

SQUAW VALLEY MUTUAL WATER COMPANY
Board of Directors Meeting
April 4, 2015
Minutes

1. Call to order

President John Johnson called the meeting of the Squaw Valley Mutual Water Company Board of Directors to order at 3:00 PM on Saturday April 4, 2015 at the Squaw Valley Public Services District (SVPSD) Community Room.

2. Roll call and establish quorum- Tim Mattheis

Directors Present: Johnson, Guilford, Burkhart, Day, and Rosa. Coyle arrived at 3:25 PM.

Directors Absent: None

A quorum was established.

Also present were Daniel Collin, Brandon Burks, Eric Poulsen, Carl Gustafson, and David Stepner,

3. Call for Agenda Changes

Item 7 is being tabled.

4. Adopt the agenda

Today's agenda was approved as amended by affirmation.

5. Approval of the Minutes of the January 3, 2015 Board meeting.

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

6. Presidents Report-John Johnson

Director Johnson presented his written report. He said the drought is just one more reason to get customers connected to meters so the consumption can be watched and leaks can be more easily identified. There are still about 40 customers not connected. He suggested an effort be made to contact those not hooked up now and not wait so all abandonments can be done in the fall.

Director Johnson reported there have been no electronic votes taken since the last Board meeting.

7. Chevis Hosea presentation of the latest Village Plan

This item was tabled.

8. Operation & Maintenance Report - Brandon Burks

Brandon Burks presented the Water Operations Reports for January and February, which were included in the Board packets. The aquifer is down about 1' from being full, which is normal for this time of year. The aquifer responds quickly, so if late storms come in, the level will rise. In response to a question about a leak in Well 2, Burks said the well hasn't been run very much, but the leak seems to have been addressed. It will continue to be watched. Burks answered questions clarifying his report.

There are some issues being resolved and upgrades to be installed with XiO on the SCADA system, but overall everything is working well. Burks noted the ability to collect a lot of data with this system. Patterns and issues can be more easily identified.

9. Office Managers report - Daniel Collin

Daniel Collin presented his report. He asked for clarification on the Depreciation Account, which was clarified later in today's meeting. Collin asked about the transponders, saying the meter reading is not for the correct location. Burks explained how the transponders are installed. The system just needs to be corrected administratively.

ACTION: SVPSD will check to make sure transponder and meter numbers match.

Collin said a customer is asking for a lateral credit, but that part of Lanny Lane was not surveyed. Do they need to make a connection? Discussion followed. It was agreed the customer has to show proof of installation.

Director Guilford asked about a delinquent account. Discussion followed regarding how to handle delinquencies when the property has sold and how SVMWC would be notified of the transfer of ownership. **ACTION: Rosa will follow up with the title companies on the two delinquent accounts and clarify how title companies notify utility companies of sales.**

Director Johnson is still investigating the web host so SVMWC can take over the site and make changes more easily.

10. Treasurer's report - John Coyle

Director Coyle presented the Treasurer's Report as of March 31, 2015. The USDA loan has been closed out at \$3,918,665. He reviewed revenues, expenses, and receivables. There are 188 properties paid in full for the Tank Replacement Special Assessment.

A brief discussion followed regarding the Depreciation Account. It was agreed the Capital Plan should be updated. Perhaps the funds being contributed to the Depreciation Account can be used as a reserve account for those projects. **ACTION: Updating the Capital Plan will be a future agenda item.**

The USDA loan was discussed. The final draw was made and unless SVMWC re-applies, the loan is closed. The loan was closed out before the full amount was needed. **ACTION: Collin will present a report clarifying the account.**

11. PSD and the Mutual Operations & Maintenance Contract – 2015/16 Update

Director Johnson presented the proposed contract, which was included in the Board packets. He asked for discussion today so any changes can be made. The contract will be on the next meeting agenda for approval. Discussion followed as the details were clarified. It is anticipated the SVPSD Board will approve this at its May meeting.

