

SQUAW VALLEY MUTUAL WATER COMPANY
Board of Directors Meeting
December 18,, 2017
Minutes

1. Call to order

President John Johnson called the meeting of the Squaw Valley Mutual Water Company Board of Directors to order at 4:02 PM on Monday December 18, 2017 at the Squaw Valley Public Service District Meeting Room.

2. Roll call and establish quorum- Bob Barnett

Directors Present: Johnson, Barnett, Stepner and Guilford

Directors Absent: Burkhart

A quorum was established

Also present were Office Manager Daniel Collin, Brandon Burks from SVPSD, and recording secretary Judy Friedman.

3. Call for Public Comment

There were no comments on items not on today's agenda.

4. Call for Agenda Additions

There were no changes to today's agenda.

5. Adopt the Agenda

It was moved by Bob Barnett and seconded by David Stepner to adopt today's agenda as presented.

Motion carried unanimously.

6. Approval of the Minutes from November 13, 2017

It was moved by David Stepner and seconded by Bob Barnett to approve the minutes of the November 13, 2017 Board meeting. Motion carried unanimously.

7. Presidents Report-John Johnson

Johnson presented his written report. He noted the Board will consider the CIP at today's meeting, including projects and funding to replace the 50-year old pipeline. There have been no electronic votes taken since the November 13, 2017 meeting.

8. Operation & Maintenance Report-Brandon Burks

Burks presented the November 2017 Water Operations Report, which was included in today's meeting packets. The report includes maintenance performed during the month.

9. Office Managers Report – Daniel Collin

Collin presented the Office Manager's Report for November 2017, which was included in the meeting packets. The issue with the Badger software has been repaired. Collin noted changes in the Budget to Actual report regarding the Christy Lane Waterline project. The draft audit from McClintock Accountancy has been received. The auditor had concerns about Capital Fund Expenditures that were paid from Operating. Colling will review historical data to see how Capital Fund contributions were allocated. The other issue noted by the auditor had to do with how assets are tracked. Two software programs were suggested that could help, but Collin will continue to use the spreadsheet to calculate and record depreciation of fixed assets.

It was moved by David Stepner and seconded by Bob Barnett to accept the audit as presented. Motion carried unanimously.

10. Backflow Testing & Compliance Report – Daniel Collin

Collin has received 87 responses to the Backflow Testing letter he sent out. Of those, 71 owners said they don't have a cross connection and 13 have submitted the Back Flow Testing Certificate. One owner said he has irrigation but doesn't use it anymore. The connection is under his deck.

A brief discussion followed. **ACTION: Collin will send the requirement letter that went to owners to the Board for comment. A revised letter, based on Board input, will be sent with the January billing.**

11. Christy Lane Pipeline Project Budget to Actual Report – Daniel Collin

Collin presented the Budget to Actual Report. Aspen has not been fully paid because of punch list items to be addressed. Also, the final bill has not been received from Shaw Engineering. The project is approximately \$36,000 over budget. Johnson said SVMWC will pay Placer County approximately \$25,000 for the slurry seal, which will be reimbursed by Shaw.

12. Treasurer's report-David Stepner

Stepner presented the Treasurer's Report as of November 30, 2017. There are no outstanding accounts beyond one period, but that could change when the bills go out in January. There are 35 accounts outstanding.

ACTION: Collin will send notices to the 35 outstanding accounts.

13. Summit Tennis Court Collection – Bob Barnett

Barnett reported he had a series of exchanges with president of the homeowner's association who could not understand why the HOA is being billed since he requested service to be shut off. Barnett explained that in a mutual, every owner is a member and has an obligation to pay. The president asked for proof the tennis courts were part of SVMWC, but before that could be sent to him, the bill was paid.

14. Merging Lots Report – David Stepner

Stepner reported there is still an outstanding payment for the merged lots. He contacted the Mutual's attorney who will send the owner a letter underlining the fact that the Mutual does not recognize the ability to combine lots. If payment is not received, a lien may be placed on the property. Discussion followed regarding the issue and contacts with the property owner.

It was moved by David Stepner and seconded by Patti Guilford that if the owner has not paid the SVMWC invoice by January 15, 2017, the property will be liened to collect the unpaid amount. The owner will be advised of the lien. The unpaid amount will be shown on the books as a "bad debt." Motion carried unanimously.

15. Capital Expense Revision – Hans Burkhart & John Johnson

Johnson reported he and Burkhart met to review the Capital Improvement Program (CIP) items in Version 13 of the CIP spreadsheet and, as a result, added three new projects and costed out three existing projects. These projects would complete the retrofit of all old main and connection pipes in the system. It was stated that the urgency of these projects was equal to the urgency of the work already done under the USDA loan and in 2017. However, Stepner pointed out that, with these additional costed projects included, the build up of the capital reserves was inadequate, and to finance the totality of projects would require substantial increases in the capital reserve annual assessment. No board member knew of why these retrofit projects has been left out of the USDA project list.

These projects would complete the replacement of old main and connection pipes which exceed their useful life.

ACTION: It was agreed that Stepner and Johnson would meet to review the timing of the CIP projects and determine what level of assessments would require. Simultaneously, other sources of funding of these projects would be explored, including renegotiating the existing USDA loan, and obtaining a new loan from the USDA or perhaps the PSD. It was also agreed that Stepner would write a note to the mutual

customers indicating that there will be an increase in the capital reserve amount on their bill starting in July and the reasons why. This was to sent around for Board review.

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Johnson reviewed the projects identified for the coming year.

16. Adriani Proposal

Stepner reminded the Board of the request to combine the water bill for the two lots owned by Adriani because of irrigation. There are houses on both lots, but the irrigation to both comes from just one lot because one home has a pressure pump. The owner said the pump is necessary because the lots have poor water pressure. Adriani asked that the bills for both lots be combined, then split in 2 so each lot pays an equal amount. Discussion followed regarding the request. It was noted that state law requires the water company to provide 55psi at the meter. Adriani's lots are getting 65psi at both meters. Discussion continued regarding the situation and options available to the owner to separate the lines.

It was moved by Patti Guilford and seconded by John Johnson to deny the request to combine water usage for two homes and bill each one half. Motion carried with David Stepner voting no.

**17. Future Meetings: Monday January 15, 2018 at 4 PM
Monday March 12, 2018 at 4 PM**

ADJOURN

There being no further business to come before the Board, the meeting adjourned at 5:12 PM.

Respectfully submitted,

Judy Friedman

Recording Secretary

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