

NEWSLETTER**Aug 1, 2022**Update your contact information at <http://squawvalleymutualwater.com/contact-us>.

Hello Squaw Valley Mutual Water Company members!

This newsletter covers several important topics - please take the time to read it carefully. It contains information on your latest water bill, a change to the billing rate structure, changes to fees and policies, change to the water shut-off policy, summer construction projects, water conservation policy, and annual membership meeting.

Latest water bill: You will notice a larger bill this year. This is almost entirely due to a \$110,000 (44%) increase in our operating budget for 2022-2023 compared to our actual expenses for 2021-2022. 80% of the increase, which will repeat each year, is caused by our forced change from using the Public Service District for operations & maintenance (O&M) to Operational Technical Services (OTS). Most of the rest of the increase is for one-time OTS start-up costs (e.g., the PSD tools & vehicles we used must now be purchased or leased), a scheduled inspection of our water tanks, cutting dead trees around the tanks, and inflation. Find the 2021-22 actual expenses and 2022-2023 budget at squawvalleymutualwater.com/documents/

Billing rate structure: With these increased costs (and the almost annual water restrictions we now live with), the Board considered the question of our existing water rate structure during its July 29th meeting. The current water-usage allowance included in our base rate is 150,000 gallons for the previous 12 months (i.e., the same rate for consuming 100 gallons or 150,000 gallons). At that level, the Board considered that too much of the operating costs were being borne by low water users (e.g., 2nd homeowners), and not enough by heavy water users (often permanent residents). As a result, the Board voted to decrease the base rate water usage allowance to 100,000 gallons. If our operating costs had stayed the same, this would have resulted in a decreased invoice amount for low water users and an increased amount for high water users. The increased operating costs somewhat masked this effect. Refer to squawvalleymutualwater.com/your-bill/.

Fees, penalties and water shut-off policy: On July 29th the Board also looked at the ongoing collection problems we have had. Unlike a public service district, we cannot hand over delinquent accounts to the County who pay the amounts to the districts. TOO MANY of our members have been delinquent for over 6 months, and some over one year. It falls on the (volunteer) Board members to contact these delinquent accounts and

collect overdue payments. The ultimate penalty for non-collection is water shut-off, but by our existing policy this takes well over one year from the original bill date.

And with such a high delinquency rate, managing our expenses and budget is harder than it should be.

So the Board voted to increase the penalties for payment delinquencies (some of this is noted on your latest bill) and shorten the water shut-off period as follows:

- Payment is due 30 days from bill date. Payments not received within 60 days of bill date are delinquent and subject to a \$35 charge, and \$35 for each additional 30 days or portion thereof. This is a very similar policy as the PSD imposes on your sewer & garbage bill. These penalty charges will not be forgiven.
- Notices of an impending water shut-off will be sent if payment is delinquent 90 days and sent every 30 days thereafter. Water will be shut off at 150 days delinquency. There will be a \$750 fee levied for re-connecting water service. See squawvalleymutualwater.com/shut-off-policy-procedure

While these policies and penalties are consistent with other utilities you are familiar with (e.g., Liberty Utilities), a main driver is the burden being put on the Board to chase down delinquent accounts. The Board should not have to do that.

We will be moving towards electronic billing in the near future, with a fee for paper bills, so PLEASE let us know your email address. More on this soon.

Construction Projects: The construction company has completed the pipe replacement on Sandy Way and has started on a full-depth pavement patch on the trench area, as specified by Placer County. They will return early in August to slurry seal over this patch. They are almost complete with Paiute (with laterals left to do), and have started on Washoe. Recall that this work is supported by USDA loan #2 with repayment beginning in ~ 2-3 years. Several residents have communicated with Supervisor Gustafson about the state of the roads, and perhaps something might be done in 2023.

Water conservation: As we alerted you earlier, we are in Stage II water restrictions. The entire water conservation policy, which details Stage II as well as the other stages we might find ourselves in, is at squawvalleymutualwater.com/water-conservation

Annual Membership Meeting: Will be held at the Public Service District meeting room, and virtually over Google Meet, on Sunday, Sept 4th at 10AM. We will fill two positions on the Board, and give a company update. To hold this meeting, we need a quorum of our membership in attendance (~70) but that can be accomplished by simply returning your voting ballots which will be mailed to you soon. So PLEASE return the ballot. Details at squawvalleymutualwater.com/board-meetings. Hope to see you all there.