

## New Tank Construction

Hopefully, the new 160,000 gallon welded steel tank will be in service by the time you get this newsletter. The tank has been completed, and coated with a special paint made for potable water tanks. Before it can be put into use, it must undergo a thorough disinfection process and be tested for coliform bacteria and for VOCs (volatile organic compounds) that could come from the paint. We will send out an email to those that have given us their email addresses when the changeover takes place.



New 160,000 gallon welded steel tank

## Annual Meeting Has Good Turnout

About forty members turned out at the Annual Meeting on September 5, 2009 to discuss financing for the needed improvements to the SVMWC's infrastructure. Member Dale Cox noted that the improvements are needed, but there are people who have lived in the valley for a long time that can't afford them. The failed effort at a merger with the Squaw Valley Public Service District (PSD) some 20 years ago was brought up. It was pointed out that if a merger had occurred, it would not necessarily

have resulted in savings to Mutual members. The PSD would have assessed Mutual members for the improvements, installed meters, and charged them current PSD water rates based upon water use.

A number of the members present urged the Mutual to move ahead with the needed improvements as rapidly as possible in order to take advantage of the reduced prices for labor and materials. The Board pointed out that Shaw Engineering has been hired to proceed with surveying and design of the Auerbach Phases II and III (see [www.SVMWC.com](http://www.SVMWC.com) for the full report and copies of minutes of the meeting).

Phase I is the replacement of the Redwood water tank, which is near completion. Phase II deals with placing a new main water line under the street on Lanny Lane instead of in the easement behind the houses. If this is carried out as projected, the houses connected to this main would need to move their connections from the back of the house to the front of the house. Because this can result in a considerable expense, the Board directed Shaw Engineering to hold neighborhood meetings with the affected homeowners when a design has been drafted. Homeowners will be notified by mail of the meeting and they are encouraged to attend to learn more about the project and how it might affect them.

## Board Elections

Steve Burke was elected to the Board to replace outgoing Stephanie Pierucci. Stephanie was given a round of applause and a gift in appreciation for her service to the Mutual. Officers were elected.

President: Margot Garcia  
Vice President: David Mercer  
Secretary: Lynn Suter  
Treasurer: Alisa Adriani

## Fall Board Meeting

The Board met on October 24, 2009 to hear reports on applications for grants and negotiations with banks to obtain the financing for the next phases of the infrastructure improvements. The Mutual has applied to the CDPH for grants/loans, to the USDA Rural Development Fund, and is negotiating with Plumas Bank on a potential loan.

The postcard survey sent out to ask our 251 members if they wanted to pay by assessment or by loan. The results from the 154 cards returned were:

Assessment 103 (67%)

Loan 51 (33%)

The total is more than 154 because some members own more than one lot and get one vote per lot.

Forty comments written on the postcards covered a wide range of possibilities, including: merge with PSD, delay improvements a few years, take out a loan and recover costs through increased water bills, apply for stimulus money and state grants, none of the above, do not favor loans, float a 20 year revenue bond, avoid interest payments, please complete work ASAP, and thank you.

Steve Brigman of Shaw Engineering reported that the surveying of the easements, property lines, and topography was underway and detailed maps are being prepared so the engineering design can begin. Members may have noticed the surveying crews walking around their lots.

The Mutual is experiencing the same problem collecting dues and assessments as other utilities; however the number of unpaid annual water dues is less than past years. Office Manager Anne-Marie Giese believes the improvement is due to the Mutual's change to semi-annual billing. The total accounts receivable as of 10/20/09 is \$5,661 out of a budget of \$331,368. In addition, \$11,816 is due from prior assessments. The Mutual is moving to collect the money owed.

## Timing of Improvements

Members at the October Board Meeting asked if the Board could project when assessments might be made so that they could plan for those additional expenses. What follows is a hoped for timeline, but the actual timeline for projects depends on time to do engineering, permit review, and the vagaries of the weather.

**Phase II and III.** This combined phase is scheduled to begin construction in May 2010. If it commences as planned, the assessment (and loan options as available) will be mailed to Members in February, and become due in April so that the cash is on hand as the construction begins.

Estimate: \$2,287. This is most likely is the maximum amount because it is based on the full, inflation added cost projected by Auerbach. Depending on how the Board decides to allocate savings from Phase I (approximately \$176,000), the assessment per lot could be lower.

**Phase IV and V.** This project is more complex, dealing with pipe replacements and moving house connections from behind the house to the front of the house. The Engineers are analyzing various options for locating the new line. Surveying is underway so that as soon as Phase II and III are set for construction, design work and consultation with homeowners can begin. It seems likely that construction would begin in summer of 2011. Therefore, the assessment would be mailed in February of 2011.

Estimate: \$4,677. This is most likely the maximum amount because it is based on the full, inflation added cost projected by Auerbach. However, this could change if the Board selects a design different from the one Auerbach proposed and used for cost estimates.

