

SQUAW VALLEY MUTUAL WATER COMPANY BOARD OF DIRECTORS

MINUTES

Meeting of May 24, 2009

1. **Call to Order:** President Margot Garcia called the meeting of the SVMWC Board of Directors to order at 8:09 a.m. on May 24, 2009.
2. **Roll call and Establishment of quorum:** Secretary Lynn Suter called the roll and President Garcia established a quorum.
 - **Directors Present:** Ken Bossung, Margot Garcia, David Mercer, Stephanie Pierucci, David Salinger, Lynn Suter
 - **Directors Absent:** Alisa Adriani
 - **Members/Guests Present:** Carl Gustafson, Brain Sheehan, Cecile Weaver, Harold Weaver & Pam Roca
 - **Staff Present:** Anne-Marie Giese, Cory Giese, John Collins
3. **Additions to Agenda:** None
4. **Minutes of the Meeting of March 14, 2009:** Upon motion duly made, seconded, and passed unanimously, the minutes of the previous meeting were adopted.
5. **President's Report:** President Garcia presented her report, noting that The Mutual was not awarded a grant from federal stimulus funds because qualifications required that contamination originate in the water source and not in the system. She is finished with the assessment complaints. The last two easements from Poulsen are ready to be recorded, and she signed the letter to renew the Mutual's line of credit with Plumas Bank.

She further reported that David Brew represented the mutual in the matter of waste discharge requirements at the Resort at Squaw Creek, related to what chemicals can be used on the golf course, testing wells every 2 years and related issues. Lahontan finally passed provisions that include more frequent sampling. The number of wells is reduced from 17 to 5, but will be monitored monthly during golf season—important because it is the sole aquifer of the Mutual.

Pam Roca noted that in addition to possible well contamination, the rain washes contaminates down the creek, and affects amphibian life as well as the water.

President Garcia noted that she made a presentation at the Squaw Valley Property Owners' meeting yesterday in which she asked for help keeping hydrants and service boxes clear, asked members to pay attention to easements and avoid building on them. Pam Roca noted that PSD sewer easement lines sometimes do not actually have sewers in them, or the sewers have been moved and that this

should be looked into in case anybody is being asked to cut down trees or move rocks.

Proceeding with her report, President Garcia noted the Mutual is on track in the matter of replacing the redwood tank this summer. John Collins corrected the report, noting that bids were opened on Thursday, May 21, not Wednesday. President Garcia expressed hope that enough funding will be left after the tank replacement to start work on Phase 2, Christy Lane.

6. **Treasurer's Report:** Cory Giese presented the Treasurer's Report on behalf of Treasurer Alisa Adriani. He noted that \$340,000 has been encumbered for the tank replacement, with \$57,000 left over, and that the Mutual has renewed the line of credit. All but \$2,493 has been collected for the 2008-09 assessment. There is still \$192,768 outstanding on the tank replacement assessment. There will probably be about a \$40,000 balance this year, of which \$7,500 is attributable to the Kariotis property, which is unlikely to be paid until the lot is sold.
7. **Budget to Actual Report:** Anne-Marie Giese reported on the 2008-09 Budget to Actual funds, noting that legal fees and the maintenance contract are slightly over budget, but a number of other items are under budget such as utilities and testing. The running budget is different from the fiscal budget, which will include the tank replacement. She discussed the 2009-10 budget in terms of annual versus bi-annual billing. Her suggestion for semi-annual billing would be a first billing sent July 1, with payment due August 15 for one half of the annual bill. The second billing would be sent on February 1, with payment due on March 15 for the second half of the annual billing (plus the special assessment).

Director Salinger noted that the problem with the generator should be added to the budget.

John Collins noted that he can have a rental portable generator in place quickly if needed, and that most of the time there is quite a bit of water stored. John noted that if we are not going to touch the well houses we should limp along with the current generators for the time being. He is not recommending doing anything about the generators right now, but advised the Board to be aware that the problem is "out there." Director Salinger suggested it may be better to obtain a new generator now and "be done with it" rather than dealing with ongoing repairs. John Collins stated that the building has some problems that must be dealt with, including tearing out part of the building in order to remove the old generator. Director Salinger suggested that if the Mutual is under budget on the tank, that the extra money be used on a new generator and well house, and get it done this summer.

A motion was duly made, seconded, and passed unanimously that semi-annual billings be sent to Members in July, with the first payment due August 15, and in February with the second payment due March 15, which

would include billing for the special assessment for Members on the eight-year plan.

A motion was duly made, seconded, and duly passed unanimously to keep water rates the same as last year.

Anne-Marie Giese proceeded with her report. She noted that Ross Ziegler is paid in full, but he and 24 other people have not paid the special assessment. Two lots have not paid last year's billing. A certified letter has been sent to 1542 Sandy Way requiring payment within 10 days or water shut-off. Director Pierucci asked Carl Gustafson about PSD policy if somebody does not pay a bill. Director Salinger noted that delinquent payments should also be posted on the property.

