

Squaw Valley Mutual Water Company Newsletter

Summer 2010

P.O. Box 2276, Olympic Valley, CA 96146-2276

Water Tank Dedication

On May 30, SVMWC dedicated the new steel tank and named it the John Chisholm Water Tank. About 30 people including past Mutual Board members and Presidents gathered at the top of Squaw Summit Road to honor John Chisholm who was present.

The original redwood tank had served the Mutual well for about 50 years. Its leaks were easy to fix – former Operations Manager Randy would cut a stick of willow and plug the hole. As the willow swelled, it made a tight fit. The new water tank would be welded steel to last for 50 to 100 years. It would be bigger, to provide more fire suppression capacity, would be electronically managed, with new safe wiring, and would fit on the little piece of property the Mutual owns.

So, after hours of deliberation, thousands of dollars paid by Mutual members, hours of work by many people, to design the new tank, tear down the old tank while keeping the members' faucets flowing during the busy summer season, solve the problem of a seasonal spring in the hill behind, oversee the construction, check to make sure the paint is the right thickness inside and out, the Mutual has a beautiful new hunter green water tank.

The tank is named after John Chisholm, a resident of Squaw Valley since 1958 and former Mutual Board member. John brought his expertise in engineering and problem solving to the issues of wise water management in this valley. Known in the outside world for his invention of the landing system for aircraft carriers, and navigation systems for aircraft, here, we (Continued on page 3)

You are invited to the
Annual Meeting of Members

September 4, 2010

10:00 am

PSD Community Room

Agenda includes presentation of water system improvements and election of the Board members. This is a very important meeting. Come and lend your voice

Notes from the Board Meetings of April 17, May 27, May 30, and July 24.

The Board met four times to accomplish a number of housekeeping items and to keep going on the water system upgrade. Some of the items voted on:

- Agreed to name water tank after John Chisholm.
- Renewed the \$150,000 line of credit with Plumas Bank
- Renewed the contract for Giese Accounting & Tax to handle the office and financial affairs at no increase in cost.
- Renewed the contract with John Collins Engineering for operations of the water system at an increase in total cost of \$6,302. This is due in part to the California DPH requiring John to have a Grade 1 Water Treatment Certification in addition to a

Grade 3 Water Distribution Certification. His hourly fee also increased from \$70 to \$75 per hour.

- Adopted the budget (see sidebar) and set rates same as last year.
- Hired Andrew Morris of Best, Best and Krieger to handle legal matters as needed.
- The Board continued to work on issues dealing with the water system upgrade.
- Approved designs for adding Apache-Navajo properties to upper pressure zone.
- Add new fire hydrants as needed so that all houses are within 500 feet of a hydrant.
- Put new water mains in the street, but leave existing water mains in the back lot easement for five years. Homeowners will be asked to follow a policy adopted by Board regarding hooking up to new line and engaging water meters.
- Agreed that all properties will have new service boxes that are equipped with automatic read water meters. Water meters will be put on line where existing main water lines are in the street. Vacant lots have a choice. (See side bar.)
- Well #1 and Well #2 in the valley are having the pumps pulled, videoed to ascertain condition, cleaned, sanitized and restarted. Based on the conditions observed, a decision will be made as to the need to drill new well(s).
- A new pump house will be built that meets standards for housing hazardous chemicals, has a new standby generator, new facilities for chlorination, and storage space for supplies and records. Both wells will be run from one pump house.

Vacant Lots

Vacant lots will have a choice to have a water service box installed at this time, or to wait until the property is developed.

Adopted Budget 2010-2111

Income:

Capital Assessment	113,680
Operating Maint, Assessment	119,280
Water Service Dues	91,728
Member Late Charges	4,000
Interest earned	500
Fee Income	1,000
Tank Assessment Principal	22,120
Tank Assessment Interest	<u>10,210</u>
TOTAL	\$ 362,518

Expenses:

Operating Expenses

Maintenance contract	96,680
Office Contract	30,000
Utilities	13,000
General Insurance	11,437
Routine Maintenance	11,088
Water Treatment	6,000
Legal	5,000
Water Testing	4,950
Director's Reimbursement	3,600
Fees, licenses, fines	3,000
Snow Removal	2,000
Printing and reproduction	1,700
Postage and delivery	1,250
Misc (taxes, supplies, charges)	2,113

Capital Expenses

System Repairs	50,000
Principal & Interest Plumas Loan	40,700
Depreciation	38,000
USDA Loan Application	
Prelim Engineering Rpt	25,000
Legal	5,000
Admin, Consulting	<u>12,000</u>
TOTAL	\$ 362,518

Why Fire Hydrants and Water Pressure are Important

While this happened in 2007, the moral of the story is still important to SVMWC.

