804 paid by September 1, 2009.*

President Garcia agreed to send letters in response to the appeals received prior to March 16, 2009, as follows:

*Dick and March Terry, who chose the 8-year payment plan, must pay full interest if they opt to pay prior to the 8-year final payment. This policy will be reassessed if the Mutual is able to negotiate a different loan.*

*Brian and Nancy Lungren are allowed the 6-month payment option plus a \$10 service fee, with total amount due September 1, 2009.*

*Cindy Ulrich is allowed the 6-month payment option plus a \$10 service fee, with total amount due September 1, 2009.*

President Garcia introduced a second appeal letter from Ross Ziegler, which was received by all Board Members, requesting removal of the late penalty and handling charges. The Board allowed its original action stand, and declined to waive the late charges and penalties on Mr. Ziegler's bill. The Board agreed to reassess progress Mr. Ziegler makes on paying off his bill at the May 24<sup>th</sup> Board Meeting. The decision at that meeting will be upon whether or not SVMWC turns off Mr. Ziegler's water.

- 7. Operations Manager's Report.** John Collins noted that his activities for January and February are included in the Agenda Packet. He plans to take lead samples again in September and November, and based upon levels, move to tri-annual testing with the next samples to be taken in 2010. He also noted that the stand-by

generator is having additional problems and that he asked Nevada Generator for a quote for repairs or replacement for next year's budget.

***Tank Replacement Project:*** Steve Brigman reported on the status of the Shaw Engineering tank replacement project. He noted it is early in the process, and a “geometry exercise” at present, resulting into consideration of Alternative #2—a 38-foot diameter tank. Activities at Shaw are mostly “in house” right now and they are setting up base drawings with help from the staff engineer. A 50% submittal is due next week. Shaw is exploring a CEQA exemption with the Placer County Dept. of Public Health. Steve feels the project should be exempt, with notice coming soon. Shaw is filling out the environmental worksheet and giving it to John Collins for review. Shaw is working with John Collins to determine piping and controls, and use of a tank during temporary set-up. They are considering the difference between a welded and bolted tank, the latter being less expensive on the front end, but has maintenance issues in the long haul. The most important consideration is the covering inside—a welded tank has seamless lines and requires less maintenance. It costs slightly more upfront, but has fewer maintenance requirements. Mr. Brigman noted that the project would be easy for companies to bid because Shaw's specifications will include consultations with builders regarding new regulations such as seismic wave consideration, grade ring, and other technicalities. The cost differences are not significant. He feels the best way to handle water service during construction is to put a mini-tank in place, with possible rental of a pressure tank, a “sig poly” tanks on a higher spot, or giant rubber bladder banks. John Collins will research all the pump curves. Shaw must size tanks to cut down on cycling while the new tank is being built.

John mentioned the need for such things as easements for storage of steel and a site for portable tractor/trailer staging. Russell Poulsen, John Collins, and Steve Brigman discussed contracting needs for demolition of the redwood tank. They discussed other contract components including bond, insurance, fund retention contingent up to punch list and other details. They are working toward the third week in May to open formal bidding.

- 8. Office Manager's Report:** Anne-Marie Giese discussed options for a safety deposit box, which will require three signers—President Garcia, Vice President Mercer, and Treasurer Adriani. Ms. Giese will look into purchase of a fireproof, bombproof box. She is working with a new woman—Kim—from the Department of Public Health who will come out to examine the system in the spring. Ms. Giese is working on a consumer confidence report, which she will complete after the assessment activity slows down.
- 9. Email Addresses:** President Garcia discussed an issue raised by Director Adriani regarding appropriate use of the SVMWC email address rather than President Garcia's email address. The matter may be discussed further at the next Board Meeting.

**10. Financial Master Plan based on Auerbach Report:** The Board discussed the development of an overall SVMWC financial plan or projection based upon the Auerbach report to determine such issues as a potential start date for the next phase of improvements, and the associated financial implications. Director Bossung agreed that such a plan is needed and “volunteered” Members Kirk Weaver, and Abby Lippencott, Director Adriani, and himself as a financial planning committee. The ultimate goal would be to provide regular progress reports. Also discussed under this item was the possibility of billing Members every six months instead of once yearly, and increasing the capital portion of rates. Director Salinger suggested the possibility of adding a third line to the budget for construction to be included in billings. He noted this would be an issue to bring up at the Mid-Summer or Annual meetings of SVMWC.

**11. SVMWC Easements: Notice to Members.** There are no immediate problems associated with this item. Discussion is postponed to a future meeting, possibly the Annual Meeting.

**12. Newsletter:** President Garcia noted that a Newsletter will be produced and distributed to Members within the next couple of weeks and that it will highlight the Bylaw changes.

**13. Next Meeting:** The next meeting will be held Sunday, May 24, 2009 with the agenda to include renewal of contracts for Office Manager and Operations Manger, appointment of a nominating committee and setting of assessments.

The mid-summer meeting is tentatively set for Thursday, July 23 at 5:00 p.m.

The Annual Meeting is tentatively set for September 5, 2009.

*Upon motion duly made, seconded, and passed unanimously, the meeting was adjourned.*

Respectfully submitted,

Lynn M. Suter  
Secretary  
Squaw Valley Mutual Water Company