

Squaw Valley Mutual Water Company Newsletter

Fall 2007

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

Annual Meeting Has Big Turnout, Lots of Concerns

Shareholders of the Mutual Water Company turned out in big numbers on September 1, 2007 to express their displeasure with the Mutual Board acquiring 253 acres of land above the water tanks - the former Poulsen Foundation lands. Liability was the issue; liability from damage caused by avalanche and mudslides as have occurred previously. The members were not convinced that the plans the Mutual Board had discussed, increasing insurance to cover the liability, trying to create a geologic hazard abatement district, or getting a public land trust to take ownership of the land were sufficient to protect them from liabilities associated with ownership of the land. Shareholders were also upset over the way the land had been acquired, without any notice to them or open public hearing for discussion of the purchase.

Also a Draft Five Year Financial plan was presented as an analysis of how the Mutual could cover the cost of replacing the redwood tank. Without the cost of a general manager and spreading his duties to Board members, office manager, and operations manager, the Mutual can pay the replacement cost with capital assessments accumulated over a five-year period. However, that assumes that there are no other major expenditures, such as the need to replace the pump on Well #2 or any major pipe replacements. A dues increase of five percent next year and five percent the following year would allow the

redwood tank replacement with some margin for other infrastructure needs and /or the need for a part-time general manager. The shareholders made it clear that replacing the redwood tank is their top priority. The Mutual will need to continue to chlorinate the water until the tank is replaced.

The election resulted in a Board with some new members. Elected for two-year terms were Alisa Adriani (incumbent), Stephanie Pierucci, and David Salinger.

At the end of the meeting, Liz Day and Les Wilson were given gifts of appreciation for their many years of Board service. Liz Day had been treasurer for 6 years and Les Wilson had been Secretary of the Board for 8 years. Thank you both.

Board Elects New Officers

The new Board took office in the meeting immediately after the Annual Meeting was adjourned. Bruce McCubbrey had resigned from the Board on August 26, 2007. David Mercer received the next highest number of votes and so he was appointed by the Board to fulfill the one-year remaining on Bruce's term.

The now full Board's first order of business was to elect officers.

President – Margot Garcia
Vice President – Terry Deveau
Secretary - Stephanie Pierucci
Treasurer – Alisa Adriani
Asst. Treasurer – David Mercer.

Board Member Profiles

Alisa Adriani. Alisa is beginning her second term on the Board of Directors. She grew up in Squaw Valley and lives here full time with her husband Luca. They own a home on Navajo Court and are realtors.

Terry Deveau. Terry is a commercial real estate broker and for him Squaw Valley is a second home. He has served a term as Vice President and is on his third term as a member of the Board of Directors. Terry lives on Lanny Lane.

John Chisholm. John has been on the Board for many years and is an expert on water and the Squaw Valley aquifer. He is a retired engineer and entrepreneur. He has grown children and lives full time on Lanny Lane.

Margot Garcia. Margot is a retired professor environmental planning and holds a PhD in Watershed Management. She lives in Tucson, Arizona and has been coming to Squaw Valley since the early 1960s with her family. Her family home is on Paiute Place. She was appointed to the Board in November 2006. She and her husband JD have two children and three granddaughters.

David Mercer. David grew up in Squaw Valley and lives full time on Lanny Lane with his wife and new baby son. He is a helicopter pilot and licensed timber cutter. David is new to the Board.

The Board voted to cancel the purchase of the Poulsen Foundation Property. They have hired counsel to help do this.

HELP! Please send your email address to Svmwcinfo@gmail.com so we can notify you quickly of any water problems.

Stephanie Pierucci. Stephanie lives with her husband Roger on Lanny Lane. She is a long-time Squaw Valley activist having served previously on the Property Owners Association Board. Roger and Stephanie have one daughter who is getting married in September. She is new to the Mutual Board.

David Salinger. David is new to the Mutual Board. He is a retired MD studying to be a lawyer. For the past six years, he and his wife, Ricki, and their two children live on Sandy Way.

How we came to own the Poulsen Foundation Land.

In 1974 Wayne E and Gladys K. Poulsen established a charitable trust to be known as the Pouslen Foundation. Robert E. McCarthy was named as trustee and he accepted the duties as trustee. The assets of the trust consisted of 253 acres of land located on the north side of the valley above the development. A portion of the trust land slid downhill into the residential area in a mudslide in the spring on 1983. The specter of lawsuits loomed and shortly thereafter McCarty decided to resign as trustee. Despite efforts of McCarthy and the court, no one would consent to become the successor trustee. McCarthy petitioned the court for an order settling accounts and appointing a successor trustee, or to terminate the trust.

The property in the Poulsen trust consisted of 3 land parcels (6 APNs). One of the parcels had been donated by the Pouslens to the

Nature Conservancy: they deeded it back to the trust in 1974 with the stipulation that it be maintained in its natural state as a nature preserve. After the 1983 landslide, an engineering report indicated that the occurrence was a natural geologic hazard due to the topography of the area. Further earth movements and snow avalanches were to be expected until such time as the area attained a position of natural stability.

