

NEWSLETTER**June 1, 2023**

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Hello Squaw Valley Mutual Water Company members.

BILLING

This newsletter gives you information about the semi-annual bill being mailed in July.

In brief, your bill has three components: (i) water usage; (ii) infrastructure capital reserve; and (iii) USDA loan repayments. All three components change in the July bill.

The current billing structure and rates are explained at squawvalleymutualwater.com/your-bill.

(i) Water Usage Fee

The water usage component of your bill pays for (a) overhead (finance, legal, regulatory, chemicals, electricity, etc.), and (b) water system operations and maintenance (O&M), which is by far our largest expense.

We have completed one year with Operational Technical Services (OTS, getots.com) as our O&M contractor, with satisfactory results. However, our costs have been higher than originally budgeted due to several reasons unforeseen when we had to transition our O&M from the OV Public Service District (OVPSD) to OTS. We can summarize at our June 19 Board meeting. We must update our budget for this item to the reality we face.

The Board discussed at its May 8th meeting a proposed new billing structure for our fiscal year 2023-2024 starting July 1, and will make a final decision at its June 19th meeting. The proposed new billing structure will align us with virtually all other water utilities by charging a base fee plus a tiered per-gallon usage fee. That is, there will be no annual allowance; billing for usage will start with the first gallon used.

(ii) Infrastructure Capital Reserve Fee

In the July bill we must adjust the semi-annual contribution to our capital reserve fund for the following reasons: (i) in 2023 we must inspect the larger of our two tanks; (ii) in 2024 we will have to recoat the smaller tank (an expensive undertaking) based on its 2022 inspection; and (iii) in 2024 we will have to fulfill our financial obligation to the OVPSD for a portion of the emergency intertie between the OVPSD and the Mutual.

(iii) Repayment of USDA construction loans

The repayment of the 40-year USDA Loan #1 remains the same as in your previous bill. We are in year 11 of the repayment.

The repayment of USDA Loan #2 starts when we complete the planned water-system refurbishment at the end of this year. We have accepted the bid from Rapid Construction (same contractor as last year) to replace the main pipe to the lower tank thru the Squaw Summit area. Rapid will also finish last year's work that stopped in October 2022. When all this work is complete (around October 2023), we will have to start repaying the second 40-year USDA loan (principal of \$4.9M at an annual interest rate of 3.5%).

WATER SHUT-OFF POLICY & PROCEDURE

We have been pleased with your response to our movement to paperless billing and online payments, but there is still a significant portion of our members who refuse to pay their bills on time. Some even wait until a few days prior to having their water service shut off 150 days after the initial bill. This is costly and time-consuming, especially for Board members who are volunteering their time.

The Board will review at its June 19th a proposal to shorten the current 150-day grace period before shutting off service due to non-payment. California law and regulation allow a water company to shut off service 61 days after initial billing.

UPCOMING BOARD MEETINGS -

If you wish to participate and comment on any of these items, please attend our June 19th Board meeting (5PM, PSD conference room and Google Meet) when we will finalize the billing structure for 2023-2024 and propose the 2023-24 budget.

At our meeting on July 10th, we will finalize the 2023-24 budget.

Information for these meetings can be found at squawvalleymutualwater.com/board-meetings.

Thanks

David Stepner, President

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Accounting Support

You can reach our accounting firm at manager@squawvalleymutualwater.com.
or everyone in our financial team at accounting@squawvalleymutualwater.com .

Emergency Service

Please use our emergency number (442-888-5036) only for true water emergencies.
For other notifications, please use the email service@squawvalleymutualwater.com