

SQUAW VALLEY MUTUAL WATER COMPANY
Board of Directors Meeting
May 3, 2014
Minutes

1. Call to order

President John Johnson called the meeting of the Squaw Valley Mutual Water Company Board of Directors to order at 1:03 PM on Saturday, May 3, 2014 at the Squaw Valley Public Services District (SVPSD) Community Room.

2. Roll call and establish quorum- Julee Rosa

Directors Present: Johnson, Burkhart, Coyle, Day, Mattheis, and Rosa. Guilford attended via teleconference

Directors Absent: None

A quorum was established.

Staff present: Anne-Marie Giese

Also present were Dave Brew, Carl Gustafson, Brandon Burks and Mike Geary (SVPSD), Eric Poulsen, and Gate Demattei.

3. Call to audience for anything not on the agenda

There were no additions to today's agenda.

4. Adopt the agenda

Director Johnson asked that Item 12 be tabled.

It was moved by Director Guilford and seconded by Director Day to approve the agenda as amended.

Motion carried unanimously.

5. Minutes from the March 8, 2014 Meeting

It was moved by Director Guilford and seconded by Director Coyle to approve the March 8, 2014 minutes as presented. Motion carried unanimously.

6. President's Report – John Johnson

Director Johnson reported he and Director Mattheis have been working over the past 2 months to complete the Operations & Maintenance Manual. He said two proposals have been received for Operations position: one from the Squaw Valley Public Service District (SVPSD) and one from Rose Water Management. Director Johnson is still in the process of evaluating options for the SCADA systems.

7. Treasurer's Report – John Coyle

Director Coyle presented the financial reports, which were included in the Board packets. He noted account balances as of April 28, 2014. There is \$111,120 available from the USDA loan. Regarding the Special Assessment for Tank Replacement, Director Coyle reported 187 lots are paid in full and 94 are on a payment plan.

8. Operation Manager's Report – John Collins

John Collins' report was included in the Board packets. Director Rosa asked if the valve issue has been resolved. Director Johnson said a decision was made to wait until the ground water is a bit lower to further investigate the issue. At this point, it's in the hands of RTC. Approximately 200-300 gallons are being lost when the valve is turned on and it doesn't drain completely. There is a leak, but it appears to be small.

Collins' report continued to be reviewed and clarified. Anne-Marie Giese noted the cla-val and chemical feed pump were replaced, which is routine maintenance.

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

Anne-Marie Giese presented her report. Regarding accounts receivable, 9 lots are outstanding as of today. The Consumer Confidence Report will go out this month. Giese prepared a draft budget for Board discussion. She worked with California Rural Water to complete an Emergency Response Plan and Vulnerability Assessment.

Director Rosa asked if the email list was compiled, as requested at the last meeting. Giese said it was. Of the 281 membership lots and 250 members, she has less than 200 email addresses. A brief discussion followed regarding gathering more email addresses and how the information will be used. **ACTION: Giese will re-send the email list to President Johnson. ACTION: Giese will place notices in the next couple of bills to confirm email addresses on file and asking those who have not provided email addresses to do so.**

10. SCADA Decision

Director Johnson reported he and John Collins met with representatives from XiO to go over the system. They saw screen shots of what can be monitored. Director Johnson said the system has multiple facets and he discussed how it is installed and implemented and the myriad of reports that can be generated. This system will eliminate a lot of what the operator does manually. It is Cloud-based and can be accessed a number of ways on the web. It does require an AT&T DSL line or Verizon internet connection. The cost for AT&T is unknown, Verizon would be an additional \$35 per month. The system costs approximately \$22,000, plus a monthly fee.

The Board asked questions clarifying what the system can do, possible savings in manual work and current expenses, and the options available. Director Johnson said during the meeting every facet of what could be needed was reviewed and everything is included, except the booster pump station at the tanks which can be added easily. What is not included in the cost is the actual installation, conduit and wire and connects, which will cost no more than \$5,000. Installation takes about 2 days.

Discussion continued regarding costs, inclusions, options for installation. It was agreed that once a system is purchased, bids from electricians for installation will be solicited.

It was moved by Director Coyle and seconded by Director Guilford to accept the XiO SCADA system as presented, not to exceed \$22,000. Motion carried unanimously.

11. Operation Manager RFP Review and Vote – Hans Burkhart

Director Burkhart reported two proposals have been received for Operations Manager: one from SVPSD and one from Paul Rose. Although the SVPSD proposal is pretty clear, there were a lot of questions for Paul Rose. Director Burkhart is meeting with Rose next week. After that, he believes a decision can be made. Discussion followed regarding the timing to get a new Operations Manager under contract, given John Collins is done as of July 1, 2014. **ACTION: A Special Board Meeting of SVMWC will be called for May 10 at 10:00 AM to award the operations contract.**

12. Rossman & Moore Evaluation of Water Rights – Tim Mattheis

This item was tabled.

