

SQUAW VALLEY MUTUAL WATER COMPANY

BOARD OF DIRECTORS

MINUTES

Meeting of Saturday, April 9, 2011

1. **Call to Order.** The meeting of the Board of Directors was called to order at 9:08 a.m. by President Garcia.
2. **Roll Call and Establishment of Quorum:** A quorum was established with the following **Directors present:** Adriani, Bossung, Burke, Garcia, Mercer, and Suter. **Members and Guests present:** Anne-Marie Giese, John Collins, Steve Brigman, Dale Cox, Chris Cattran, Cecile Weaver, Christina Campbell, Carl Gustafson, Joan Brazell, Rich Brazell, Patti Guilford, Andrea Leisy, Peter Werbel, John Ward, Allen Riley & Tim Mathis.
3. **Call to Audience for topics not on the Agenda:** Member Dale Cox brought to the Board's attention an inquiry from Member John Reid regarding billing for repair service for work he did, as well as for work done by the SVPUD and by John Collins of SVMWC. been double-billed. Office Manager Anne-Marie Giese replied that she had spoken with Mr. Reid and explained the billing. John Collins and Director Adriani further described the Mutual's billing process to Mr. Cox. President Garcia requested that in the future if Mr. Cox is asked to arbitrate bills that he refer those Members to the Office Manager.
4. **Approval of Agenda:** There were no further additions to the Agenda. *Upon motion duly made, seconded, and passed unanimously, the Agenda was approved.*
5. **Approval of Minutes:** Minutes of the meetings of November 13, 2010 and February 19, 2011 are delayed due to an unrecoverable computer failure, and will be reconstructed by Board Members, moved by electronic vote, and posted on SVMWC Website when completed.
6. **Report from President Margot Garcia:** The President reported one electronic vote taken in the interim between meetings. *Electronic Motion was made, seconded, and unanimously passed authorizing Shaw Engineering and Collins Engineering to proceed with the Placer County project review at the rate of \$111 per hour, with an estimate of 10-20 hours for completion.* She reported on the results of negotiations with Plumas Bank for renewal of a Line of Credit for SVMWC. We were able to change the LOC from \$300,000 to renewing the original \$150,000 in April with an additional \$150,000 available on receipt of the USDA Letter of Conditions due in October. She noted there would be additional discussion of the Plumas note later in the meeting. President Garcia described a newly discovered problem with current location of the well house, which Steve Brigman discovered is sitting at a 45-degree angle on the lot, extending onto Poulsen land. She will meet with Craig Poulsen and Brad Lyle regarding Poulsen Trust lands and in particular the

property on which the well house is located and report back to the Board. A discussion ensued regarding addition of a restroom to the well house, including need for special sewer considerations to prevent contamination and the possibility of utilizing either porta potties or existing restroom facilities in other buildings. The Board deferred discussion of the issue until more concrete information is available about the property, and location of the construction. The President noted the need for a Task Force to identify share costs for the 117 new laterals needed to move back-lot water mains to the roadway. She named Directors Bossung, Burke, Suter and Member Peter Werbel to the Task Force, which is to bring a new proposal to the next meeting. President Garcia hopes to issue a membership newsletter by May 1. She also reported her direction to attorney Andy Morris to write a memo for distribution to Members regarding questions of Board approval of loans and rights of property owners regarding movement and shutoff of water mains and questions of responsibility for keeping easements clear and bearing the cost of removing easement obstructions. She reported on upcoming Board activities, including the next Board meeting on Memorial Day weekend.

