

Auerbach Engineering Hired to Study System

The Board voted on April 12 to hire Auerbach Engineering to make an analysis of the Mutual's water system. The study involves doing a computer model of the wells, pumps, tanks, and delivery system to ascertain the weak links in the system. In addition, the study will help determine the size and shape of the tank to replace the redwood tank and provide a prioritized list of needed capital improvements with rough estimates of cost. The goal is a modern, sustainable system that provides clean water at a reasonable price. The study requires about six months, but Walter Auerbach, firm owner, hopes to have a draft report ready for the Annual meeting on Labor Day Weekend.

Some concerns were expressed that the Mutual already had such a study. Research into the question found that Lohdorff and Salmanini Consulting Engineers in March 2002 wrote a memo to then general manager, Les Wilson, commenting on the existing distribution system, though no detailed study was done. The engineers had been working on the booster pumps that allow water from the valley floor to be stored in the 300,000 gallon welded steel tank instead of just in the redwood tank.

The cost for the new study is \$47,420 and John Collins has been hired for \$15,250 to oversee the Auerbach contract, including providing the necessary data.

Mutual's Water Rates Expected to Increase

The Board of Directors at their April 12 meeting worked on the budget for 2008-2009. While the Mutual has been able to hold down administrative costs by not hiring a general manager, the costs for operations and necessary capital improvements requires additional funds.

The budget needs to be adopted at the May 18th meeting and at that time the rates will be set so that the bills can be sent out in July. Therefore the next meeting will have a large portion of time set aside for Mutual members to comment on the proposed rate increases. Unfortunately, the Auerbach Engineering analysis of the water system will not be done by then, so the total needs for the company will not be known. We already know of projects costing at least a half a million dollars. Therefore, we must begin setting aside money now. Current water rates do not generate enough money to fund rehabilitating the water delivery system. As the flyer shows, even a 10% increase does not generate much money for capital improvements. Under current water rates, even with no general manager, income just covers operating costs and leak repair.

The board has discussed a number of options for the rate increase. They include:

- Charging special assessments anytime the system has a break or needs an engineering study, and leaving the basic rates as they are.
- Increasing rates 5% or 10% and having quarterly or semi-annual billings so that the impact on the homeowner is not so big.

- Increasing the rates 5%, have semi-annual billings, and charge a special assessment for large capital projects.

The Board will hold a time for shareholder input on the rates at its next meeting - Sunday, May 18 at 1 pm. Come and make your preferences known.

Additional Notes from April 12 Board Meeting

The Mutual's Board of Directors met on April 12 for three hours. They had reports from the President, Operation's Manger, and Office Manager.

President Margot Garcia reported that on February 1, 2008, Judge Couzens repealed the quitclaim deed of the Poulsen Trust lands to the Mutual and set the land for auction. The cost: \$12,020.24.

Dennis McShane, Director of FSDIS Risk Control Services, hired by the Mutual's Insurance Carrier, Rural Special Districts, sent a letter with two recommendations. One was to have a written contract with a general manager spelling out respon-sibilities and authorities, and the other was to have SVMWC named as an additional named insured on all contracts. We responded that the Mutual now has written contracts approved by the Board for all services and at this time does not have a general manager. The office manager was tasked with getting proof from contractors that SVMWC is named as an additional insured on the contractor's policies.

Margot Garcia also reported that she had sent the Board-approved letter of apology to the PSD for inappropriate remarks found in SVMWC minutes and asking for cooperation in re-instituting the inter-tie between the PSD and Mutual water lines to increase safety in the Valley. John Collins, operations manger met with Rick Lierman, PSD General

Manager, and they discussed the technical issues involved in providing an intertie that could be turned on in case of emergency.

The office manager reported that the new website, www.svmwc.com is now operational. Please check it for late-breaking news.

A bylaws committee was established of David Salinger and Margot Garcia to update the bylaws regarding electronic voting on motions between meetings and being able to remove Directors that miss three meetings in a row. The goal is to have new bylaws ready for adoption at the Annual Meeting.