Two other people paid only ½ of the regular billing and none of the Special Assessment: 1080 Squaw Valley road and 1314 Sandy Way.

A motion was duly moved, seconded, and passed unanimously that the Board adopt the semi-annual billing model.

A motion was duly moved, seconded, and passed unanimously that Anne-Marie draft up a warning letter asking that contact be made with SVMWD office to arrange payment, and notice of a 30-day shut-off.

The Board discussed a general policy regarding late payments.

A motion was duly moved, seconded, and passed unanimously that a general policy be adopted to send a 30-day grace letter, noting the shut-off ability under SVMWC bylaws, and assessing a 25% penalty in September, and that this information be published in the SVMWC newsletter stating reasons why the action is necessary.

8. **Report from Long Term Finance Committee.** Director Bossung raised the question of proceeding with an annual or a bi-annual assessment. He reported that the Long Term Finance Committee made a lot of progress this week. The recommendation is to bring in a professional organization that deals specifically with assessments for associations to deal with the complicated dynamics of assessments and financing. He suggested the Board look at the website of Financial Consulting Services Group at www.fcsg.com. He can get an estimate from them this week for costs in hiring a consultant with “deep experience dealing with bonds” to analyze options for longer-term payback of assessments that would not impact Members so much. He noted the need for a master plan to handle financing of improvements including assessments. He will communicate with FCSG this week and email details to Board Members.
9. **Operations Manager's Report.** John Collins reported that the water system is in compliance with regulations for March, April, and May. The fourth quarterly

sample for radon and perchlorate is complete. Water production is down compared to last year, but up from the year before. He performed only one plan check for the remodel at 1562 Sandy Way, made minor repairs to the generator, and is testing pagers for dead spots. There are only small changes in his contract proposal from last year.

A motion was duly moved, seconded and unanimously passed that the Agreement of Services and Maintenance of SVMWC Facilities between Collins Engineering Consulting and SVMWC be approved for the period July 1, 2009 to June 30, 2010.

10. Discussion proceeded on the Consumer Confidence Report. Question with comments regarding Well #2 and the effect of drainage from the Ski Corp parking lot, stream monitoring, and Friends of Squaw Creek issues about creek restoration and the need to address the quantity and quality of creek water. There were no objections to accepting the 2008 Consumer Confidence Report as written.

A motion was duly moved, seconded, and unanimously passed that the Office Management Contract between Giese Accounting & Tax and SVMWC for July 1, 2009 to June 30, 2010 at a rate of \$30,000 per year be adopted.

11. **Contract for rebuilding redwood tank.** Steve Brigman announced that bids were opened Thursday for the replacement project. All three bids were responsive, although one contained a math error. The bids were from Resource Development Co., Aspen Developers Corp. and Spiess Construction Co. Director Bossung noted the requirements to maintain water service during construction, uninterrupted temporary storage, and meet the Mutual's schedule.

Mr. Brigman pointed out the project elements that would make the project seamless with respect to supply and pressure, and completion before October 1 (depending upon the exact date of proceeding). From the target start date of mid-June, there would be 110 days to complete the project. The main timing issue is the need to complete tank coating prior to sustaining 40-degree temperatures. Director Pierucci noted the impact of the temporary land use, easement use, and necessary rental space. Mr. Brigman stated that the easements around the site have been identified, and that temporary storage would take up a good percentage of the easement space around the site, pointing out that rental space from Ski Corp is already in the contractor's price. In answer to Director Pierucci's question about insurance, Mr. Brigman said that the contractor will have all certificates in place prior to starting construction, and that SVMWC is named as additional insured. This agreement is in the bid document, with low bidder to obtain insurance certifications and performance bond within 14 days.

John Collins recommended that the Board approve the Resource Development Corp (RDC) as the low bidder, and approve the contract at a lump sum price.

Jake Hudson will take a look at the site to determine if a French Drain is needed. Price could change depending on factors such as the need to stabilize the foundation, which will be determined when the tank is pulled apart. Site preparation is pegged at \$20,000, which should be enough, according to John Collins. Director Bossung noted that as a Board we need to be prepared for contract changes, and discussed how to approve those changes and under what limits by electronic voting. John Collins noted three additional items that may have to be considered in changes: wetland construction staking (he will ask Webb Surveying to give us a bid), additional geo-tech testing by Holdrege & Kull, and the possibility of additional time on his own contract.

A motion was duly moved, seconded, and unanimously passed that Shaw Engineering move forward on behalf of the Mutual to approve a contract award of \$214,200 to Resource Development, and authorize the President of SVMWC to execute the contract.

12. ***Nominating Committee.*** President Garcia named herself, Ken Bossung, Lynn Suter, and Dave Mercer as the nominating committee for new Board Members.
13. ***Next Meeting.*** The next meeting of the Board is scheduled for Wednesday, July 22 at 5:00 p.m.

A motion to adjourn the meeting was duly made, seconded, and unanimously passed.

Respectfully submitted,

Lynn M. Suter
Secretary