

SQUAW VALLEY MUTUAL WATER COMPANY
Board of Directors Meeting
August 3, 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 9:02 AM on Saturday, August 3, 2013 at the Squaw Valley Public Service District (SVPSD) Community Room.

2. Roll Call and Establish a Quorum

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

Directors absent: Day

A quorum was established.

Also present were Anne-Marie Giese and Brian Sheehan.

3. Call to Audience for Anything not on the Agenda

Director Guilford noted that at last week's Squaw Valley Municipal Advisory Council (SVMAC) meeting there was no mention of SVMWC during the presentation of the proposed Village at Squaw Valley. It was noted that at this point, only Squaw Valley Public Service District is involved with the project.

Anne-Marie reported John Collins is dealing with a water main break on Lanny Lane and may not be able to attend today's meeting. A report on the break was given later in today's meeting.

4. Adopt the Agenda

Director Johnson asked that Item 13 be moved to Closed Session.

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

5. Minutes from the 7/13/2013 Meeting

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

6. President's Report – John Johnson

Director Johnson reminded the Board it is important to encourage members to vote in the upcoming election. A notice will be included on the website asking members to let Anne-Marie know if they have not received a ballot.

7. Treasurer's Report – Gate DeMattei

Director DeMattei presented the Financial Reports and reviewed balances and specific line items. There is \$827,532 available in the USDA loan. The 19th and 20th draws have been made. Assessment billings have gone out and \$113,000 has been collected to date. For the Tank Replacement Special Assessment, 186 customers have paid in full and 95 are on a payment program. RTC has received partial payment for work on Squaw Valley Road. Approximately \$300,000 is still due. Approximately \$600,000 will be needed to complete the Lanny Lane and Pump House projects.

Brief discussion followed regarding upgrading the Pump House 1, if funds are available after Pump House 2 is completed. Director Guilford will investigate options for painting.

8. Operation's Manager Report – John Collins

Anne-Marie presented Collins' report, which was included in the Board packets. He is addressing a leak on Lanny Lane and expects the homes affected could be without water for at least 48 hours. There was another leak at a residence on Lanny Lane last week. The final price of the tank mixer was \$8500; \$11,000 was approved for the project in the budget. Collins recommends the mixer be purchased and installed.

Twenty-five new meters have been installed over the past month, for a total of 145. Anne-Marie is fielding phone calls regarding the lateral installations and credits.

9. Office Manager's Report – Anne-Marie Giese

Anne-Marie presented her written report. Giese Accounting & Tax has been preparing the financial statements for the auditors. The audited financials should be ready by the Annual Meeting. **ACTION: Anne-Marie will send the draft Financial Statements to the Board.** The financial reports were reviewed, including invoices paid during the past month and budget-to-actuals. In response to a question, Anne-Marie explained how the bills are calculated for the 6 customers that have prepaid the loan.

10. Election Discussion

Judy Friedman reported the ballots have been sent out. She asked the Board to advise her how to vote proxies assigned to the Board.

11. Construction Loan Draws – John Johnson

Director Johnson reported the latest draw has been completed.

12. Ongoing Construction Update – Hans Burkhardt

Director Burkhardt reported RTC is 50% done with the work on Lanny Lane and is ahead of schedule. He said there is a 1" pipe coming from the main, but if the owner gets a building permit to remodel, they will be required to have a 2" line to the home for fire suppression. Discussion followed regarding who may be responsible to pay for the larger line.

Director Burkhardt reported RTC will do the work on Pump House 2 in September. There is a question about bringing power into Pump House 1 because the pumps run on different voltage. Director Johnson said Liberty Energy is investigating that situation. He reported doing a walk-thru with USDA to get the loan for Pump House 2 approved, but is still waiting for a signed change order. Steve Brigman is working on modifications to the SCADA system that will be necessary.

13. Operation & Maintenance Contract Discussion

This item will be heard in Closed Session.

14. Legal Representative Change

Director Mattheis reported he followed up on recommendations from Tony Rossman regarding new Counsel for SVMWC. He will email the Board information on BKS, a smaller firm in Sacramento that specializes in representation for small local water and sewer districts. BKS works on an as-needed basis, not a retainer. Director Mattheis will get references for BKS.

15. Water Rates Discussion

Director Johnson asked the Board to consider how to best establish rates once the metered billing is instituted. Anne-Marie suggested working with John Collins on this, since he has gone through this change over with several other systems that he manages. Discussion followed and it was agreed that a year's worth of data needs to be collected in order to consider how to establish a base rate and the options for billing consumption. Metered billing could begin in July 2014 or 2015.

Peter Werbel asked if the data will show whether a customer is using more or less than average. Up to this point, people have been able to use as much water as they want and there are differences if someone is here full time or not and has landscaping. Discussion continued regarding billing strategies. Director Coyle will follow up with John Collins on options.

Bree from Shaw Engineering brought in a piece of pipe from the failure at 1509 Lanny Lane last night and explained the repairs being done. At this point, how it happened is not clear. Discussion followed regarding the repairs and potential for failures in other areas that have pipe in similar condition. Director Johnson suggested that when the construction is completed, SVMWC may want to consider TVing the entire system and develop a plan to prioritize and replace components as necessary.

16. Open Unresolved Items Going Forward

- 1) Director Guilford will investigate options for painting Pump House 1.
- 2) Anne-Marie will send the draft Financial Statements to the Board.
- 3) Director Mattheis will email the Board the resume for BKS and will get references from other districts BKS represents.
- 4) Director Coyle will follow up with John Collins regarding billing strategies.

17. Set Proposed Future Board Meeting Dates

- August 31, 2013 at 9:00 AM
- August 31, 2013 at 10:00 AM – Annual Members Meeting and Election
- August 31, 2013- New Board Meeting After the Election

EXECUTIVE SESSION

Executive Session was convened at 10:30 AM.

Open Session was convened at and the following action (or no action) was reported:

18. Adjournment

There being no further business to come before the board, the meeting adjourned at.....

Respectfully submitted,
Judy Friedman
Recording Secretary

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