

**SQUAW VALLEY MUTUAL WATER COMPANY**  
**Board of Directors Meeting**  
**September 30, 2012**  
**Minutes**

**1. Call to Order**

President John Johnson called the adjourned meeting of the Squaw Valley Mutual Water Company Board of Directors to order at 10:02 AM on Saturday September 30, 2012 at the Squaw Valley PSD Community Room.

**2. Roll call and establish a quorum**

Directors present: Johnson, Mattheis, DeMattei, Hall, Guilford, and Burkhart

Director absent: Coyle

A quorum was established.

Staff present were Anne-Marie Giese and Steve Brigman.

Members Present: Loraine & Bert Fulmer, Joan and Rich Brazell, Dave Brew, Les & Bev Wilson, Carl Gustafson, Haz Nabulsi, Judie Stepner, Dan Kenney, Mike Geary, Eric Poulsen and Stephanie Pierucci.

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

Dave Brew asked the Board to consider continuing sending the newsletter to all members with relevant information because only a few get to the Board meetings. He also asked that the 1994 Court Settlement with the Poulsen's be posted on the website, which the Board agreed to do.

**4. Adopt the agenda**

Director Johnson asked to add the following to today's agenda: Item 16A. Merger Discussion Between the Mutual and Squaw Valley Public Service District (SVPSD); Item 16B. Newsletter; and Item 16C. Discussion on the Squaw Valley Road Extension.

**It was moved by Director Johnson and seconded by Director Guilford to approve the agenda as amended. Motion carried unanimously.**

It was agreed that items may be taken out of order.

**5. Minutes from the 9/1/12 Board and Membership meetings**

**It was moved by Director DeMattei and seconded by Director Burkhart to approve the minutes as presented. Motion carried unanimously.**

**6. Presidents Report-John Johnson-General Comments**

Director Johnson reported on his meeting with Steve Brigman and John Collins to get updated on the construction project. In short, Campbell Construction is nearing completion of the portion of work they are responsible for, although there is a discussion about who is doing the paving. Campbell was to have moved out of the Corporation Yard today, as Steve has repeatedly reminded them, but it does not look like it will happen. This item will be discussed further during Steve's report.

Squaw Valley Real Estate LLC hired Todd Engineering to test 3 wells. Director Johnson and Mike Geary, General Manager of SVPSD, explained both SVPSD and SVMWC wells were pump and step tested. Preliminary results look good. The test program will include a 4<sup>th</sup> well that Ski Corp used for irrigation. Title 22 Water Quality analysis is being done with the samples collected. SVPSD will continue to update SVMWC on testing results.

## **7. Treasurers Report-Gate DeMattei**

Director DeMattei presented the financial reports, which were included in the Board packets. He reviewed account balances and reported just over \$1.3 million has been drawn on the USDA loan, leaving \$2.6 million available. Anne-Marie explained the procedures to collect delinquent dues, including contacting owners, assessing late fees and the threat of eventually being shut off.

Anne-Marie presented a letter to Campbell Construction from a resident claiming damage to the hydronics in their driveway. A Campbell supervisor told the owner to have the repairs done and Campbell would pay the costs. After the work was done, Campbell responded to the owners request for reimbursement by saying Campbell should have done the work. The repair bill is \$4600. Anne-Marie asked the Board if the owner should continue trying to collect from Campbell or if the Mutual should pay the owner and recover the fees directly. Discussion followed.

**It was moved by Director Hall and seconded by Director Guilford that the Mutual should reimburse the owner \$4600 for damage done to their hydronics by Campbell Construction. The Mutual will then collect from Campbell. Motion carried unanimously.**

Anne-Marie was asked to investigate if this expense can be included in the USDA loan.

## **8. Operations Manager Report-John Collins (Anne-Marie Giese in John Collins absence)**

Anne-Marie presented John's written report, noting the flow report, testing, and other maintenance and operations work. The findings of the annual inspection from the Department of Public Health were included in the report. The inspection notes backflow devices and cross connection controls, which have been in place since 2005, but the report does not mention SVMWC's compliance. A brief discussion followed regarding use of chlorine. John will be asked to evaluate the system to see chlorine can stop being used.

## **9. Office Manager's Report-Anne-Marie Giese**

Anne-Marie presented her written report saying approximately 94% of the first-half billings have been collected. Mr. Nabulsi asked if the Board will honor the price to reimburse a single trench, although his original plan was to have a dual trench with his neighbor. It was noted that these issues need to be considered on a case-by-case basis. Later in the meeting, it was agreed that Mr. Nabulsi should be reimbursed the 75% credit based on the Campbell bid for a single trench. Staff was asked to investigate meter reimbursement cases so the Board can develop a policy to deal with this type of issue.

