

SQUAW VALLEY MUTUAL WATER COMPANY
Annual Members Meeting
September 1, 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 10:14 AM on Saturday September 1, 2012 at the Squaw Valley PSD Community Room.

Coyle announced a meeting protocol has been adopted by the Board. Comments from the public will be addressed to the Board and limited to 2 minutes.

2. Roll call to Established Quorum of the Board - Lynn Suter

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

Directors absent: None

Staff present were Anne-Marie Giese, John Collins and Steve Brigman.

Members/Guests Present: Cecile & Harold Weaver, Judy Freidman, David Mercer, Brian Sheehan, Carl Gustafson, Jon & Carol Shanser, Buck Thys, Les Wilson, Gailyn Johnson, Mike Geary, Allen Riley, Loraine & Bert Fulmer, Jack Johnson, Laurie McCarthy, Merilee Evasovic, Jackie Redmond, Betsy Owens, Carl & Flo Wild, Judie Stepner, Leon & Barb Futran, Dan Kenney, Bob Buckter, Greg Parker, Gayle DeMattei, Diane & Frost Prioleau, Haz Nabulsi, Frank Sahlman, Janean Foote, Hans Burkhart, John Johnson, David Kirk Gilmore, Karen Floyd, Bev Wilson, Tuck Wilson, N Wilson, Alisa Adriani, Charlie & Mary Jones

Secretary Lynn Suter called the roll and with more than 50 members present including proxies, a quorum was established.

3. Establish quorum of Members

Anne-Marie reported that with 80 votes received, a quorum of the membership was established.

4. Call to audience for items not on agenda

Peter Werbel asked for a discussion regarding the California Water Rights be added to a future agenda.

John Shanser feels the candidates should answer questions about their statements. It was agreed that candidates would have 5 minutes each to address questions from the audience.

Director Coyle received an email from Steve Burke about an agenda item he would like to see added. There was consensus that Mr. Burke should be present to add the item to the agenda.

5. Approve agenda

A discussion of Water Rights will be added to today's agenda.

It was moved by Director Mattheis and seconded by Director Garcia to approve today's agenda as amended. Motion carried unanimously.

6. Minutes of 2011 Annual meeting

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

7. Report of President

Director Coyle presented the President's report including a review of last year's decision to authorize the contract with Campbell Construction for the pipe replacement construction project. The Board also approved a subsidy of 75% of the cost owners will pay to install new laterals on their property, up to the

maximum bid provided by Campbell. A USDA loan of almost \$4 million at 3.75% for 40 years is financing the project. To date, just over \$1.1 million has been drawn from that loan.

Chevis Hosea of Squaw Valley Ski Holdings made a presentation in December regarding the proposed plans for the Village. Although the Mutual was planning to reconstruct a well house, the Village plans may call for Squaw to take over the land where Well #1 is, so that project is on hold. Director Coyle stated the Board recently voted to retain the law firm of Rossman and Moore LLP to represent SVMWC's water rights in light of the proposed Village plans.

Construction on the project began in May. In spite of that, a budget was approved that did not increase rates. Although the quality of the work has been good, Campbell has been difficult to deal with and in late July, a Notice of Default with a Corrective List was furnished because the work was not being done on schedule and because of the many field work orders. The work on Squaw Valley Road was removed from the contract because there was concern it could not be done this season. That portion will be re-bid next year. The water pipes should be pressurized soon.

8. Report of Treasurer

Director DeMattei reviewed the balances in the Money Market, Checking, and Construction accounts. He noted the USDA Reserve Account and line of credit. Of the \$240,000 in billed assessments, \$206,000 has been collected. Current accounts receivable are \$34,900.

Director DeMattei provided detail on the construction loan, including payments to Campbell Construction, attorney costs, and engineering fees. Interest is only being paid on the amount withdrawn from the USDA loan, not the entire amount.

Water Rights (addition)

Peter Werbel noted past discussions regarding the value of water rights. He asked if water could be sold outside the district or did it have to remain in the district? He read emails regarding others who have sold water rights for pumping and distribution and asked if that was something SVMWC could consider. It was agreed that this item would be on the next Board meeting agenda and an article about this issue would be in the next newsletter.

Director DeMattei reported on the investigation he has done regarding the agreement with the Poulsens, noting SVMWC is entitled to 624 acre feet of water each year, but only 120 feet is being used. The agreement stipulates that what is not used to supply SVMWC members with water goes back to the Poulsens. A brief discussion followed regarding the agreement and the potential of selling water rights.

Dale Cox agreed tabling this discussion to another meeting because it is a complicated matter. He voiced concern about hiring an attorney to deal with the Village project and suggested a stop be put to the economic "hemorrhaging." He would rather see SVMWC work with the PSD's legal team on the issue.

9. Update of Systems Improvement Project-Shaw Engineering

Steve Brigman updated the group on the status of the construction project. Using a map, he showed the work that has been done and the schedule for remaining work. Steve answered questions regarding specific properties, the change orders from the contractor, costs, and why the contract with Campbell was cancelled. There is approximately \$120,000 in retainer money being held back to insure all work scheduled for this season is completed. Steve was thanked with a round of applause for the job he's done in keeping this project straight and working with the contractor.

10. Candidate Statements

Those running for Board seats addressed the group.

11. Election of new Board members

Anne Marie, John Collins, and Judy Friedman counted the ballots with Buck Thys and Les Wilson observing. 200 valid ballots were received and a quorum of members was established. The votes were as follows:

Kenneth Bossung – 78 votes

Hans Burkhardt - 116

Margot Garcia – 89

Dean Hall – 112

John Johnson - 128

Lynn Suter - 72

Burkhardt, Hall, and Johnson were elected to the Board.

12. Update on Laterals – Contractors list

To be provided....

13. Report of Office Manager – Election Results

See above.

14. Adjourn

There being no further business to come before the Board, the meeting was adjourned at 1:41 PM.

Respectfully submitted,

Judy Friedman, Recording Secretary

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