

SQUAW VALLEY MUTUAL WATER COMPANY

MINUTES

Board Meeting October 24, 2009 9 am

Call to order: President Garcia called the Board meeting or order at 9:am.

Roll Call and Establishment of Quorum: In the absence of Secretary Suter, President Garcia called the roll and established the presence of a quorum.

- Directors present: Ken Bossung, Steve Burke, Margot Garcia, David Mercer, David Salinger
- Directors absent: Alisa Adriani, Lynn Suter
- Staff present: Anne-Marie Giese, John Collins
- Members and others present: Steve Brigman, Cecile Weaver, Harold Weaver, Loraine & Bert Fulmer, Carol Shanser, Jackie Redmond, Gretchen Thomas, Tad Thomas, Peter Werbel, Dale Cox, and Jean Claude Pascal.

Adoption of the Agenda: The agenda was duly moved, seconded and adopted unanimously.

Minutes of the September 5, 2009 meeting: The minutes for the 9:00 am September 5, 2009 meeting were approved. The minutes for the Annual meeting of members at 10 am was approved with the correction that David Mercer was present. The minutes for the Board meeting starting at 12:15 pm were approved with one correction: starting time should be 12:15 pm not 12:15 am.

President's Report: President Garcia covered various updates that will also be summarized for the members in the Newsletter that Margot edits. One member inquired about the right of the board to shut off water to members due to delinquent payment. Section 8.6 of the Company Bylaws (posted on the SVMWC website) detail the rights of the board to shut off water.

Report from the Treasurer: Anne-Marie Giese made the report in the absence of Treasurer Adriani. Revenues and expenses are tracking according to plan. After the board meeting, the Directors received a request to post financials on the website; the financials are already posted on the website.

Operations Manager: John Collins discussed recent chlorine complaints and the board heard from various members about the issue. To help mitigate the chlorine odor some are experiencing, John plans to install a new sampling port by the end of November. The board

agreed to post an article in the November SVMWC newsletter to help educate members about the facts and issues around chlorine in the water supply.

Steve Brigman from Shaw Engineering provided an update on the new water tank installation. The tank is scheduled to be complete on October 12, but that date is subject to weather conditions. The color coat is completed and the focus will turn to the cleaning and disinfecting the tank. This cleaning is expected to take approximately one week. The intent is to complete the work and be off the Poulsen property by November 30, 2009.

Because the tank is not completed, the hoped for dedication on October 24 has been postponed until spring.

The discussion on building a billing policy for water leaks where John Collins is called out to investigate was tabled until the next meeting when Alisa would be present.

Office Manager: Anne-Marie Giese discussed payment delinquencies and shutoff notices. She sent out 30-day shut-off notices to 14 members. Seven have paid and two more have made contact saying they will bring their account up to date. Those who do not pay or have not contacted the office by November 2 will get a door hanger from John with a 24-hour notice. The current delinquency rate is similar to the PSD.

The result of the postcard survey concerning how people want to pay for the next capital improvement projects was discussed. Surveys were sent to all 251 members on October 1. By October 21, 128 postcards had been returned of which 34 had comments. Anne-Marie compiled all the comments and presented those. Of the members that voted, 92 voted for assessments and 41 for the loan options.

Discussion of Financing of next phases: The Board received a letter from Robert Mann of the Plumas Bank with another offer of financing for the rest of the capital improvements. The offer is a non-revolving construction line of credit financing up to less of \$1,042,250 or 85% of approved project costs at 6.5% for 1 year. We pay interest only during the construction period. Then the loan shifts to a 15-year with three 5 year fixed interest rate settings based on Bank determined 5-year cumulative Treasury rate plus a margin of 4% over the index (as of 10/14/09 the rate would be 6.22%). The payments would be in 14 equal amortization payments. The floor interest is 6.5% with no cap. The loan fee remains at 1% of loan amounts plus miscellaneous closing fees and costs. We are to have fixed rate construction contracts with Plumas Bank approved contractors for each project. The loan is to be approved by the Board of Directors and we must decide by October 30, 2009.

The Board discussed at length the offer, as well as the possibility of state grants and USDA loans. Margot applied for 4 grants from CDPH in support of the capital improvements. Cory Giese is taking the lead in developing the USDA loan application. The terms of the bank loan are not acceptable at this point. A follow up meeting will be held with Robert Mann at the bank to try and improve the offer and parallel efforts will be underway to explore alternate financing. Margot will draft a letter in reply to Plumas Bank, which will be

circulated to the board for input before it is sent. Different Board members agreed to contact other banks to see what the possibilities are.

Value of Water Rights: Steve Burke discussed the unique value of the SVMWC water rights and agreed to outline his comments in an article for the November SVMWC Newsletter.

The next meeting was set for Sunday, December 20, 2009 at 4:00 pm

The meeting was adjourned at 11:25 am.

Minutes by Steve Burke and Margot Garcia