

SQUAW VALLEY MUTUAL WATER COMPANY
Board of Directors Meeting
May 9, 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 3:16 PM on Saturday May 9, 2015 at the Squaw Valley Public Services District (SVPSD) Community Room.

2. Roll call and establish quorum- Tim Mattheis

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

Directors Absent: Mattheis

A quorum was established.

Also present were Daniel Collin, Brandon Burks, and Carl Gustafson

3. Call for Agenda Additions

There were no revisions to the agenda.

4. Adopt the agenda

It was moved by Director Coyle and seconded by Director Guilford to adopt today's agenda as presented. Motion carried unanimously.

5. Approval of the Minutes from the April 4th, 2015 Board meeting.

Director Rosa clarified her action item from the last meeting. She reported on her conversation with the title company. They were not able to provide the information on sales as requested. A brief discussion followed regarding ways for SVMWC to get information when properties are sold. **ACTION: Rosa will follow up with SVPSD on how they are notified of transfers after sales**

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

6. Presidents Report-John Johnson

Director Johnson presented his written report, which was included in the Board packets. His report clarified the actions being requested at today's meeting. There were no electronic votes taken since the last meeting.

7. Operation & Maintenance Report-Brandon Burks

Brandon Burks presented the March and April O&M reports, comparing last year's statistics with this year's. There is an increase in water production because people have started to irrigate. Burks explained why the hydrant was flushed to keep the well water fresh, as noted in his report. Overall, the SCADA system is working well. The Chemical Retention Plan is being updated.

8. Office Managers report-Daniel Collin

Daniel Collin presented his written report. The USDA loan is a 40 year loan, maturing in 2052. At the end of that period, whatever has not been drawn will be credited. USDA requires an account be retained with a balance of one payment, approximately \$96,000. Line items and balances were clarified.

Director Coyle noted the need for a proposed budget for Board review. **ACTION: Collin will send a preliminary budget to the Board for review prior to the next meeting.**

Collin reported the depreciation account is included in the audited financials and is to be used for major repairs or purchases. He said the difference between the capital assessments and debt service is deposited into this account.

Discussion followed as meter readings, the website, and emails were considered. A price is being solicited for SVMWC to host its website.

9. Treasurer's report-John Coyle

Director Coyle presented the Treasurer's Report as of April 30, 2015, which was included in the Board packets. Twelve properties are delinquent, although the major delinquency is being paid the new owner.

10. SVPSD & The Mutual Operations & Maintenance Contract 2015-2016 Approval

The draft agreement was included in the Board packets. Director Johnson reported the only difference is the fees have decreased by about \$1000 per year. *This could have been said as \$1000 per month or \$10,000 per year. The reduction is \$915 per month and \$10,980 per year from last year's contract.*

It was moved by Director Guilford and seconded by Director Coyle to approve the contract with Squaw Valley Public Service District (SVPSD) for 2015/16 Operations and Maintenance. Motion approve unanimously.

11. Drought Outlook and Strategy

Director Johnson reported on the mandates issued by the State. Because SVMWC has less than 3000 connections, the requirement is a 25% reduction in water use from 2013's numbers, effective June 1, 2015. Discussion followed regarding how to address drought conditions and encourage customers to cut back on their water use. It was noted there are some customers using excessive amounts of water and need to cut back. **ACTION: Collin will contact those customers using excessive amounts of water.** This item will be addressed at the next Board meeting when more information is known regarding the State mandates.

12. Old Pipeline Abandonment Status

Director Burkhart reported Steve Brigman of Shaw Engineering submitted a proposal to give the contractor, but there were so many errors in it Brigman is redoing it.

Director Johnson noted that because of the drought, there is a clear case for moving the deadline to August for owners to connect to the new line and abandon the old one. The Bylaws also support that.

Director Burkhart reported the contractor could have all the lines abandoned by October if customers connect to the new lines by August 15. The engineer's estimate is \$67,000 to get all the work done at one time. Phasing will cost more.

13. Water Rate Update John Coyle & Hans Burkhart

Director Coyle reported more data is needed regarding water use before a recommendation on rates can be made. Discussion followed. Burks explained how water pumped versus what is actually used is calculated. Once the final 40 properties are on meters, more data will be available on what is actually used and what may be leakage.

14. Meter Hook up Dead line to August 15th, 2015

It was moved by Director Coyle and seconded by Director Guilford to advance the meter hookup deadline to August 15, 2015. Further, to suspend eligibility for lateral credits to property owners as of August 15, 2015. Motion carried unanimously.

The Board discussed how members will be notified of the date change and whether or not SVPSD can help abandon some of the more challenging back lines. There may be some exceptions to the deadline that need to be granted on a case-by-case basis.

15. Election Procedures for Labor Day Weekend

Director Johnson presented the changes in election procedures, given the proposed changes to the Bylaws. Discussion followed and it was agreed the attorney needs to clarify his recommendation for voting and proxies.

16. By-Laws discussion and approval (Including the Board Member Numbers from 7 to 5)

The revisions to the Bylaws were reviewed and suggestions given for additional changes. There was also a discussion on how to reduce the number of Board seats through attrition.

17. Capital Projects and Depreciation Schedule

Director Johnson distributed a list of capital projects to be addressed over the next year, including:

- 1) Sewer line for the pump house
- 2) Main extension from 1602 to 1724 Christy Lane
- 3) Intertie facility with the SVPSD
- 4) Pipeline replacement

He clarified each project. Director Coyle asked the Board to consider how to address rates based on the San Juan Capistrano ruling that tiered rates can't be arbitrary or punitive, but must be based on actual costs.

18. Future Board Meeting Dates:

June 13, 2015: 3PM Board meeting

September 5, 2015: 9AM Board meeting, 10AM Annual Meeting

ACTION ITEMS

- 1) Rosa will follow up with SVPSD on how they are notified of transfers after sales
- 2) Collin will send a preliminary budget to the Board for review prior to the next meeting.
- 3) Collin will contact those customers using excessive amounts of water.

19. Adjourn

There being no further business to come before the Board, the meeting adjourned at 5:37 PM.

Respectfully submitted:

Judy Friedman

Recording Secretary

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