

# SQUAW VALLEY MUTUAL WATER COMPANY

## MINUTES

**Meeting of Saturday, April 17, 2010  
9:00 a.m. – Community Room, PSD**

1. **Call to Order:** President Garcia called the meeting of the Squaw Valley Mutual Water Company board of directors meeting to order at 9:05 p.m. President Garcia called the roll, and a quorum was established.

2. **Roll Call and establishment of a Quorum:**

**Directors present:** Adriani, Bossung, Burke, Garcia, Mercer; Suter

**Directors absent:** Salinger

**Staff Present:** John Collins

**Members/Guests present:** Steve Brigman, Cecile Weaver, Carl Gustafson, Bert and Elaine Fulmer, Brian Sheehan, Gretchen Thomas and Ed Thomas.

3. **Approval of Agenda:** It was moved, seconded, and unanimously passed that the agenda be adopted, adding questions by **Bert and Elaine Fulmer to the agenda. Discussion followed:**

Bert and Elaine Fulmer of 1240 Lanny Lane asked several questions pertaining to surveying along the main water line, and related activities, including whether or not the main would be moved to the side of the road on Lanny, and if new house connections would be required. Steve Brigman answered that Shaw Engineering has been working on alternatives, studying them for several months, and preliminary assessments for this part of the improvements have been made. From an engineering and planning standpoint, the most cost effective option will be to put new mains in the street and new service requirements, which would require some new piping on private property. The Mutual is responsible for connections from the Main to the Meter Box. Homeowners are responsible for connections from the meter box to the house.

Director Bossung noted that the waterlines don't have to be abandoned immediately, and the Board would work on alternatives and options for homeowners.

Mr. Brigman noted that while the pipe is in reasonable shape, its small diameter doesn't provide for fire flow capacity. He also commented on location of meter boxes on various properties, and the content of asbestos in cement pipe (in answer to a question). In some cases, especially in the older subdivision, each property may have to be considered separately.

President Garcia suggested that the Board hold some neighborhood meetings in order to explain details of the project in each area.

4. **Minutes**. Acceptance of the Minutes of the February 27, 2010 meeting were moved, seconded, and unanimously passed.

5. **President's Report:**

Electronic Votes: President Garcia noted two electronic votes that had been taken.

(1) Motion to accept a change order pertaining to Change order #1 for \$8,500 to cover the additional cost of the surveying done by Webb for Phases II through V

- *It was moved, seconded, and passed unanimously that the change order be accepted*

(2) Motion related to the appeal of Ross Zeigler for a payment plan for water dues and fees.

- *It was moved, seconded, and passed on a vote of 6-1 to deny Mr. Ziegler's appeal.*

President Garcia provided an update on the line of credit with Plumas Bank, noting that they had asked for a compilation of financial statements from the Mutual, and that the fee is higher because of the new FDIC higher interest rate.

- *It was moved, seconded and unanimously passed that the Board accept the resolution for the line of credit with Plumas Bank.*

President Garcia noted receipt of a letter from George and Brenda Millam in favor of water metering.

President Garcia provided an update on the USDA Rural Development Program, noting that the project must include metering with the Bylaws providing for the same rate. Director Burke stated he is in favor of deferring consideration of the loan, building our cash position, before consideration of taking out loans. Director Adriani noted that the interest rate is favorable at 4% for 40 years. Directors Burke and Mercer discussed options for inclusion in the loan, and "economy of scale" related to those inclusions.

President Garcia suggested holding an official dedication of the new water tank, possibly in May, at the same time as the Squaw Valley HOA meeting. She also suggested naming the tank after John Chisholm, whose past dedication to SVMWC as a Director had added so much to the improvement of the Mutual.

- *Motion: It was moved, seconded, and unanimously passed that the new water tank be named "The John Chisholm Water Tank."*

6. **Treasurer's Report:** Director/Treasurer Adriani provided a summary of the Treasurer's Report provided in the Agenda. She also noted the dilemma presented by non-payment of water fees in the case of the McIver house in foreclosure, and whether or not the outstanding balance runs with the land. Discussion ensued regarding this and the option of water shut-off. President Garcia appointed Directors Adriani and Burke to develop an

appropriate response to this situation which can apply to all foreclosures, with an option available prior to the Annual Meeting in case a change in By-Laws is necessary.

