

SQUAW VALLEY MUTUAL WATER COMPANY
Board of Directors Meeting
May 18, 2018
Minutes

1. Call to order

President John Johnson called the meeting of the Squaw Valley Mutual Water Company Board of Directors to order at 4:01 PM on Friday May 18, 2018 at the Squaw Valley Public Service District Meeting Room.

2. Roll call and establish quorum- Bob Barnett

Directors Present: Johnson, Barnett, Burkhardt, Guilford, and Stepner

Directors Absent: None

A quorum was established

Also present were Daniel Collin, Brandon Burks from SVPSD, Eric Poulsen, Bill Downs, and recording secretary Judy Friedman.

3. Call for Public Comment

There were no comments on items not on the agenda.

4. Call for Agenda Additions

Johnson asked to add "SVPSD Contract Review" prior to Future Meetings.

5. Adopt the Agenda

It was moved by Director Guilford and seconded by Director Stepner to approve today's agenda as amended. It was agreed items may be taken out of order. Motion carried unanimously.

6. Approval of the Minutes from the March 12, 2018 meeting

It was moved by Director Guilford and seconded by Director Burkhardt to approve the minutes of the March 12, 2018 Board meeting as presented. Motion carried unanimously.

7. Presidents Report-John Johnson

Johnson presented his written report, which consists of a 10 item to-do list. He reviewed the list and said many items will be clarified during today's meeting. A brief discussion followed. The prior 12 month rates need to be determined by July 1, but the FY 20108/19 budget will be reviewed by the end of June. The Annual Meeting is scheduled for September 1, 2018. The seats held by Johnson and Burkhardt are up for election, although both incumbents will run again. **ACTION: Barnett and Johnson will review the final draft of the newsletter and it will be sent to owners next week. ACTION: Collin will update the contact list in time for the Annual Meeting notices to go out.**

8. Operation & Maintenance Report-Brandon Burks

Burks presented the written report for March and April. He noted a house fire on Christy that used 3 hydrants and approximately 120,000 gallons of water. The system worked well and there was plenty of water in the well. A brief discussion followed regarding the capacity of the system and how the fire department uses water.

Burks described how a leak-before-meter issue was addressed.

9. Office Managers Report-Daniel Collin

Collin presented his written report. McClintock Accountancy has completed the tax filing.

Collin presented the Budget to Actual report as of April 30, 2018 and clarified variances. Water fees were down, but service charges were up.

Collin and Guilford updated property sales. Stepner asked for an approximate variance forecast for the end of the year. Collin believes there could be a variance of approximately \$50,000.

10. Backflow Testing & Compliance Report-Daniel Collin

Collin presented the numbers of customers notified and complying with the testing requirement and described efforts to get full compliance to the law. Owners were given a deadline of June 1. Guilford asked about atmospheric devices. Burks said SVPSD does not allow that type of system because there is no way to test them. SVPSD requires old atmospheric devices to be replaced. Stepner noted that was not a requirement by SVMWC this year. For this year, Stepner believes the requirement sent to owners needs to be honored, but the policy could be changed for next year. Discussion followed regarding strategies to get owners to comply with the current policy by June 1 and the state requirement that the agency is using "adequate effort."

It was moved by Director Barnett and seconded by Director Guilford that included in the July 1 billing will be a notice to owners that beginning August 1, if SVMWC has not been advised as to the backflow status of the property, SVMWC will, at the owner's expense, send an inspector to see if a backflow device is required.

AYES: Johnson, Barnett, Hans

NOES: Patti and Stepner

Motion carried

It was moved by Director Stepner and seconded by Director Barnett that included in the July 1 billing will be a notice to owners who have supplied notification that they have backflow devices but have not submitted test results, that unless they are tested by September 1, SVMWC will, at the owner's expense, send out a tester. Motion carried unanimously.

11. Treasurer's report-David Stepner

Stepner presented the Treasurer's Report dated April 30, 2018 and noted five accounts are past due. Collin reported on his efforts to collect.

12. Draft Budget Review-Daniel Collin

Stepner reminded the Board that funds were transferred from Operating to the Capital Account to cover a shortfall. He suggested any surplus in Operating be moved into Capital to replenish that account. Discussion followed regarding the work scheduled for summer, including anticipated costs and how the potential budget surplus was calculated.

It was moved by Director Stepner and seconded by Director Barnett that whatever surplus is realized in the Operating Account on June 30, 2018, it be transferred to the Capital Account. Motion carried unanimously.

The draft FY 2018/19 budget, and assumptions made as it was prepared, were reviewed. Discussion followed regarding the work scheduled for this season, including tank inspections, and allocations to specific line items. **ACTION: Collin will revise the budget per today's discussion and present a budget to be adopted by the Board.**

13. Backlot Line Easement Release Discussion

Owner Bill Downs presented his letter to SVMWC of April 16, 2018 asking to install a small rock wall in what he believes is a SVMWC abandoned easement. Discussion followed regarding the request. Eric Poulsen suggested that before any easements are abandoned, they be checked for all possible utility rights.

It was moved by Director Stepner and seconded by Director Barnett to work with owner Bill Downs (1261 Sandy Way (APN 096-170-011-000) to grant permission for him to build a rock wall per his letter dated April 16, 2018. Before final permission is granted, SVMWC will work with legal counsel to see

what is required to allow the wall to be built with SVMWC realizing the least loss of rights to the easement. Motion carried unanimously.

14. Summit Tennis Court Update-Empty Lots-Patti

Guilford found the 1956 recordation of 11 properties and three vacant lots. She has names and contact information for owners, but Stepner noted discrepancies in his list. Discussion followed as the Board discussed how the properties are used, including the one with the tennis court or tank and utility easement. **ACTION: Burkhart and Guilford will review ownership of the properties to make sure they are being billed properly.**

15. Capital Expense Program Update-John Johnson

Johnson reported USDA referred him to two commercial lenders that work with smaller water companies. Only one lender has responded. Johnson described the terms quoted for the potential \$2.6 million loan, noting the funds really won't be needed until next year. Stepner suggested the full \$2.6 million may not need to be borrowed, depending on revenues. A brief discussion followed regarding how large of a loan would be needed. Johnson said a complete scope of work and bid documents for the horizontal well and Squaw Valley Road project should be submitted this week. In the meantime, he will continue to investigate financing options.

16. News Letter Update-Bob Barnett

Barnett and Johnson will do final edits. The focus will be finances, upcoming projects and justifications for the rates so customers will be informed of what to expect.

17. Memorial Day Board Election Candidates

Burkhart and Johnson will run for re-elections.

18. SVPSD Contract Review

Burks presented the draft FY 2018/19 contract, which is part of the five year agreement. Burks presented a spreadsheet outlining increases. Basic services will be increased \$212 per month. Additional services are charged at actual salary plus an increase of 3.07%, consistent with Article 5, District Compensation that allows increases per COLA and wages in the Union contract. Collin said the budget has been adjusted to reflect the new rates.

18. Future Meetings

The following meeting dates were approved: June 25, 2018 at 4:00 PM and July 30, 2018 at 4:00 PM. The Annual Meeting is scheduled for September 1, 2018.

ADJOURN

There being no further business to come before the Board, the meeting adjourned at 6:31 PM.

Respectfully submitted,

Judy Friedman

Recording Secretary

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