

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

**1. Call to Order**

President John Johnson called the meeting of the Squaw Valley Mutual Water Company Board of Directors to order at 11:05 AM on Friday November 30, 2012 at the Squaw Valley PSD Community Room.

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

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

Directors absent: Mattheis and Coyle

A quorum was established.

Staff present were Anne-Marie Giese, John Collins, and Steve Brigman. Also present were Katie Schmitt and Dave Hartwell from USDA.

Members/Guests Present: Dave & Sally Brew, Judie & David Stepner, Jesse McGraw, Brandon Burns, Carl Gustafson, Barb Futran, Buck Thys and Mike Geary

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

Dave Brew asked about the progress on the newsletter. The item was discussed later in the meeting.

**4. Adopt the agenda**

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

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

**5. Minutes from the 11/3/12 Board meeting**

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

**6. President's Report - John Johnson**

Director Johnson reported he and Steve Brigman have been working on the final number for field orders in order to get the contract with Campbell Construction completed. A Construction Claim for \$2.6 million was received from Campbell on November 26. With deductions, the final amount of the claim is approximately \$1.17 million. The Board voted electronically 7-0 to reject Campbell's claim and a letter was sent to Campbell notifying them of the vote. SVMWC has requested a settlement meeting with Campbell within 14 days and are waiting for an answer. The hope is to reach a settlement without attorneys. Details of the claim are included in the Board packets.

Included in the Board packet is a letter sent to Placer County regarding the Notice of Preparation for the proposed Village at Squaw Valley.

**7. Treasurers Report-Gate DeMattei**

Director DeMattei reviewed the balances in the accounts, noting specific line items. The loan balances and accounts receivable were discussed.

## **8. Operations Manager Report - John Collins**

John presented his written report, noting the testing that has been done showing the system is within compliance. The last water PRV was brought into service. All fire hydrants have been tested and an updated map sent to the Fire Department. As requested, John followed up with a customer regarding chlorination. He is working with the contractor on improvements to Well House #1. John reviewed the list of service calls noted in his report.

Director Guilford asked about installing bollards around fire hydrants that could be vulnerable to snow removal operations and noted 2 locations of particular concern to her. Discussion followed. John said some hydrants are staked, but there are no bollards. **ACTION: John will investigate the options for installing bollards around fire hydrants that may be vulnerable to snow removal operations and/or marking the hydrants so they are more visible.**

### **a. Snow Removal contract**

John presented the proposals and recommended the Board consider approval of last year's contractor, who bid the same price as last year.

**It was moved by Director Guilford and seconded by Director Hall to contract with Clear and Still for snow removal per their proposal. Motion carried unanimously.**

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

Anne-Marie presented her written report, noting her questions about the lateral reimbursement procedures. She reviewed the Budget to Actual numbers, saying the \$20,000 approved for Well House #1 repairs has been added to the Repairs and Maintenance line item, which will cause that item to be over budget because other projects have been paid from that line. The allotment for Meeting Minutes will also be exceeded because the Board has been meeting every month. Everything else is in line with where it should be.

### **a. Procedures for Lateral Credits**

Anne-Marie reviewed the Board decision to reimburse property owners for lateral work up to 75% of the actual cost or the Campbell estimate, whichever is smaller, to be credited up to 35% of their water bill each year until the full amount has been credited. She asked for direction on how to proceed implementing the policy. Should owners be required to show proof of payment by producing a check or invoice and can Anne-Marie make the decision on who should be reimbursed? Discussion followed and it was agreed that the owner needs to show proof of payment for the work. Further, Anne-Marie can make the decision on reimbursement, unless there is a situation that she feels should come before the Board.

## **10. Construction Report – Steve Brigman**

Steve reiterated Director Johnson's report regarding Campbell Construction. He said Substantial Completion was acknowledged on October 19. Work on the punch list has either been completed or accepted. All systems are in operation. Director Guilford asked about the remaining materials. Steve said the materials are what will be needed to do Squaw Valley Road and are being stored at Western Nevada Supply, who has done an inventory. Director Johnson asked if there is any more photo documentation of the project, other than what was included in the field reports. **ACTION: Steve Brigman will provide additional photographs of the construction project.** A brief discussion followed regarding the process used by Campbell for the lateral replacement estimates.

## **11. Future Construction Projects – Steve Brigman**

Director Guilford asked about future construction projects. Steve said that at this point, the remainder of the work is primarily on Squaw Valley Road. There is also work to be done on Lanny Lane and a few other uncompleted items, including the remaining work on the hydrants, rip rap, and any other details to be added. The possibility of an intertie with SVPSD will be discussed later in this meeting. Steve said Well House #2 also needs to be considered. He suggested putting all projects under the USDA loan if possible. Director Johnson noted the need to get beyond the Campbell claim before future projects can be considered. Discussion followed regarding whether or not projects need to be put out to a general bid in order to qualify for funding from USDA. Dave Hartwell from USDA explained the requirements, saying the lowest bid does not necessarily have to be accepted if there is a history of problems with that particular contractor.

