

**SQUAW VALLEY MUTUAL WATER COMPANY**  
**Board of Directors Meeting**  
**June 29, 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 10:08 AM on Monday June 29, 2017 at the Squaw Valley Public Service District Meeting Room.

**2. Roll call and establish quorum- Bob Barnett**

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

Directors Absent: None

A quorum was established

Also present were Office Manager Daniel Collin, Brandon Burks from SVPSD, Eric Poulsen, 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**

Stepner asked to add an item at the end of the meeting to review the draft letter regarding backflow testing.

**5. Adopt the agenda**

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

**6. Approval of the Minutes from June 5<sup>th</sup>, 2017**

Regarding Item 11, Burkhart clarified that he did not hold a Pre-Bid meeting for contractors; he contacted 12 contractors personally. The final minutes will reflect the change.

**It was moved by Director Guilford and seconded by Director Stepner to approve the minutes of the June 5, 2017 meeting as amended. Motion carried unanimously.**

**7. Presidents Report-John Johnson**

Johnson reported the following electronic vote taken since the last meeting:

**It was moved by Director Guilford and seconded by Director Barnett to approve a 5-year Operating and Maintenance agreement with Squaw Valley Public Service District. With all Board members voting, the motion carried unanimously.**

**8. Operation & Maintenance Report-Brandon Burks**

Burks did not have the final numbers for June. He reported there has been higher water demand and leaks reported as irrigation systems are being used for the first time this year. Burks suggested adding something in the newsletter reminding people to check for leaks when they turn on outdoor watering systems.

SVPSD is dealing with a large leak at the bike trail near the meadow. AMX has been brought in because they have bigger equipment. The repair should be completed today.

The SVPSD Board approved the 5-year Operating and Maintenance with SVMWC. There was one change to the verbiage on Page 2, Article 1, Term. Counsel asked to change "...every June 30..." to "...60 days prior to June 30 each year prior to the term or extended term thereof..."

**It was moved by Director Guilford and seconded by Director Barnett to approve the proposed change to the SVPSD Operating and Maintenance Agreement. Motion carried unanimously.**

There was a brief discussion regarding the timing of hydrant flushing and valve turning, which is being done by SVPSD. Burks described the process and how it relates to water loss. Guilford suggested the timeframe be posted at the post office and on the website. **ACTION: Burks will email the SVMWC Board with the timeframe to address flushing hydrants and turning the valves.**

#### **9. Office Managers report-Daniel Collin**

Collin reported both customers that were at least 2 pay periods delinquent have caught up. About eight people have used PayPal, but only 3 or 4 have included the service fee. Those fees will be added to their next bills.

Collin presented his written report, which was included in the Board packets. He reviewed the financial reports, noting Budget-to-Actuals and clarifying variances. The Actual Year to Date was adjusted by the auditor, but the difference will be picked up at the end of the month. Some of the Maintenance expenses will be re-classified as System Repairs. SVPSD's May invoice did not include "additional services" so those costs will be booked in June.

#### **10. Proposed Budget 2017/2018-Approval**

Collin presented the proposed budget with changes requested at the June 5 Board meeting. Brief discussion followed. **ACTION: Collin will investigate the APNs for the tennis courts.** Stepner explained how bad debts will be addressed in the budget. He asked that columns be added to separate USDA Capital, Loan, and Operating categories. The bottom line budget numbers will not change.

**It was moved by Director Stepner and seconded by Director Guilford to adopt the 2017/2018 Budget as presented. Motion carried unanimously.**

#### **11. Treasurer's report-David Stepner**

Stepner presented the Treasurer's Report included in the meeting packets. Fiscal year 2017/2018 will begin with approximately \$365,000 in the Capital Improvement Project account and approximately \$137,000 in the Money Market account.

#### **12. Christy Lane Water Main Project Summer 2017-Update-Hans**

Burkhart reported the low bidder on the project was Aspen. He explained that there are three projects involved: East Lanny Lane, Christy to Squaw Valley Road, and Christy Lane. Aspen's bid was approximately \$70,000 higher than the engineer's estimate for the Christy Lane component and about \$110,000 - \$120,000 for all three projects combined. Aspen has offered to reduce their bid by \$40,000 if awarded all three projects. Discussion followed regarding the options to get each or all three projects done, details and priority of each, and funding options given these are capital projects. In the discussion that followed, it was pointed out that while the construction contract bid for all three projects was \$402,670, the total cost would be more like \$493,000 including a 10% contingency and \$50,000 for other costs including engineering, PSD, etc.

Director Stepner then explained that by totalling the available funds from the money market account and the capital reserve fund, the SVMWC would be able to cover this total amount for all three projects, and realize the \$40,000 discount, but that would leave very little financial cushion, until the \$75,000 capital reserve contributions for this new fiscal year are received by SVMWC. Discussion continued regarding the risks vs benefits of this action. The consensus was to proceed.

**It was moved by Director Stepner and seconded by Director Guilford to move all Money Market funds into the Capital Reserve account at the end of June, except \$75,000, which will be borrowed for the Christy Lane Water Main Project and paid back over the next fiscal year. The budget will be adjusted accordingly. Motion carried unanimously.**

**It was moved by Director Stepner and seconded by Director Barnett to approve all three elements of the Christy Lane Project in order to receive the \$40,000 discount and get the project done in this fiscal year. Further, to allocate up to \$402,670 for the construction contract with Aspen with the proviso that the project is completed by October 15, 2017. Motion carried unanimously.**

### **13. PSD Operation & Maintenance Contract Review & Approval**

This item was addressed in Item 7 and Item 8 above.

### **14. Capital Improvement Project Review**

Stepner reminded the Board of a previous discussion about increasing the Capital Improvement/Reserve fund. He explained the impact increasing fees by 5% would have given the compounding effect. By the year 2017, the Reserves could be at approximately \$800,000, not taking into account additional projects. He suggested compiling a timetable of Capital projects in order to consider how to appropriately fund the account for future needs.

### **15. Water Fees Collection & Service Charges**

Stepner reviewed the current policy regarding late payments: if a bill has not been paid within 60 days of billing, it is delinquent and a 25% penalty as well as 1.5% per month penalty is charged. The policy was changed at one time, but the change is not reflected in the Bylaws. Discussion followed.

**It was moved by Director Barnett and seconded by Director Stepner to revise Section 8.6.3 of the SVMWC Bylaws. Payment must be made within 45 days of the billing date. After that, a one-time administration fee of \$25 will be charged and delinquent fees of 1% per month will be charged on the unpaid balance. Motion carried with Director Guilford voting no.**

### **16. By-laws Discussion & Review**

Stepner noted there are many sections of the Bylaws that need to be revised to reflect the Board's authority, particularly in Section 8. Barnett offered to Chair a Bylaws Committee and Stepner offered to serve on the Committee.

### **AGENDA ADDITION: Backflow Testing Letter**

Stepner presented a draft letter to property owners regarding backflow testing. He asked Board members to get back to him with suggested changes. Stepner asked that the letter be included in the upcoming bills.

Regarding billing, Stepner said the included water usage will remain at 120,000 gallons. A brief discussion followed regarding measures people are taking to conserve water in landscaping.

### **17. Future Meetings**

August 7, 2017 @ 4 PM

September 2<sup>nd</sup>, 2017 @ 11 AM Annual Members Meeting & Election

### **ADJOURN**

There being no further business to come before the Board, the meeting adjourned at 12:05 PM.

Respectfully submitted,

Judy Friedman

Recording Secretary

THE PAPER TRAIL SECRETARIAL & BUSINESS SOLUTIONS