

SQUAW VALLEY MUTUAL WATER COMPANY
Board of Directors Meeting
June 5, 2016
Minutes

1. Call to order

President John Johnson called the meeting of the Squaw Valley Mutual Water Company Board of Directors to order at 10:01 AM on Sunday June 5, 2016 at the Squaw Valley Public Services District Community Room.

2. Roll call and establish quorum- Bob Barnett

Directors Present: Johnson, Stepner, Barnett, and Burkhart. Guilford attended via teleconference.

Directors Absent: None

A quorum was established.

Also present were Brandon Burks from SVPSD, Eric Poulsen, Chuck Schaller, Karilyn Duarte, and Jean Paul Pasqual.

3. Call for Agenda Additions

Eric Poulsen said Director Stepner spoke to the Squaw Valley Property Owners Association on behalf of SVMWC. Mr. Poulsen noted the hard work that goes into running SVMWC and thanked all Directors, and Director Johnson in particular, for their commitment. Mr. Poulsen suggested "Member's Comments" be added to future agendas.

President Johnson asked for the following agenda additions:

- 1) Budget Review (after Office Manager Report)
- 2) Review of SVPSD Contract (after Treasurer's Report)

4. Adopt the agenda

It was moved by Director Barnett and seconded by Director Stepner to adopt today's agenda as amended. Motion carried unanimously.

5. Approval of the Minutes from the April 11th, 2016

It was moved by Director Stepner and seconded by Director Guilford to approve the minutes of the April 11, 2016 SVMWC Board meeting as presented. Motion carried unanimously.

6. Presidents Report-John Johnson

President Johnson reported on two electronic votes since the last meeting:

- 1) The Board voted 4:0:1 abstention from Director Burkhart, to approve \$2,865 for a hydraulic study.
- 2) The Board voted 5:0 to postpone the implement the new water rates from the original implementation date of July 1, 2016 to a future date TBA pending collection of data.

President Johnson said nominations are being accepted for the September Board election. The seats currently held by President Johnson and Director Burkhart will be available. Both incumbents will advise whether or not they are running for re-election.

7. Operation & Maintenance Report-Brandon Burks

Brandon Burks presented the Operation and Maintenance reports that were included in the meeting packets. He reported water production remains less than in previous years. There have been some issues with surge protectors working properly during lightning storms. Burks is working with XiO to address the problem.

The Squaw Valley Public Service District Board did not adopt Stage 2 Drought Restrictions and irrigation requirements. The California State Water Resources Board is allowing small districts to modify water

restrictions to what they feel is appropriate for their district. SVPSD has adopted Stage 1 Restrictions.

ACTION: Burks will post the Stage 1 Restrictions at the Squaw Valley post office. Discussion followed regarding the action for SVMWC.

It was moved by Director Guilford and seconded by Director Barnett to adopt Stage 1 Water Restrictions for SVMWC. Motion carried unanimously.

Burks reported the aquifer is pretty full and there is still snow on the mountain yet to melt, so the water situation is good. He answered questions clarifying his report.

8. Office Managers report-Daniel Collin

Daniel Collin presented his written report. He is working with Plumas Bank to accept credit cards and PayPal for assessments. Collin explained the CORE program and how it's being updated to provide more data on what each member is paying and for what.

The budget as of May 31, 2016 was reviewed. President Johnson asked if the lateral credits have been reconciled. Collin said the \$52,000 expected next year should be the peak. Specific line items were reviewed. Director Stepner asked for more clarification in the report in order to be able to forecast it over time.

8a. AGENDA ADDITION: Budget Review

Collin presented the draft budget and notes for FY 2016-17. He reviewed the changes to be made to the USDA Reserve Requirement. Revenues and expenses were clarified and revisions made. President Johnson noted the budget needs to be approved by the end of June. **ACTION: Collin and Director Stepner will make revisions to the draft budget. Collin will send the revised draft budget to the Board. The motion and vote to approve will be taken electronically.**

9. Treasurer's report-David Stepner

Director Stepner presented the Treasurer's Report as of May 31, 2016. He reported that although true operating costs are about \$188,000, there is a payout for lateral reimbursements of approximately \$52,000, so total expenses are \$241,000. Director Stepner recommends drawing down the Money Market account to pay the difference since the funds are available and the lateral reimbursements are not an on-going expense. Director Stepner discussed how the accounts in arrears are being addressed.

President Johnson reminded the Board that Daniel Collin's contract period was extended for a September renewal.

9a. AGENDA ADDITION: Review of SVPSD Contract

Burks presented the proposed contract. Included in the base contract are monthly meter readings. The monthly fee is \$6,575, up \$88 per month from the previous contract. The annual contract price for basic services is \$78,900. Additional services will be billed at the Time and Materials rate. The SVPSD will vote to approve this contract at the next meeting, assuming it is approved by SVMWC.

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

10. Capital Improvement Projects Schedule 2016 & 2017

President Johnson presented the CIP Schedule and explained the revisions made to projects and timing. No projects, other than completing the back lot main abandonments are scheduled for this year. The Main Extension is scheduled to begin in 2017. The CIP assumes about \$2.3 million in projects over the next 20 years.

11. Water Rates Members Input

Director Stepner announced the new website for SVMWC: squawvalleymutualwater.com. On the site is a link where members can find their water usage monthly using a sequence number that is included on their bill.

Director Stepner explained the new fee structure, which will be broken into four categories: Capital Improvement Reserves, USDA Loan Payment (for the next 40 years), USDA Loan Reserve (required for the loan), and Operating costs, which are the actual costs of delivering water and keeping the company running. Director Stepner said meters provide information on how much water is being used on each property and help to identify leaks in the system.

Director Stepner reported the Board has agreed to a billing structure that is a combination of a flat base rate to cover operating costs and a "per gallon" fee for water usage beyond an allocation to be determined. He described the calculations to determine each component Data is being collected for a full year to make sure charges are equitable. Based on the current formula, the base rate is anticipated to be \$375 per year.

Director Stepner answered questions clarifying the new rate structure, how costs are being calculated, and how this structure compares with other water agencies in the area. Discussion continued about strategies to keep the membership informed of the new rate formula. **ACTION: Invoices will continue to include sequence numbers and the new website so members can read about the new fee structure and check their monthly meter readings.** Director Stepner will make this presentation at the September Annual meeting.

12. Future Board Meeting Dates

Tuesday, July 5, 2016 at 4:00 PM

Sunday, September 4, 2016 at 9:00 AM (Annual Meeting and Election)

ACTION ITEMS

- 1) Burks will post the Stage 1 Restrictions at the Squaw Valley post office.
- 2) Collin and Director Stepner will make revisions to the draft budget. Collin will send the revised draft budget to the Board. The motion and vote to approve will be taken electronically.
- 3) Invoices will continue to include sequence numbers and the new website so members can read about the new fee structure and check their monthly meter readings.

13. Adjourn

Adjourn

There being no further business to come before the Board, the meeting adjourned at 11:45 AM.

Respectfully submitted:

Judy Friedman

Recording Secretary

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