Director Hall voiced concern that many of the trenches being dug are not being inspected and may not be deep enough. Discussion followed regarding the problem and who should be doing the inspections.

**It was moved by Director Johnson and seconded by Director Mattheis to send an advisory letter to owners reminding them of the trench letter sent last spring and advising them that John Collins is available to inspect their trench. Motion carried unanimously.**

Director Mattheis will draft a letter.

Anne-Marie continued to review her report. She asked the Board to consider approving \$200 for software that will import owner information into the new billing software via Excel, instead her manually adding the information.

**It was moved by Director Guilford and seconded by Director Mattheis to approve \$200 for the transfer software. Motion carried unanimously.**

Anne-Marie explained how the billing software will be tested, starting with a small sample of those owners who have meters. The entire system won't be implemented until everyone is on meters, which should be early next year.

## **10. Update on the Construction Project – Steve Brigman**

Steve provided an update on the project, noting Campbell has refused to acknowledge the 90 change order requests and 29 field orders submitted, as well as numerous letters on a variety of issues. He believes this is a legal tactic they have used with other entities. The work is close to being done, except on Squaw Valley Road, which was removed from the contract. There is some question as to when the paving will be done and who is doing it. That said, Campbell has asked to do the work on Saturday October 6, Monday October 8 (Columbus Day), and Tuesday the 9<sup>th</sup>. Typically Placer County does not allow work on weekends or holidays, but Steve is anxious to get the work done. Other than paving, there are some minor issues to be addressed, including landscape restorations. At this point, the goal is to manage the preponderance of paperwork from Campbell and move to a final resolution. Steve answered questions clarifying Campbell's claims of change order costs, the work that has been done, and what remains. Director Guilford asked about protecting fire hydrants from snow plows and it was agreed that bollards should be put up.

Discussion continued regarding the construction project. In response to a question about supplies, Steve explained SVMWC paid Western Nevada Supply for materials, which contractually belong to Campbell until substantial completion is reached. Steve arranged for Western Nevada Supply to get the materials that have been paid for out of the Corporation Yard to store for winter. But when WNS showed up, Campbell would only allow the materials for Squaw Valley Road to be taken. The rest is still in the Yard and was to have been removed last Friday.

Discussion continued regarding the condition of the Corporation Yard, and details of the project. Director Johnson said Steve has done a fantastic job protecting the Mutual, noting the sheer volume of paperwork is overwhelming. Steve said the problems have not been with the quality of work, but with Campbell's management approach. The project is costing additional money in legal fees, his time, John Collins' time, and work from Board members. Director Mattheis stated all those additional costs should be considered as project costs.

## **11. Intertie with SVPSD Options**

Mike Geary met with Director Mattheis to consider interties to be used in case of emergencies. Noting the SVMWC denied the request for \$35,000 to contract with Far West to investigate options, SVPSD considered the issue internally. Mike mentioned a report showing 5 areas that could be connected. A more thorough analysis will be done and recommendations will be presented to both organizations. Mike stated there is a \$10,000 grant available from Placer County Water Agency for this project.

## **12. SVMWC valuation discussion**

Director Guilford had conversations with many people to determine who would be best to do a valuation on water companies. She recommends contracting with Harold Morgan and distributed his resume. His fee is \$175 an hour and the average fee for evaluating a water company is \$10,000. Discussion followed regarding reasons for such an evaluation to be conducted and how and why an appraisal could be used. It was agreed that this item may be considered for next year's budget. If there is a compelling reason to address the issue prior, the Board may choose to do so. In the meantime, Director Guilford was asked to investigate how long Mr. Morgan's process takes and his availability to conduct the valuation.

## **13. Construction Loan draws-John Johnson**

Director Johnson reported he approved Draw #12 in the amount of \$159,000.

## **14. Aquifer studies**

This item was discussed during the President's Report.

### **15. Pump house report and proposal**

Director Burkhart inspected both pump houses. He reported Pump House 2 needs to be replaced or eliminated because it is in such bad condition. Everything can be done from Pump House 1. He recommends leaving the well, but connecting the water from House 2 to House 1. Discussion followed regarding the recommendation, how to address the pump houses given the replacement was put on hold because of KSL's development plans, and whether or not the USDA loan can be used to fund pump house repairs and/or replacement. Director Burkhart will investigate the options and present a plan for Board review.