12. Current Drought Outlook – John Johnson

Director Johnson presented the State of California Executive Order regarding the drought, which was included in the Board packets. The Order calls for an additional 25% reduction in water use, however it's unknown whether SVMWC falls under the mandate. Regardless, SVMWC needs to continue to press customers to conserve water. Burks reported the State Water Resources Board is reviewing the Order to determine how and to whom it applies. Director Johnson added that in the next month, more will be known and decisions can be made on how to address it. Discussion followed regarding the Order and strategies to get those customers who have not yet installed meters to do so because consumption cannot be tracked without meters.

13. Old Pipeline Abandonment Status / Hydrology Study – Hans Burkhart

Director Burkhart recommended the abandonment be done in 3 phases. A map showing the suggested phases and cost estimates were included in the Board packets. Assuming the 3 properties on Sandy hookup soon, Phase 1 could be completed by June. Discussion followed as the proposed work and potential costs were clarified. **It was moved by Director Mattheis and seconded by Director Burkhart to authorize solicitation of bids for the back water line abandonment. Motion carried unanimously.**

Discussion continued regarding the additional phases of the project, what properties still need to connect, and the timeframe for completing Phases 2 and 3. There are a total of 38 customers that need to hookup. If the deadline for connecting was moved from October 15 to August 15, the entire project might be completed this year. Discussion continued. **ACTION: Director Johnson will get a legal opinion on options for moving the deadline up to August 15 and what recourse SVMWC has if people do not hookup.**

Eric Poulsen asked if the easements will be abandoned when the lines are, because the easement is a legal right on a property. A brief discussion followed. It was noted that the easements may include other utilities.

14. Water Rate Update – John Coyle & Hans Burkhart

Director Burkhart presented a report on neighboring water district rates. He noted SVMWC rates are based on bathrooms, but other districts use line size and meters to gauge consumption. Also, SVMWC bills in advance, twice a year; should billing be more often? Discussion followed regarding the logistics involved in more frequent billing, how to compile consumption data in order to set rates, and how best to proceed to set rates. It was agreed that data will be provided by December 2015 in order to consider a trial billing, which will inform final consumption and base rates.

It was moved by Director Mattheis and seconded by Director Coyle to set the consumption rate fees by December, 2015. Trial billing will be done January 1 – May 31, 2016. The fee structure will be re-evaluated and confirmed for billing beginning July, 2016. Motion carried unanimously.

15. Budget Evaluation for Fee Increase/Decrease Discussion – Daniel Collin

Daniel Collin presented a P&L for this discussion. He noted that last year, expenses went up about \$450,000 in the 3rd quarter, but wasn't quite sure why. Overall, everything looks good and revenues and expenses are in line with the budget.

16. By-Laws Discussion / Review of Draft Changes

The latest draft with changes noted was distributed and discussion followed regarding specific sections. Changes were discussed. **ACTION: Director Johnson will confirm the legal boundaries of SVMWC. ACTION: Director Johnson will review the requested changes to the Bylaws with Counsel, including quorum requirements for the Annual Meeting.**

PUBLIC COMMENT

Michael Garabedian from Friends of the North Fork of the American River said when the organization learned of the proposal to incorporate Olympic Valley, there was concern because of the boundary of the American River and the watershed. Garabedian asked about the sphere of influence of SVMWC and whether or not SVMWC would be impacted. **ACTION: Director Johnson will investigate whether or not SVMWC may be impacted by incorporation**

17. Future Board Meeting Dates

May 9, 2015 at 3:00 PM and June 13, 2015 at 3:00 PM

ACTION ITEMS

- 1) SVPSD will check to make sure transponder and meter numbers match
- 2) Rosa will follow up with the title companies on the two delinquent accounts and clarify how title companies notify utility companies of sales
- 3) Updating the Capital Plan will be a future agenda item.
- 4) Collin will present a report clarifying the USDA account.
- 5) Director Johnson will get a legal opinion on options for moving the deadline up to August 15 and what recourse SVMWC has if people do not hook up.
- 6) Director Johnson will confirm the legal boundaries of SVMWC
- 7) Director Johnson will review the requested changes to the Bylaws with Counsel, including quorum requirements for the Annual Meeting.
- 8) Director Johnson will investigate whether or not SVMWC may be impacted by incorporation

Adjourn

There being no further business to come before the Board, the meeting adjourned at 6:30 PM.

Respectfully submitted:

Judy Friedman

Recording Secretary

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