

SQUAW VALLEY MUTUAL WATER COMPANY

MINUTES

Meeting of August 10, 2009

4:00 p.m.

1. **Call to Order, Establish Quorum:** President Garcia called the meeting to order at 4:12 p.m. The Secretary called the roll and the President established presence of a quorum.

- Present: Directors Alisa Adriani, Ken Bossung, Margot Garcia, David Mercer, Stephanie Pierucci, Lynn Suter
- Absent: Director David Salinger
- Staff Present: Anne-Marie Giese, Cory Giese, John Collins
- Members and others present: Carl Gustafson, J.D. Garcia, Pam Roca

2. **Adoption of the Agenda:** President Garcia noted that items 5 and 4 would be switched on the Agenda. ***The Agenda was duly moved, seconded, and Unanimously passed.***

3. **Adoption of the minutes of July 22, 2009: There were two corrections to the minutes that were moved, seconded and unanimously adopted:**

- On Page 2, the minutes are amended to reflect that Director Adriani agreed to consider running for another term at the upcoming General Election.
- The minutes are amended to reflect that the following items from the last meeting were tabled until the next meeting:

Item 11. Discussion of when SVMWC email address should be used instead of personal email address for member response.

Item 12. Electronic Voting Procedures

Item 13. Discussion of Annual meeting – reports, proposals to the membership

4. **Progress Report - Tank Replacement Project:** **Mr. Steve Brigman** reported that the temporary storage tanks are in place, filled, and being disinfected. They will be on line in a couple of days, held for 24 hours, tested for disinfection, and then be on line for service on Thursday afternoon or Friday morning. The redwood tank replacement site will be ready for steel, side piping and grade ring next week. The project is proceeding on schedule, but completion will take a couple of months. The site must be slightly redesigned because of factors altered

from the original assessment when site was under snow cover. Subsequent fieldwork and design work will be completed during the summer, if possible.

Mr. John Collins noted temporary site adjustments required because the landowner, Mr. Poulsen, stipulated that no further grading take place to accommodate adjusted placement of the bladders or temporary tanks. The adjustments result in an elevation disparity of 14 feet from the RW tank elevation, affecting water pressure on several upper lots and resulting in the need for the temporary tanks.

Mr. Brigman stated that the issue was not anticipated because there was no outward indication that 7psi would present a pressure-sensitive problem for several upper elevation connections. **Director Bossung** stated that contract documents are clear about furnishing the same volume and pressure for water service during the construction period as prior to commencement of work. He noted that additional costs for the temporary tank solution is reason enough to revisit the contract conditions. **Mr. Collins** noted that the sensitive pressure problem was not identified in advance, and that the contractors checked with him at all points in the bladder placement process. He stated that cost of the alternative tank solution is \$10,200. The bladder will be left fully filled and in place in the event that water reserve is needed by extraordinary conditions.

Member JD Garcia noted the difficulty of predicting the problem and suggesting a solution in advance, prior to identification of problems. He suggested the additional costs be split between the contractor and the Mutual. **Director Adriani** stated that both the bladder and the tank locations are outside the Poulsen easement. She stated that the requirement for uninterrupted service must be satisfied, which is the reason for the construction contract contingency. She noted that although the Board approved the change order, the cost involved is not satisfactory. She requested that Mr. Collins relay the Board's dissatisfaction to the contractor, including the Board's objection to the 10-day delay caused by installation of the temporary tank. **Director Bossung** noted the importance of noting that contract provisions do not provide for extension of time due to Change Order..

Tank Project Budget Update: **Cory Giese** summarized the tank project budget update. **Anne-Marie Giese** noted that costs are within budget so far, but the report only reflects actual billings to date. **Director Bossung** repeated the admonition that no extension of time is allowed under contract provisions due to the Change Order.