### **16. Squaw Valley Resort Logging Notice**

Director Mattheis reported on two projects coming forward from KSL: 1) replacing the Red Dog lift and 2) the proposed Timberline Twister ride. A letter was received from KSL, which Director Mattheis sent to Mutual Counsel, Tony Rossman, asking SVMWC to comment on the water components and whether or not the proposed logging for the projects may impact the Mutual's water sources. The letter needs to be responded to by a "date certain" which is unclear. Discussion followed regarding responses.

**It was moved by Director Mattheis and seconded by Director Guilford to send KSL a letter asking for 30 days to respond to the Logging Notice letter. Motion carried unanimously.**

### **16A. Merger Discussion between Mutual and SVPSD**

Director Johnson reminded the group of the discussions regarding a possible merger of the two organizations and asked that everyone begin considering this possibility. Director Mattheis suggested that if the Board is favorable to the concept, it be further explored and the topic be included on a future agenda for in-depth discussion.

**It was moved by Director Mattheis and seconded by Director Guilford to include a discussion of a possible merger between SVMWC and SVPSD on the December 1 agenda. Motion carried unanimously.**

In the meantime, Director Guilford will investigate Harold Morgan's availability to conduct an appraisal of the SVMWC system. Mike Geary noted that Mr. Morgan's credentials do not mention his ability to value water rights. It was suggested that Director Guilford ask Tony Ross for a recommendation on getting an appraisal of water rights. Mike suggested that the discussions of interties to provide drinking water in emergency situations continue.

### **16B. Newsletter**

Director Guilford agreed to produce the newsletter and asked that everyone email her for a December 1 release with content. Anne-Marie was asked to investigate getting a Facebook page that could be linked to the website.

### **16C. Discussion on Squaw Valley Road extension**

Director Johnson asked for comments on going forward with the Squaw Valley road construction. Discussion followed regarding getting the project re-bid, funding, and details to be considered including areas that need to be addressed because of potential leaks and breaks.

**It was moved by Director Mattheis and seconded by Director Guilford to direct Steve to prepare a set of bid documents to complete the Squaw Valley Road component. Included should be a list of items left incomplete from Campbell and any other items that need to be added to complete the scope of the project. Motion carried unanimously.**

Steve was also asked to present the Board with a list of contractors that should receive the Request for Proposals (RFP), which should be bid in the winter so work can begin as early in the summer as possible.

## **17. Action Items from this meeting**

Action items identified earlier were reiterated, including:

- The 1994 Court Settlement with the Poulsen's will be posted on the website
- SVPSD will continue to update SVMWC on testing results.
- Anne-Marie will investigate if the repair expense for the hydronics damaged by Campbell can be included in the USDA loan.
- John will be asked to evaluate the system to see chlorine can stop being used.
- Staff was asked to investigate meter reimbursement cases so the Board can develop a policy to deal with this type of issue (see Item 9)
- Director Mattheis will draft a letter to owners reminding them of the trench letter sent last spring and advising them that John Collins is available to inspect their trench.
- Bollards will be installed to protect fire hydrants from snow plows
- Director Guilford was asked to investigate how long Mr. Morgan's process takes and his availability to conduct the valuation
- Director Burkhart will investigate the options to replace Pump House 2 and present a plan for Board review.
- A letter will be sent to KSL asking for 30 days to respond to the Logging Notice letter.
- Director Guilford will ask Tony Ross for a recommendation on getting an appraisal of water rights.
- Anne-Marie was asked to investigate getting a Facebook page that could be linked to the website.
- Steve will prepare a set of bid documents to complete the Squaw Valley Road component. Included should be a list of items left incomplete from Campbell and any other items that need to be added to complete the scope of the project.
- Steve will present the Board with a list of contractors that should receive the Request for Proposals (RFP), which should be bid in the winter so work can begin as early in the summer as possible.

Director Guilford asked for a discussion on the date by which meters must be installed. She distributed a revised version of the Bylaws for Board review. The changes have to do with voting rights of the membership and tabulation procedures.

## **18. Set/Proposed Future Board meeting dates:**

- Nov. 3, 2012 10 AM
- Dec. 1, 2012 10 AM (Anne-Marie will advise of the date and time of this meeting depending on when a representative from USDA can attend)
- Dec. 29, 2012 at 3pm

## **19. Adjournment**

There being no further business to come before the Board, the meeting was adjourned at 1:24 PM.

Respectfully submitted,

Judy Friedman, Recording Secretary

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