

SQUAW VALLEY MUTUAL WATER COMPANY
Board of Directors Meeting
April 6, 2013
Minutes

1. Call to Order

President John Johnson called the meeting of the Squaw Valley Mutual Water Company Board of Directors to order at 3:05 PM on Saturday, April 6, 2013 at the Squaw Valley Public Service District (SVPSD) Community Room.

2. Roll Call and Establish a Quorum

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

Directors absent: Mattheis and Hall

A quorum was established.

Staff present was Anne-Marie Giese and John Collins.

Also present were Eric Poulsen, Nancy Elrod, Liz and Tom Day, Mary Jones, Les Wilson, Carl Gustafson, Bill Ulrich and Kathi Mall.

3. Call to audience for anything not on the agenda

There were no comments on unagendized items.

4. Adopt the agenda

Director Guildford asked for a presentation on the possible incorporation of Squaw Valley and Alpine Meadows. It will be added as item 9A.

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

5. Minutes from the 3/2/13 meeting

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

6. Presidents report - John Johnson

Director Johnson reported on his conversations with Squaw Valley Public Service District (SVPSD) and John Collins regarding proposals for the operations and maintenance contract, which is up for renewal July 1. Collins said he has heard from others who may be interested in submitting proposals. **ACTION: Collins will contact others who may want to submit proposals for the Operations and Maintenance contract.** Director Johnson said details of the contract and scope of work will be reviewed.

Bids for construction are due on April 11, 2013. A Special Meeting of the SVMWC Board will be held on April 13, 2013 at 9:00 AM to review the bids. Director Burkhart reviewed the process, saying the project will be awarded on April 15, 2013. USDA will be advised and hopefully work can proceed May 5. The three projects for this summer will be the completion of work Squaw Valley Road, Lanny Lane, and the replacement of Pump House 2, if there are funds to proceed with that. Completion should be done by July 5, 2013.

Director Johnson reminded the group that Dave Brew is this organization's representative on the Technical Review Committee, which meets twice a year to review operations at the Resort at Squaw Creek golf course. Brew has agreed to continue representing the Mutual.

Director Johnson has received many recommendations for attorneys to counsel SVMWC on water rights. He will continue to investigate options. A brief discussion followed regarding well and pump testing done by KSL. There were no impacts to the Mutual's pumps. Director Johnson reported no electronic votes have been taken since the last Board meeting.

7. Treasurers Report - Gate DeMattei

Director DeMattei presented the financial reports, which were included in the Board packets. He reviewed the account balances as of April 3, 2013, saying the USDA Loan had 17 draws and a balance of just over \$1.6 million. There are accounts receivable of approximately \$25,000 for the 2012-13 Assessment.

8. Operations Manager Report - John Collins

John Collins presented his written report, saying there were no positive results on recent testing. Water production is starting to increase slightly, and more increases are likely as summer is coming. The bulk storage tank will be on line soon. During testing, a small leak was discovered, but has been repaired. A snow plow hit a power pole between Well 1 and 2, resulting in a power failure that impacted the SCADA system. There were no questions on the rest of his report.

9. Office Managers Report - Anne-Marie Giese

Anne-Marie Giese presented her written report. Approximately 95% of the second half of the 2012-13 annual assessment has come in; about 30 lots have still not paid. Giese will compile the Consumer Confidence Report soon and will begin working on the budget at the end of April/early May. Giese presented the McClintock Accountancy engagement letter for the audit. It was noted the letter was for three years. A brief discussion followed and Director Guilford was uncomfortable signing a three-year representation letter. Giese reviewed the USDA draws, saying the vendors were paid from Outlay Report 17. Another draw will be done when Campbell is paid, which will be 35 days after the Notice of Completion is filed. Best, Best, & Krieger will also be paid from that draw. Director Johnson asked her to make sure all lien releases have been issued before payments are made.

It was moved by Director Coyle and seconded by Director Burkhart to approve the McClintock Accountancy Engagement Letter for the next three years. Motion carried with Director Guilford voting no.

a. Presentation on Possible Incorporation of Squaw Valley and Alpine Meadows

Liz Day explained the Squaw Alpine Association is made up of a group of local homeowners and citizens who are investigating incorporating Squaw and Alpine into a city in order to make more decisions for the valleys locally and to retain control of Transient Occupancy Tax (TOT) and property taxes. SVMWC, SVPSD, and the Fire District would remain intact. Discussion followed as questions were asked clarifying the investigation being done, revenues and expenses, and potential impacts of incorporation.

10. Intertie with PSD Continuing Discussion

Director Johnson reported SVPSD has applied for \$35,000 in grant funds that could be applied to engineering on this project. There is already \$10,000 available. Shaw Engineering has proposed \$19,750 just for engineering and design of the preferred option. The entire project could cost \$100,000 - \$150,000. Director Johnson described some of the work that needs to be done, saying a hydraulic study of both systems will be necessary. He reminded the Board that the current priorities are completion of the work on Squaw Valley Road, Lanny Lane, and Pump House 2.

11. Construction Loan draws - John Johnson

This item was reviewed previously.

12. Outsourcing the Directors Elections

Director Johnson presented a proposal from The Paper Trail to conduct the Board elections this year. Discussion followed regarding the tasks to be done and how previous elections have been handled.

It was moved by Director Coyle and seconded by Director Guilford to approve having a third party conduct the Board of Directors election. Staff is develop a scope of work and anticipated costs, which will be presented and voted on at the May meeting. Motion carried unanimously.

ACTION: Anne-Marie and Judy will develop a scope of work and anticipated costs for presentation at the May meeting.

13. Shaw Engineering Contract Amendment

Director Johnson presented the contract amendment for the design and bidding of Squaw Valley Road and Pump House 2. Inspection services are not included because a third-party should do that. Details of the amendment were reviewed and clarified. Guilford stated she is glad to see there are experienced people reviewing these documents to protect the interested of SVMWC owners. A brief discussion followed regarding total costs to date.

It was moved by Director Coyle and seconded by Director DeMattei to approve the amendment to the Shaw contract.

14. Squaw Valley Road Bid Status - Hans Burkhart

Director Burkhart reviewed the work to be done on Squaw Valley Road, which is the main project for this summer, saying this will include meter installations and any other work that was not completed last summer. The work on Lanny Lane has been broken out into a separate project. Director Burkhart said 7 contractors came to the bid orientation meeting, 3 from Truckee and 4 from Reno. The biggest concern and item eliciting most comments was the potential for ground water. Discussion followed regarding specifics of the bids, the bidding process, and timing of the projects.

15. Unresolved items going forward

- 1) Collins will contact others who may want to submit proposals for the Operations and Maintenance contract.
- 2) Anne-Marie and Judy will develop a scope of work and anticipated costs for presentation at the May meeting.
- 3) Director Guilford will submit a proposal for a Bylaw amendment that would mandate a vote of the membership in certain instances.

16. Set/Proposed Future Board meeting dates:

April 13, 2013 Closed Special Meeting-Bid Review at 9 AM

May 4, 2013 at 9:00 AM

June 8, 2013 at 9:00 AM to discuss proposed budget

17. Adjournment

There being no further business to come before the Board, the meeting was adjourned at 4:34 PM.

Respectfully submitted,

Judy Friedman

Recording Secretary

THE PAPER TRAIL SECRETARIAL & BUSINESS SOLUTIONS