5. **Report from Long- Term Finance Committee:** Staff members Cory and Anne-Marie Giese and Directors Adriani, Bossung and Garcia met with the development officer at Plumas Bank. Board discussion ensued on the options presented in the draft Financial Analysis of SVMWC's Projected Funding of Capital Improvements. This document is included in the Agenda Packet for the Board Meeting, and can be

referenced online at www.svmwc.com The Board discussed including options 4, 5, and 6, for explanation in the *Newsletter*, noting that the 8.5% interest rate offered by Plumas Bank is within the range of market value for jumbo construction loans. Directors discussed an optional phased approach to financing the project so that cost adjustments would reflect market conditions. President Garcia suggested that financing options be explained in the *Newsletter* in order for Members to examine them and discuss them at the Annual Meeting. Board dialog indicated expectation of a thorough discussion at the General Meeting, whereby options might be re-worked to address Member preferences and/or new alternatives. If needed, a prepaid return-postcard poll will be held after Members absorb information from the General Meeting.

6. ***Discussion of SVMWC email address:*** The Board discussed guidelines for use of personal and SVMWC email addresses in receiving and responding to Member issues, inquiries, and requests for information or assistance. ***Director Adriani*** noted her preference for an accurate professional identity associated with use of the SVMWC email address, and cited confusion that may be caused over using personal email and phone numbers in such documents as the Member Assessment Letter.

Upon motion duly made, seconded, and unanimously passed, the Board adopted the following guidelines:

- Member correspondence will be sent to SVMWC “Company Address.”
- The President (or Vice President in event of unavailability) will sign “Company Correspondence” and will be the principal responder to Member correspondence.
- The Office Manager will answer clerical questions.
- The Office Manager will forward all correspondence other than clerical to the President with a copy to each Board Member.
- The President may respond to correspondence from her/his personal email address, with email copies to Directors and SVMWC staff.

7. Electronic Voting Procedures: The Board discussed the Draft Policy for Electronic Voting included in the Agenda Packet. ***Upon motion duly made, seconded, and unanimously passed, the following procedures are adopted:***

- Motions made electronically by Directors shall state “**Motion**” in the subject line of the email. The Proposer shall state in the body of the email, “***I move that . . .***” followed by the motion written in the body of the email.
- Only one motion shall be made at a time and only on one subject
- Using the same subject line – “**Motion**” – another Director shall second the motion.

- ***The President (or Vice President, in absence of President)*** shall send an email to all Directors with the word “**Vote**” on the subject line. The body of the email shall state the Motion, the Maker of the Motion and the Seconder of the Motion, followed by a list of the Directors. ***SVMWC By-laws specify that Directors have seven (7) days in which to vote.***
- Directors shall vote by (1) typing “yes” or “no” or “abstain” next to his or her name, or writing “yes”, “no”, or “abstain” in the reply line to the email. Each Director shall send this voting message via “Reply All” to all Board Members.
- The President (or Vice President in the absence of President) will monitor the voting and the vote count. When a majority is reached, the President will declare passage or defeat of the Motion, and send the results to Directors via email in order to begin timely implementation of the Motion, if passed. Any remaining Directors may continue to register their votes until the end of the 7-day period.
- Board discussion may continue after a motion is made, during which the vote may continue. The Motion may be amended, or the Maker and Seconder may withdraw the Motion and offer a new Motion. The President shall arbitrate disparities, using Robert’s Rules of Order in the event of a stalemate or parliamentary disagreement.
- The President shall electronically transmit the result of any vote, and note the outcome of any vote in the President’s Report for the next Board Meeting. Votes taken between meetings shall be recorded in the Minutes of the meeting in which they are announced.
- Board Members shall notify President if they will be out of email contact for longer than three days.

8. Preparation for Annual Meeting: The Board discussed the phasing elements of the Auerbauch Report, content of email notifications to Members, necessity to focus on financial information, and the need to advise each Member by mail regarding issues related to SVMWC easements.

9. Next Meeting: Saturday, September 5, 2009

9:00 – Current Board Member Meeting

10:00 - Annual Meeting for all SVMWC Members

12:00 - (Approximate time) – Meeting of new Board,
Election of Officers, Set Next Meeting

10. Adjournment: *It was duly moved, seconded, and unanimously passed that the Meeting be adjourned.*