- *Motion: It was moved, seconded, and unanimously passed that the McIver property water be turned off unless bill is completely paid up, and that John Collins follow up with a 24-hour door hanger.*

Treasurer Adriani reported that the Mutual is down to the next-to-last payment on the Plumas Bank long term note. She noted a proposal was received from the McClintock Accountancy Corporation for \$5,800 per year to compile disclosures, audit financials for the disclosures needed for both the Plumas and USDA loans, and related activities. Cory Giese recommended the firm because he has worked successfully with them before.

- *Motion: It was moved, seconded, and unanimously passed to accept the McClintock proposal to provide two audits and compilation of the necessary financial information for the loans.*

7. **Operations Report:** John Collins summarized his written Operations Report, noting that the Mutual's water system is meeting standards, he had no service calls, and water usage is lower than it has been in the past four years. The State Health Inspection resulted in the need to address three basic findings including screening the cage on the new tank so nobody can get on top, and enforcement of the backflow device. Member Gretchen Thomas asked how people would know if there are backflow devices. Mr. Collins stated that he inspects the devices that we do have to make sure they are being maintained. The devices are not required unless remodeling or other activities requiring a building permit are taking place.

Other points in Mr. Collins' report: He is collecting quarterly bacteria samples, and received an updated quote (\$25,000) on a dependable generator (the current one came from a WWII ship). A water valve box was damaged by the county's snow plow. Mr. Collins received calls from the road division and one customer, so he bought a new lid and installed it. When the snow melts three other collars and lids need replacing, which is the Mutual's responsibility because they are in the county right-of-way. The new generator is not urgent, and won't be a major issue until next winter. New radios are installed, and he has not received a call since they've been in.

8. **Office Manager's Report:** Anne-Marie Giese summarized the report, projecting that the Mutual will have a cash balance of approximately \$87,000 at the end of the year—an amount that might handle some of the engineering costs.
9. **Options to Move Forward With Capital Improvements:** The Board held an extension discussion on the three options provided in the Agenda, with input from John Collins and Steve Brigman. Points noted in the discussion:

The loan will be closed when all construction is finished. USDA generally won't fund construction because of the possibility of change orders. Therefore a construction loan is inevitable for 20-24 months of interim financing.

John Collins noted that if interim financing interest of \$95,000 is “stacked into the loan”, when the loan is closed, USDA will pick up the cost at 6%.

President Garcia questioned the uncertainty of what happens with the wells if they are added to the package. Director Burke noted that delaying the start of the project gives us more time to scope the wells. Director Adriani noted that if the Mutual chooses the cash option, the lien stays with the Mutual, and if the promissory note option is exercised the Mutual will have to pledge all its revenues, which would have to be transferable to homeowners according to the Bylaws. Steve Brigman asked for clarity on whether or not the Mutual “is going down the loan road.” Director Mercer noted that if the Mutual chooses “the loan road” it should include the cost of meters and connections into the loan. Discussion ensued regarding inclusion of the wells in the USDA loan, whether engineering work is required to determine the conditions of the wells underground and related issues. Mr. Collins noted a proposal from InterFlow Hydrology to do some pump testing (requires pulling the pumps out of the ground), and doing limited rehab on the pumps, including video inspection of the wells and replacing inoperative pumps. Until the wells are inspected, the Mutual will not know what needs to be done.

Several Members commented from the audience.

- *Motion: It was moved, seconded, and unanimously passed that a contract not to exceed \$25,000 be awarded to Shaw engineering for work outlined in the packed they supplied.*

10. **Committees Appointed:** In consideration of the amount of work to be completed, President Garcia appointed several Board Committees:

Metering, Rates, and Financial – Burke and Bossung

Neighborhood meetings – Mercer, Suter, Garcia

Liens – Burke and Adriani

11. **Next Meetings:**

- May 30, 2010 – Tentatively set by President Garcia, who noted that two meetings may be necessary to complete outstanding work.
- September 4, 2010 – Annual meeting

12. **Adjournment:** A motion for adjournment was moved, seconded, and unanimously passed.