

SQUAW VALLEY MUTUAL WATER COMPANY
Board of Directors Meeting
April 14, 2012
Preliminary Minutes

1. Call to order

President John Coyle called the meeting of the Squaw Valley Mutual Water Company Board of Directors to order at 3:07 PM on Saturday April 14, 21012 at the Squaw Valley PSD Community Room.

2. Roll call and establish a quorum - Lynn Suter

Directors present: Coyle, Mattheis, Garcia, Guilford, DeMattei, Bossung, and Suter

Directors absent: None

Staff present were John Collins and Anne-Marie Giese. There were 6 members and guests present.

Members/Guests Present: Sally Brew, Carl Gustafson, Lizzie Day, Gayle DeMattei, Buck Thys, Leon and Barbara Futran

3. Call to the audience for anything not on the agenda

There were no comments unagendized items.

4. Adopt the agenda

It was moved by Director Suter and seconded by Director Guilford to approve today's agenda as presented. Motion carried unanimously.

5. Minutes from the 2/25/12 meeting & 3/24/12 Special Meeting – Lynn Suter

It was moved by Director Mattheis and seconded by Director Guilford to approve the minutes as presented. Motion carried unanimously.

6. President's report – John Coyle, electronic voting

John Coyle presented his written report. The Board discussed meeting protocols and procedures. Directors Garcia and Suter will develop protocols for the Board's review and consider the information submitted by Peter Werbel. Included in the recommendation will be suggestions as to how the meetings should be run, how to consider suggestions from the membership, and strategies for keeping discussions on topic.

The Board considered Dale Cox's request for a referendum on dissolving the Mutual and the possible benefits of a professional valuation of the system and/or water rights. There was consensus that since there is no offer to purchase or merge the Mutual at this time, there is no reason to have a valuation done. This item was discussed again later in the agenda and it was agreed that appraisal costs will be considered.

The Board discussed the potential of Squaw Valley Ski Holdings (SVSH) purchasing the Poulsen property and, if that goes through, what will the requirement be for rebuilding the pump house. According to the Mutual's legal counsel, Andrew Morris, SVSH will need to build according to current standards. The Board considered the request to evaluate the wells, and again, an overall appraisal of the Mutual. Director Guilford felt it is a good idea to get an idea of what the water rights are worth and how value of the system is determined. She believes such an appraisal would cost approximately \$5000 - \$10,000. It was agreed that Directors Bossung and Mattheis will develop a scope of work to be submitted to some appraisers for an estimate.

Discussion continued regarding the need to replace the well house and the timeframe of either getting it done or waiting to see if SVSH purchases the Poulsen project and what their plans are. It was noted that

the cost to rebuild the pump house is estimated at \$800,000.

7. Treasurer's Report

Director DeMattei presented the financial reports, which were included in the Board packets. Anne-Marie explained the process to notify and collect on delinquent accounts.

8. KSL expansion & Ad Hoc water meeting – John Coyle

Director Coyle stated the Mutual will be kept up-to-date on KSL's plans for the expansion of the Village and the data they collect while investigating additional water sources. There will be a teleconference when the report on the data is received.

9. Operation's Manager Report - John Collins

John Collins presented the Water Operations Report for February and March, which was included in the Board packets. A brief discussion followed regarding water use and flows.

10. Office Manager's Report - Anne-Marie Giese

Anne-Marie reviewed her report, which was included in the Board packets. The budget-to-actual report and variances were clarified. Anne-Marie said she will begin the process to develop the new budget in May and will send a draft to the Board for review.

11. Lateral discussion – update previous resolution

Director Coyle reminded the group of the Board's decision to credit member's water bill with 75% of the lowest estimate to replace their lateral. The decision was based on estimates from Campbell Construction, but it seems that their estimates were high. Discussion followed regarding options to get additional bids and how best to communicate this issue with owners. Director Garcia submitted a proposed letter to owners. Discussion continued regarding revisions to the letter and how best to credit members for the work without impacting cash flow.

It was moved by Director Mattheis and seconded by Director Suter that Squaw Valley Mutual will provide a credit to the owners of 139 lots of 75% of the cost for lateral replacement with the work to be done by Campbell Construction or the owner's chosen contractor, whichever amount is lower. Proof of the completed work must be presented, either through receipts or invoices, prior to the credit being issued. Motion carried with Director Guilford voting no.

12. Lateral – addition contractors to be added to list

Recommendations for additional contractors to be added to the letter going to owners will be provided to Director Garcia.

13. Letter to members with their lateral cost estimate

This item was addressed above.

14. Construction loan withdrawals update – Ken Bossung

Director Bossung gave an update on the use of loan funds to date for the Capital Improvement Project.

15. Update of Capital Improvement Project - Steve Brigman

Director Coyle presented Steve's update, in which he stated that a start date for the construction has not been set. He noted the study being conducted by Squaw Valley Public Service District (PSD) for an intertie with the Mutual.

16. By-Laws Discussion – Patti Guilford

Director Guildford noted the recommended clarifications to the Bylaws. She asked the group to consider electronic voting and discussion followed on the pros and cons. There was consensus that electronic

voting can work well for simple items but face-to-face discussion is preferred for larger issues. Discussion continued regarding how best to include the membership in Board decisions and whether or not the cost of the project should be the deciding factor of getting a vote of the membership. Director Guilford was asked to make recommendations on changes to the Bylaws and to investigate easements and deeds.

17. Pump house update & alternates – John Coyle

This item was discussed earlier. Anne-Marie said that included in the \$800,000 estimate to rebuild the pump house is the meter reading and billing software and training, which is needed, regardless of the decision on the pump house. She explained the software and how it will be used.

18. Re-election of Board members – slate, statements, etc

The seats held by Directors Garcia, Suter, and Bossung are up for re-election and all three have indicated their desire to run again. Director Garcia explained the nominating process. The Board can issue a proxy with a slate for the membership to vote on. A second way be elected is by petition of the owners. Directors DeMattei, Coyle, Mattheis, and Guilford were named as the Nominating Committee. There will be an item in the next newsletter asking those wanting to run for a Board seat to contact the Committee.

19. Review of meeting & what needs to be done before next meeting

Action items from today's meeting were reviewed.

20. Set future meeting dates.

The next regular meetings of the Board are scheduled for June 3, 2012 at 3:00 PM and July 21, 2012 at 3:00 PM. The Annual Members Meeting will be September 1, 2012 at 10:00 AM. There will regular board meetings held before and after the Annual members meeting on 9/1/12 as well.

21. Adjournment

There being no further business to come before the Board, the meeting was adjourned at 6:06PM.

Respectfully submitted,

Judy Friedman, Recording Secretary

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