“The Washoe fire destroyed five Tahoe Park homes Saturday.... Officials wouldn’t comment Monday on the chances that the Washoe Way homes could have been saved if the neighborhood had more fire hydrants and better water pressure.”

“Officials agreed Monday that readily available fire-suppression resources can be the difference between saving property and losing it.”

“The reality is, the demand of the incident exceeded the capacity of the private water system, which is not an uncommon thing in older subdivisions.” Said North Tahoe Fire Chief Duane Whitelaw. “We are dealing with issues relating to the amount of water available and the pressure. Those two things have to work in concert for effective hose strength.”

Quoted from the article “Washoe fire too much for private water company” by Joanna Hartman, published in Nevada Appeal 8/21/2007.

Tank Dedication

(Continued from page 1)

know him as a fount of knowledge about water, about the Squaw Valley aquifer that provides drinking water for everyone in this valley. He asked those penetrating questions that got quickly to the heart of the matter, and was open to listening to new people and new ideas. He has read, thought, calculated, talked, and cajoled so that we might have a sustainable water supply in Squaw Valley, managed wisely.

Margot Garcia, Mutual President, dedicated the tank to all the Mutual’s members. She said, “May it provide clean and healthy water for generations to come, to our members and friends so that we may enjoy this valley we all love.” And with that she broke a bottle of champagne over the cover of the sampling port.

Progress on the USDA Loan Application

The Board is moving ahead with completing the application for a 40 year, 4% interest loan from the USDA Rural Development Program. The loan would be for \$4,066,340, based on current engineering plan cost estimates.

- The Preliminary Engineering Report, which contains all the information about the projects as well as a statement of the problem, is nearly completed.
- The Environmental Report is completed as well as other evaluations, such as historical, and FEMA Floodplain determination.
- The Financial Plan, required by the lender, is being developed as the board decides how to assess members the amount needed for the annual debt payment.

If the loan is for \$4,066,340 then the yearly payment due is \$205,445.69. For the first ten years, the cost per lot would be made up of the debt service, reserve charge to build up a reserve for 1 year’s payment, and short life assets or depreciation. The total cost would be \$809.62 per lot. An alternative is to assess each property according to the size of its water connection. After 10 years, that amount would decrease by \$73.12, the amount needed to build up the reserve.

This debt payment would be on top of the current Operating Assessment and Water Service Dues and a portion of the current Capital Assessment. In October 2011 the last loan payment to Plumas Bank for the Apache-Sandy project will be made, thereby reducing the amount of money required under Capital Assessment by \$40,700. Also the new system should reduce the need for an annual \$50,000 maintenance set-aside. The Water Service Dues will be reallocated based on metering.

**Squaw Valley Mutual Water Company
Board of Directors**

President Margot Garcia
Vice President David Mercer
Treasurer Alisa Adriani
Secretary Lynn Suter
Directors: Ken Bossung
Steve Burke
David Salinger

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

For SVMWC call (530) 583-3674
Or visit our website: www.SVMWC.com

Newsletter Editor: Margot Garcia
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Comments and ideas for articles are always welcome.

Neighborhood Meetings

You will receive a personal letter inviting you to a neighborhood meeting about the upgrade project in your area.

Saturday, Sept 4, 3-5m Open House

Thursday, Sept 16, 4-6 pm

Saturday, Sept 18, 11-1, 3-5 pm

Water Use

John Collins reported the following gallons of water pumped.

	<u>2010</u>	<u>2009</u>
April	1,416,000	1,709,000
May	1,441,000	3,580,000
June	3,916,000	5,452,000
July		6,819,000

We are using substantially less water than last year. However, please continue to practice good water conservation techniques in outdoor watering and indoor water use.

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