The court opinion reasoned that given there were no trustees and no one could be forced to be a trustee against his or her will, the charitable trust would be assigned to a receiver. A receiver is designated by the court and may not be sued without leave of the court. Usually the receiver is paid from the assets of the trust, but since the only assets were land and the trust property might be worthless, the court could select a public officer or court official, in this case the administrator of Placer County.

Les Wilson was at the Placer County Courthouse recording the deeds to the water tank and horizontal wells and he learned that he could not record the deed to the eastern horizontal well because the taxes had not been paid on the property of which part was the property of the horizontal well. On further inquiry he learned that the Poulsen Foundation land was in arrears for property taxes and in receivership of the Placer County Administrator. The land is above the Mutual's water tanks and could be a good site for the new water tank in addition to new horizontal wells. Our western horizontal well water has a neutral pH (7) and little opportunity for contamination. In contrast, our valley wells produce acidic water that requires addition of large amounts of caustic soda (at increased cost) to bring it to a neutral pH. The valley wells are also susceptible to contamination from snow melt that runs off parking lots and plumes of contaminated groundwater.

On September 8, 2006, Les Wilson wrote a letter to Sabrina Thompson, of the Placer County Counsel's Office stating, "Squaw Valley Mutual Water Company (SVMWC) would like to enter into negotiations to explore the feasibility of acquiring the Poulsen Foundation property..." He mentions that a committee of Board members was appointed to discuss the terms under which SVMWC might assume ownership. He stated that members of the SVMWC might consider ownership to be in their interest in order to control future use of the hillside and he expressed awareness of the risk and liability associated with this property. He mentioned that he was "exploring various options including insurance and/or defensive construction of prophylactic structures, to deal with those risks and liabilities."

Les Wilson brought the progress of this negotiation before the Board in executive sessions because he thought the Poulsons or the Public Service District would try to block the sale. The Board did not see the court's opinions on the Foundation lands, nor were they told why the land was available, except that the taxes were due. The Board discussed various options presented by Les to deal with the liability: insurance, creating a geologic hazard abatement district, giving the land to a land trust which cannot be sued for liability, and his interpretation that if the Mutual exercised reasonable management of the land it could not be held liable for damages from an "act of God."

On April 6, 2007, Sabrina Thompson appeared before Judge Couzens of the Placer County Superior Court and asked for permission of the court to sell the land to the Squaw Valley Mutual Water Company for \$1 and back taxes. The conditions were that the Mutual accept all the Trust real property, as is with no guarantees of title nor assurances of appropriate use, pay all costs involved including any desired title insurance, acknowledge that this property has been

subject to avalanche in the past and may be again, and agrees to keep the property in its natural condition except for any avalanche prevention modifications it deems necessary.

On June 12, Les Wilson submitted an amendment to the last condition so that it read, "The SVMWC agrees to keep the property in its natural condition except for modifications deemed necessary for construction, maintenance, and use of a water extraction and removal system, and abatement of natural hazards including without limitation, avalanche, flood, mudslide, rockslide, unstable boulders and excess wildfire fuel." That change went before the judge and was accepted.

On June 19, Sabrina Thompson requested payment of the \$1 and \$734.67 in back taxes. And on June 21, Les Wilson authorized Cory Geise our accountant to pay the two bills. On June 25, 2007 Cory sent two checks by UPS to Sabrina. On June 25, Judge Couzens released the property to the Mutual. The quitclaim deed was signed on June 26, 2007 by Placer County Public Administrator and sent by fax on July 10, 2007, to Cory Giese. The \$1 check has not yet been cashed.

Help Wanted

Wanted: A volunteer to search for and write grant applications for state and other funds for the Mutual. Directions on what to do are available if needed.

Squaw Valley Mutual Water Co. Board of Directors

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

Operations Manager:

Randy Dresselhaus

Office Manager:

Cory and Anne-Marie Geise

Website: www.svmutualwater.com

For SVMWC call 530-583-3674

To report problems call 530-582-7099

Newsletter Editor: Margot Garcia

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Comments and ideas for articles are always welcome.

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New VOC Test Results

At the July 2007 Public meeting of the Board of Directors, shareholders expressed concern over the presence of carbon tetrachloride in excess of the state MCL (Maximum Contaminant Level) as shown in the Consumer Confidence Report 2006. Samples from Well#1 and Well #2 taken on July 17, 2007 and analyzed by the Western Environmental Testing Laboratory on July 20, 2007 and were found to have no detectable level of carbon tetrachloride or any of the other 74 organic compounds that EPA and the California Department of Health Services require be tested for in drinking water. The test cost \$490.00.

Budget Accepted

The Board voted to accept the budget as presented at the annual meeting. The \$274,745 of income will be spent as follows: Operations \$68,055, Water Service Fund, \$70,350, already committed payments for capital expenditures \$85,725.48, leaving \$50,614.52 for new capital improvements.