13. Budget Discussion

Giese presented a preliminary budget for FY 2014/15. Specific line items were reviewed. McClintock Accountancy submitted an Engagement Letter to do the audit and tax return. The rates have been the same for the past three years, although Giese anticipates a slight increase in their fees for next year.

It was moved by Director Mattheis and seconded by Director Coyle to approve the McClintock Accountancy Engagement Letter. Motion carried unanimously.

The Board continued to review the draft budget. There was a discussion about the Director's Reimbursement and who has and has not been receiving it.

It was moved by Director Day and seconded by Director Guilford that those Directors who were unaware

of the \$100 per meeting available as Director's Reimbursement be paid retroactively from FY 2010/11.

AYES: Guilford and Day

NOES: Rosa, Coyle, Burkhart, Johnson, and Mattheis

Motion failed.

It was moved by Director Rosa and seconded by Director Coyle that Directors who desire an allowance for each meeting be paid retroactively from July 1, 2013.

AYES: Rosa, Coyle, Burkhart, Johnson, and Mattheis

NOES: Guilford

ABSTENTION: Day

Motion carried.

ACTION: Giese will investigate who has and has not been receiving the Director's Reimbursement and issue retroactive payments as appropriate to Rosa, Burkhart, Day, and Guilford.

Line items continued to be reviewed and changes made. The line item for Director's Reimbursement will be increased to \$6,300 to cover all Board members for 9 meetings. Legal was increased slightly in case reviews are needed because of development in the Valley. Giese is increasing her fees by 5% because of the additional time involved to work with two software systems for meter reading and billing. System Repairs & Maintenance was increased to \$25,000 because of issues that may need to be addressed in the coming year. Additional adjustments were made. In response to a question about Depreciation, Giese explained the amount has been the same for the past 3 years when an estimate was made as required for the USDA loan. The USDA also requires 10% of the annual payment be put away for 10 years and kept for the life of the loan to insure the loan payments can be made. Giese said the improvements are currently booked as "construction in progress" on the tax return, but will be placed in service once the SCADA system is finished and the loan closed out in FY 14/15. Everything has a useful life and that needs to be determined for depreciation to be calculated properly.

Giese suggested a Reserve Study be conducted to catalog what is in the system, what the useful life is of all components, and a timeline for replacement as appropriate. Discussion followed on the pros and cons of her suggestion. **ACTION: Director Johnson will get a quote from Shaw Engineering to do a Reserve Study.**

Giese reported only \$13,000 for lateral credits have been paid this year. Ninety-five lots still have not hooked up and some owners have hooked up, but not requested the credit. Approximately \$70,000 was budgeted for this year, but not paid out. The budget amount reflects everyone applying and receiving the credit. Discussion followed regarding strategies to encourage people to get the work done and possible penalties if they do not. **ACTION: Giese will include reminders in the next newsletter to get the lateral work done. ACTION: Director Johnson will get a legal opinion on what options are available to SVMWC for those who have not gotten the work done by the October 2015 deadline.**

Director Johnson received a proposal from Shaw Engineering to map the entire system for \$3,200. There was consensus to get it done and include the expense in the budget. Discussion continued as the draft budget was reviewed and revised. Because of an error in the spreadsheet showing Water Service Charges, Giese will resubmit the information to the Board. Giese said approximately \$95,000/year is going into Reserves, which includes Depreciation. **ACTION: Giese will make adjustments to the budget and resubmit the draft for Board review.**

14. Member Contact Methods Discussion

Director Johnson noted this was on the action item list from the last meeting. It has to do with email contact information, as discussed above.

15. Open Unresolved Items Going Forward

- 1) Giese will re-send the email list to President Johnson.

- 2) Giese will place notices in the next couple of bills to confirm email addresses on file and asking those who have not provided email addresses to do so.
- 3) A Special Board Meeting of SVMWC will be called for May 10 at 10:00 AM to award the operations contract.
- 4) Giese will investigate who has and has not been receiving the Director's Reimbursement and issue retroactive payments as appropriate to Rosa, Burkhart, Day, and Guilford.
- 5) Director Johnson will get a quote from Shaw Engineering to do a Reserve Study.
- 6) Giese will include reminders in the next newsletter to get the lateral work done.
- 7) Director Johnson will get a legal opinion on what options are available to SVMWC for those who have not gotten the work done by the October 2015 deadline.
- 8) Giese will make adjustments to the budget and resubmit the draft for Board review.

16. Set/Proposed Future Meeting Dates

June 1, 2013 at 10:00 AM

July 13, 2014 at 10:00 AM

August 30- 9:00 AM Board meeting, 10:00 AM Annual Meeting, and 12 Noon the new Board meets

17. Adjournment

There being no further business to come before the Board, the meeting adjourned at 3:08 PM.

Respectfully submitted:

Judy Friedman

Recording Secretary

The Paper Trail Secretarial & Business Solutions