#### **12. USDA Loan Update – Katie Schmitt**

Katie Schmitt from USDA reviewed the original loan amounts, what has been drawn, the principle paid to date, and the interest rate. She said approximately \$2.145 million remains available. The loan is for 40 years and while it can be shortened, it cannot be re-amortized. The money was obligated in June 2011 and the loan can remain open for 5 years. Katie explained that if SVMWC is in litigation or construction, the loan will not be de-obligated, but the status needs to be discussed. Dave Hartwell added the letter of conditions is reviewed each year and the progress made is considered. Discussion followed regarding the terms of the loan, how the funds can be used, and pay-back details. Discussion continued regarding why the renovations on Well House #1 were not included in the loan because of the timeframe of getting the work done versus taking the time to apply and having the project evaluated, and what the next steps would be to include future work, including the proposed lateral drill between Well Houses #1 and #2. Steve said some level of design work has been done for that project and it would just need to be repackaged to develop engineering plans. The Board considered the options for packaging it into the USDA loan, noting KSL's plans are still not known. Steve said in a perfect world, work on Well House #2 could be bid around March and work begun May 1, depending on snow.

#### **13. Intertie with SVPSD Continuing Discussion**

Mike Geary, General Manager of Squaw Valley Public Service District (SVPSD) distributed a proposal by Shaw Engineering for just under \$10,000 for 30% design of the proposed interties for emergency use. It will cost up to approximately \$5000 to get 100% plans. Discussion followed regarding the proposal. **ACTION: Discussion and possible action on this item was tabled pending further review of the proposal from SVPSD.**

#### **14. Bylaw changes - Voting Procedures - Patti Guilford**

Director Guilford reviewed the Bylaws as regards member's voting procedures. She said members were promised a vote on the current \$4 million project, but never voted. Director Guilford reported on some of the discrepancies she found in the document and explained the Board can amend it at any time. She suggested a dollar amount be established that would trigger a vote of the membership and some other edits. Regarding voting procedures specifically, Director Guilford recommended the California State Corporations Code language be adopted as SVMWC procedure. **ACTION: Amendments to the Bylaws regarding voting rights of the membership will be considered when the full Board is present for an in-depth discussion and possible action. Director Guilford will send the California State Corporations Code language to all Board members prior to the next Board meeting.**

#### **15. Pump House Report - Hans Burkhardt**

Director Burkhardt reported the work on Well House #1 is about 75% complete. He asked the Board to consider approving installation of a 475 gallon bulk tank for caustic soda. Currently, the soda, which is very hazardous, is brought into the building in 55 gallon drums that are rolled up a ramp into the building.

The larger tank would allow the soda to be pumped right into it. OSHA would require a shower be installed. The costs are approximately \$2500 for the tank and \$1000 for the shower; approximately \$3500 that was not included in the \$19,000 proposal. Discussion followed as the OSHA requirements were clarified, the costs, and the benefits of being able to handle larger amounts of caustic soda more safely. The Board considered steps for moving forward, alternatives, and how to fund the larger project. **ACTION: Director Burkhart will talk to Sierra Chemical to get costs in buying bulk so the savings can be estimated. He will work with Director Johnson on a “bulk feasibility” analysis.**

#### **NEWSLETTER (Agenda Addition)**

Director Guilford distributed a draft of the newsletter and asked what other items should be included. Discussion followed.

**ACTION: John Collins will provide detail on the backflow testing.**

**ACTION: Director Johnson will provide the results of testing from 4 well sites, the comments submitted regarding the Village at Squaw Valley Notice of Preparation, and any other pertinent correspondence.**

It was noted that Dave Brew had asked if the Board was in agreement with the 1996 Settlement Agreement, which has been posted on the website. **ACTION: Director Johnson will provide Board members with the Settlement Agreement and ask for feedback on their interpretation for a possible future discussion.**

#### **16. Unresolved items going forward**

- 1) John Collins will investigate the options for installing bollards around fire hydrants that may be vulnerable to snow removal operations and/or marking the hydrants so they are more visible.
- 2) Steve Brigman will provide additional photographs of the construction project.
- 3) Discussion and possible action on proposed interties was tabled pending further review of the proposal from SVPSD.
- 4) Amendments to the Bylaws regarding voting rights of the membership will be considered when the full Board is present for an in-depth discussion and possible action. Director Guilford will send the California State Corporations Code language to all Board members prior to the next Board meeting.
- 5) Director Burkhart will talk to Sierra Chemical to get costs in buying bulk so the savings can be estimated. He will work with Director Johnson on a “bulk feasibility” analysis.
- 6) John Collins will provide detail on the backflow testing.
- 7) Director Johnson will provide the results of testing from 4 well sites, the comments submitted regarding the Village at Squaw Valley Notice of Preparation, and any other pertinent correspondence.
- 8) Director Johnson has provided the Board members with the Settlement Agreement and is asking for feedback on their interpretation for a possible future discussion.

#### **17. Set Proposed Future Board meeting dates**

December 29, 2012 at 3:00 PM and February 2, 2013 at 10:00 AM

**Closed Session was convened at 1:22 PM**

#### **18. Adjournment**

There being no further business to come before the Board, the meeting was adjourned at 2:30 PM.

Respectfully submitted,

Judy Friedman, Recording Secretary

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