

SQUAW VALLEY MUTUAL WATER COMPANY
Board of Directors Meeting
April 11, 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 3:04 PM on Monday April 11, 2016 at the Squaw Valley Public Services District Community Room.

2. Roll call and establish quorum- Bob Barnett

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

Directors Absent: None

A quorum was established.

Also present were Brandon Burks from SVPSD and Eric Poulsen.

Call for Agenda Additions

Director Stepner asked to add a request from Mike Willette, President of Squaw Valley Property Owners Association, for the SVMWC contact list.

The item regarding the Delinquency Policy will be removed from today's agenda as it was addressed at the last meeting.

Adopt the Agenda

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

Approval of the Minutes from the February 29th, 2016

It was moved by Director Stepner and seconded by Director Guilford to approve the February 29, 2016 minutes as presented. Motion carried unanimously.

Presidents Report-John Johnson

Director Johnson presented his written report, which was included in the Board packets. He noted SVMWC customers reduced their water consumption by 50% compared with 2014. The State has reported precipitation this winter is 87% of normal, so California is still in a drought. Stage II Drought Restrictions will remain in effect. Director Johnson reported two SVMWC Board positions will be voted on in the September election. There have been no electronic votes taken since the last meeting.

Operation & Maintenance Report-Brandon Burks

Brandon Burks presented the February and March Operations and Maintenance reports, which were included in the meeting packets. A fire hydrant failed in March, but was secured. Burks described the issue and is reasonably sure it has been completely addressed, but will continue to monitor it. Burks gave Director Stepner a list of vacant lots and said meters have been installed on two of those lots. There was some confusion about street addresses that will be resolved.

Office Managers report-Daniel Collin

Daniel Collin reviewed his written report that was included in the Board packets. Answering a question from the last meeting, Collin said the Rural Water Association dues are calculated by the number of connections. Dues are paid annually. SVMWC has 457 connections.

Collin reported a computer problem, which resulted in the March numbers being a bit late.

Collin investigated the issue of pre-paid accounts for the USDA Reserve billing. Based on a payment of about \$4900, each account will receive a refund of about \$600. Collin is working with McClintock Accountancy to record depreciation in budget-to-actuals and transfer funds from depreciation to cover construction costs.

Treasurer's report-David Stepner

Director Stepner reported there are 34 accounts delinquent for the current six-month period. An additional three accounts are delinquent by two periods and 1 by three billing periods. Appropriate notices will be sent out. Director Stepner said the Board will need to decide how many accounts to use as the divider for the Reserve and USDA funds in order to account for customers who are not paying their dues. A question was asked about the status of lateral credits. **ACTION: Collin will produce a report showing how many lots were eligible for credits and how many credits were issued.** A brief discussion followed regarding the timing of requesting credits. It was agreed that as long as the new connection was done before the cut-off date, it will be considered a legitimate claim for the credit.

Vacant Lot Issue: A. Vacant Lot charge

Director Stepner distributed a report at the meeting showing the categories of vacant lot charges. Most are charged \$274, but one is charged \$580. He explained how operating expenses are calculated and how the Capital Investment Reserves, debt service, and USDA accounts are funded. Director Stepner asked the Board to consider how vacant lots should be charged and what should be considered as a vacant lot. He noted that one member could own 2 buildable lots and only have 1 structure. Should the vacant lot contribute to costs other than operating? Or, as SVPSD does, should the owner only pay SVMWC fees when they connect to the system. Discussion followed on the options available and philosophy of how vacant lots should be charged, given improvements continue to be made to the system. Director Johnson noted there are 19 vacant lots, which is about 7% of the total lots in SVMWC and suggested vacant lot charges be a flat rate with a combined total of 7% of the whole. Discussion continued regarding billing strategies. It was noted that 12 vacant lots have meters. **It was moved by Director Barnett and seconded by Director Guilford that vacant lots be charged a flat fee of \$274 per year for Operating costs. Motion carried with Directors Johnson and Burkhart voting no.**

There was continued discussion regarding vacant lots. **ACTION: Collin will clarify the list of vacant lots.**

B. Delinquency Policy

This item was addressed at the last Board meeting and removed from today's agenda.

USDA loan/Reserve Account Status

Director Stepner reported he called the former office manager about why there are six accounts that over-paid their share of the USDA loan, but she didn't have an answer. There was consensus to agree with his suggestion to reimburse those owners and beginning with the July billing, they will pay the same as everyone else. Those owners have not paid into the Capital Reserve Account, but that is being straightened out.

Missing Account Numbers

Collin is addressing this item.

Capital Improvement Projects Schedule 2016 & 2017

Director Stepner reported he has investigated the impacts of doing the Christy main ahead of schedule, given its condition. He distributed a report showing the potential effect on the overall CIP schedule. The Projects Schedule and costs were reviewed.

It was moved by Director Guilford and seconded by Director Stepner to approve capital improvement funds of \$37,800 for the 2016/17 construction season. Motion carried unanimously.

ACTION: Director Stepner will send out a revised CIP schedule

Water Rates Final Discussion

Director Stepner distributed a proposed rate schedule. He explained the rationale behind his recommendation of a billing structure consisting of a flat rate to cover operating costs and a consumption rate. Discussion followed regarding the proposed base rate and how to bill equitably for consumption.

It was moved by Director Stepner and seconded by Director Barnett that for the upcoming billing cycle, SVMWC will adopt a strategy that 50% of operating costs will be derived from a flat rate that includes a water allowance. The water allowance will be calculated from the previous year water usage of 50% of customers. The additional 50% of operating costs will be derived from a per gallon rate of water usage over and above that allowance. Motion carried with Director Guilford voting no.

ADDITION: Use of customer email addresses

The Board considered Mike Willett's request to Director Stepner. It was agreed that SVMWC customer contact information will not be released because of privacy issues.

Future Board Meeting Dates: June 5th 10AM (Water Rate Members Meeting), July 25th at 4 PM, and September 4th 9AM (Annual Meeting & Election)

ACTION ITEMS

- 1) Collin will produce a report showing how many lots were eligible for credits and how many credits were issued.
- 2) Collin will clarify the list of vacant lots.
- 3) Director Stepner will send out a revised CIP schedule

Adjourn

There being no further business to come before the Board, the meeting adjourned at 6:18 PM.

Respectfully submitted:

Judy Friedman

Recording Secretary

THE PAPER TRAIL SECRETARIAL & BUSINESS SOLUTIONS