A nominating committee of Alisa Adriani, Stephanie Pierucci, David Salinger and David Mercer was appointed to find nominees for the three seats that will be up for re-election at the Annual Meeting. Anyone wishing to join the board should contact a member of the nominating committee.



Board Members David Mercer and David Salinger study the proposed budget.

Water Use

John Collins reported the following gallons of water pumped.

	<u>2008</u>	<u>2007</u>
January	3,761,000	1,755,000
February	2,196,000	1,764,000
March	2,132,000	1,849,000

January's high number in 2008 may have been caused by the leak on Lanny Lane.

Leak on Lanny Lane

Early Friday morning, January 25th, David Mercer discovered torrents of water running down Lanny Lane. A 4-inch main water pipe had broken and water was running down the hill past the homes on Squaw Valley Road. The leak emptied the redwood tank so that there was no water in the system even though all pumps were working full time. By noon, the leak had been isolated by turning off valves and Ed Svenson excavated through the snow to find the broken pipes. The needed pipe and materials for repairs were not available, so the trench was refilled for the weekend. The trench was opened on Tuesday, two breaks repaired, the system disinfected and all houses had water by Wednesday. A bacteriological test was taken and the results came back that the system was clean and ready for drinking by Thursday. The road was repaired with a cold tar patch. In spring the road will have to be repaired with hot tar. So far the cost to repair the leak has been \$10,349.55. The cost of repairing the road will probably be about another \$5,000.

State Requires THM Monitoring Plan

In California, all potable water systems being chlorinated are required to submit a monitoring plan for Trihalomethanes (THMs) a by-product of chlorination and organic material. John Collins prepared a monitoring plan that was sent to the Department of Health Services. The first testing showed no THMs detected in the water at the tap. This is to be expected since it would be highly unusual to find organic material in groundwater. In six months, after another round of testing and finding no THMs we will petition to be exempted from this water quality test and its cost.

Treasurer's Report

Alisa Adriani, Treasurer reported to the Board that the Mutual has been able to pay its bills so far this year without going to the Line of Credit (LOC). As the company gets closer to the end of the year, the total cost for fixing the leak on Lanny and the costs for the Engineering study may cause a withdrawal from the LOC.

The company has collected all dues for the 2007-2008 year. As of March 31, 2008, the Mutual has spent \$14,649 over the amount allocated for capital fund. However, this was offset by \$33,936 remaining in the operating fund. This leaves \$19,287 for expenses (electricity, operations manager, office manager, water treatment chemicals, etc.) through June 31, 2008. The categories that are overspent are Maintenance and Capital Improvements.

The Board spent a major part of their April 12th meeting on the budget, and what the expected costs will be for next year. They set the next meeting as a time when shareholders are invited to talk about finances and possible dues increases. See enclosed flyer.



Director and Treasurer Alisa Adriani listens to the discussion.

Squaw Valley Mutual Water Co. Board of Directors

President	Margot Garcia
Vice President	Terry Deveau
Treasurer	Alisa Adriani
Secretary	Stephanie Pierucci
Directors:	David Mercer John Chisholm David Salinger

Operations Manager: John Collins
Office Manager: Cory & Anne-Marie Giese

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Comments and ideas for articles are always
welcome.

Conservation Tips

THE DISWASHER: Use it. Contrary to popular eco-belief, it's greener than hand-washing - if you run it with full loads and scrape rather than rinse. The average dishwasher in American homes today uses 8.7 gallons of water a load. Washing by hand for 10 minutes with water running can use 20 gallons. If you fill the sink, you still use about 5 gallons for washing, 5 gallons for rinsing.

LAUNDRY: Wash only full loads of laundry and save (the average American home) as much as 34,000 gallons of water a year.

LEAKY TOILET: Fix it now. A leaky toilet can waste 200 gallons of water a day. One leaky toilet can waste as much as 123,000 gallons of water a year - enough water for a family of four to wash clothes in their washing machine for **four** years.

From the Dallas Morning News April 18, 2008

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