**Phase VI** is re-drilling the two wells. This would most likely be done in 2012 and 2013. The estimated cost with inflation added per Auerbach is a total of \$1,028,030 or \$3,658 per lot. This might be assessed over two years. This estimate is for planning purposes only. Most likely the amounts will change, hopefully lower.

# Water Rights

By Steve Burke

The water right is the most vital and valuable asset we, as Squaw Valley Mutual Water Company home owners, collectively own. Our water right is 200 gallons per minute from each well for a total of 400 gallons a minute. The Poulsens, who originally owned the water rights in Squaw Valley, granted the Mutual this water right when the Poulsens developed Squaw Valley Estates I and II. The right is protected by being recorded in the Placer County Assessor's office.

For over 100 years, California has faced water shortages and the search for water is becoming more acute. The book, *Cadillac Desert* by Marc Reisner and subsequent PBS documentary ([www.ideo.columbia.edu/~martins/hydro/case\\_studies/Cadillac\\_desert.htm](http://www.ideo.columbia.edu/~martins/hydro/case_studies/Cadillac_desert.htm)) chronicle the story of the development of water for the Los Angeles basin. The LA water department chief surreptitiously purchased water rights in the Owens Valley in order to pump the water to Los Angeles. The result was to eliminate the Owens Valley rancher's access to water and to curtail their economic development.

With the current drought still underway, San Francisco and the East Bay water managers are warning of "...draconian restrictions and rationing" ([www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2009/09/24/MN9RGPO.DTL](http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2009/09/24/MN9RGPO.DTL)).

With adequate snowfalls and careful use, the water in our aquifer, shared with the Squaw Valley Public Service District, Ski Corp, the Resort at Squaw Creek and PlumpJack Inn, should provide the water Mutual members need.

The Mutual could calculate the value of its water right, but it is complex and expensive. The valuation process is well documented, though not easy to do; the appraisal literature has extensive material, just Google it. Academic research has developed methods to make the calculation. For instance see Peter Berck's UC Berkeley paper "A Water Primer" found on the web at [afs.berkeley.edu/~pberck/EnvEcon/WaterPrimer.ppt#256.1](http://afs.berkeley.edu/~pberck/EnvEcon/WaterPrimer.ppt#256.1). A Water Primer. The Wall Street Journal carried an article "Valuing Water Properly is a Key to Wise Development"

June 23, 2008 ([environment.harvard.edu/doc/faculty\\_pubs/Briscoe\\_wsj.08.pdf](http://environment.harvard.edu/doc/faculty_pubs/Briscoe_wsj.08.pdf)).

In Colorado, water rights, separate from owning land, are bought and sold, and this is beginning to happen in Nevada. In California, at this time, there is no water rights market. However, one way to look at the value of a water right is to ascertain the cost of replacing the amount of water in the right with an equal amount of water from some other source. The bottom line is that we have collective ownership in an extremely valuable asset in addition to the value of SVMWC infrastructure.

## Chlorine Odor

The Mutual has received several complaints about smelling chlorine in the water. Where there has been a complaint, John Collins has gone and tested the water in the home. The Mutual chlorinates the water at the wells. The water then is pumped up to the tank where it mixes with unchlorinated water from the horizontal well. The goal is to have .5ppm of chlorine in the far reaches of the system in order to prevent growth of total coliform bacteria. SVMWC is getting a new sampling point by the wells, so hopefully, the amount of chlorine in the water can be accurately dosed.

## Winterizing

Don't forget to turn off outside watering systems and water features before the hard freezes set in. Last year the Mutual had to respond to several water leaks that turned out to be where a home owner had forgotten to turn off and drain outdoor watering pipes or water fountain. Broken pipes like these are costly to the Mutual as well as to the home owner.

Please try to keep the snow away from the fire hydrants. It is actually illegal to plow, blow, or shovel snow up against a fire hydrant. If you see anyone doing that, please notify the Mutual office so that problem can be handled. The fire hydrant you keep open and available may be the one that you need to save your home!

**Squaw Valley Mutual Water Company  
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**www.SVMWC.com**

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Comments and ideas for articles are always welcome.

## Water Use

John Collins reported the following gallons of water pumped.

	<u>2009</u>	<u>2008</u>
July	6,819,000	6,627,000
August	6,101,000	7,120,000
September	5,543,000	6,371,000
October	2,770,000	2,930,000

This is the time of year when water use drops off as people stop outdoor watering. Other than July, the water use was less than last year.

Quarterly tests for Total Coliform in Squaw Summit were negative, and monthly tests in August and September for Total Coliform were also negative as was the test for perchlorates at wells # 1 and 2, and the horizontal well. The water meets all federal and state standards for drinking water.

## **Squaw Valley Mutual Water Company**

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