7. **Treasurer's Report:** Treasurer Adriani reported, per the information in the Agenda Packet, that the Mutual is operating within its budget, with the biggest outstanding issue being the Line of Credit being negotiated with Plumas Bank.
8. **Operation Manager's Report:** John Collins presented the Water Operations Report in accordance with reports on Water System Compliances, Water Production, and activities associated with Operations and Maintenance, as noted in the Board Packet information. He particularly noted the high water usage for winter months, possibly due to leaks caused by the massive amount of snow on laterals and water mains.
9. **Office Manager's Report:** Anne-Marie Giese reported on her and Cory Giese's activities since the last meeting, including financials, reports to CA Dept of Public Health, and other activities as detailed in the Agenda Packet. She also reported specifically on progress in securing the USDA loan and renewal of the Plumas Bank Line of Credit. Directors Burke and Bossung questioned terms of the Plumas LOC offer, particularly the fees and rate, and suggested making inquiries of other banking institutions. Director Adriani raised objections to accepting the LOC offer based upon the information offered by Ms. Giese. After additional discussion directors agreed that President Garcia should ask Plumas for adjustments to their terms before initiating discussions with other banks. President Garcia agreed to do so and stated that a new motion based on further discussions with Plumas could be made for an electronic vote prior to April 25.
10. **Progress of Pipe Replacement Project:** Steve Brigman reported on the status of the pipe replacement project and answered Member questions regarding the CPUC's jurisdiction SVMWC as a public utility (there is none), and regarding Placer County easement requirements for placement of the new pipes. John Collins reiterated that SVMWC *still* a public utility, even though it is not under CPUC jurisdiction. Mr. Brigman went on to note issues regarding county requirements for thickness of asphalt, repair of damage to roadway, requirement for three foot depth of new water boxes, and county photo documentation of all streets to ensure restoration to original condition. He suggested submitting plans to the

Squaw Valley MAC, of which Director Adriani is a member. She agreed to place an informational item on the next agenda, utilizing visuals Mr. Brigman to describe the project. Mr. Brigman moved on to discuss water meters in answer to Member questions, noting that bid documents will specify at least two vendors. He confirmed that the meters will be of the “remote read” capability as a package including electronics, guaranteed operation, and a maintenance agreement. In answer to Dale Cox’s inquiry, the Board noted details of the project’s set-aside for contingencies, and the fact that meters are, indeed, a commitment to a higher level of service that may be included in water rates when they are eventually set for the new system.

- 11. Shared Payment of House Laterals:** Four ideas were discussed by Directors and Members, including options for completing new laterals within three years, a one-time assessment of all Members allocated out to individuals, payments for least expensive alternatives, division of Members into 117 “Lucky” recipients of a subsidy for laterals and “Unlucky” Members who would all be assessed to pay for them. A number of questions from Members were discussed regarding application of elements of each alternative to a final cost sharing plan. Director Adriani pointed out that the discussion is comprised of two elements: the project itself, and the method of assessment to accomplish payment for the laterals. Member Cecile Weaver questioned the handling of vacant lots, which was discussed by the Board and referred to the Task Force for further discussion. Member Patty Guilford asked about time lines, advance notice to members, and whether or not the lateral lines need engineering approval (they do not). Member Chris Catrell commented upon the April 5 letter from the Mutual’s attorney, Andy Morris, which raises questions about all Members of the Mutual paying for improvements to the private property of only some Members. Dale Cox cautioned against creating two classes of Members - - “Lucky and Unlucky”. Members and Directors also discussed requesting legal opinions on the four options. President Garcia noted that a legal opinion should only be sought after the Task Force meets and narrows the question down to a viable option. It was agreed that the Task Force would meet at 5:00 with a goal of producing a practical cost-sharing option on which questions to the Mutual’s attorney can be based.
- 12. Next Steps:** President Garcia outlined next steps as renewed discussion with Plumas Bank prior to April 25, a Task Force meeting to generate a plan for cost sharing of replacement of the lateral lines, anticipation of federal budget action to resolve the question of the USDA loan, and setting a next Board Meeting for Memorial Day weekend.
- 13. Next Meeting:** The next meeting of the Board of Directors is set for Sunday, May 29, 2011 at 4:00 p.m.
- 14.** There being no further business before the Board, the meeting was adjourned at 11:38 a.m.