

Alpine Water Company

100 Nutcracker Road, Bishop CA 93514

Minutes of a Special Community Meeting of the Alpine Water Company: May 28, 2023

Alpine Water Board Secretary Tony Phillips called the meeting to order on May 28th at 9:30 am. Other officers present included President Jerry Billings (via Zoom) and Treasurer Brian Nix (in person). In total, 24 residents and homeowners attended, 16 in person and 8 by Zoom. The meeting took place at 162 Alpine Drive.

Tony Phillips explained that this was an informal community meeting hosted by the Alpine Water Board. No votes would be taken. The purpose of the meeting was to discuss the Big Winter of 2022-23 and the possibility of another unusually intense winter in 2023-2024.

This is a summary:

During the winter of 2022-23, the southern Sierra received 297% of its average snowfall. In Aspendell (Tract 2), one house was destroyed by avalanche, and two more houses were badly damaged. Permanent residents on Alpine Drive were evacuated multiple times to escape the danger from Jawbone Canyon.

During this crisis, the Alpine Water Company lost control of its assets for significant stretches of time. The first wave of atmospheric rivers in January 2023 buried our pumps, the pump vault, and the pump control station. All of our fire hydrants and hose boxes were buried. All of our community water shutoff valves were buried.

In mid-January we hired crews of shovelers to clear the pumps and fire hydrants, restoring control of those parts of our system. However, our shutoff valves were never recovered. They remained lost and hidden beneath impenetrable layers of ice and debris. The cost of this partial solution was \$5800.

The second wave of storms in March was even worse than in January. One of the atmospheric rivers that struck in early March was the densest and wettest since record keeping began in the 19th century. Everything the shovelers had regained was lost again—a situation which persisted through much of April.

If a water emergency had occurred during this time, we would have been unable to respond. Such an emergency could range from broken pipes in a single house to the catastrophic failure of an underground main.

We are now faced with the possibility of a second extreme winter in 2023-24. A strong El Nino has formed in the Pacific Ocean. NOAA says there is a 56% chance it will remain strong through the winter, potentially bringing heavy snow to the Sierra.

After reviewing this information with the shareholders, Tony Phillips suggested that the Water Company should prepare itself for another big winter with two specific actions:

1. The Water Company should mark the locations of all community shutoff valves with roadside snow poles—more than one pole per valve so any valve’s location can be accurately triangulated.
2. The Water Company should immediately purchase a backhoe to clear heavy snow and ice around our pumps, fire hydrants, and valves.

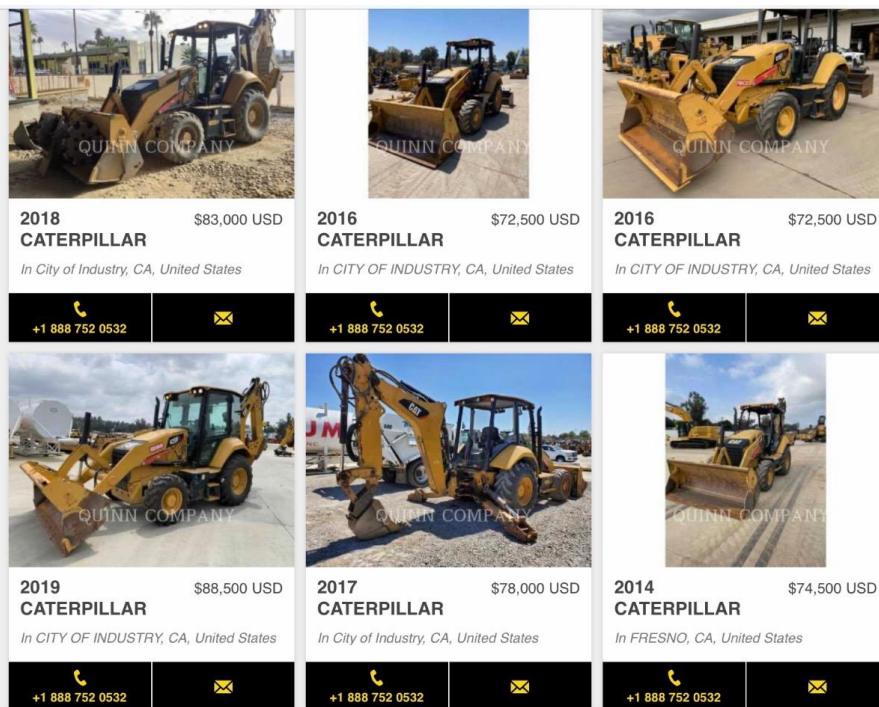
By taking these steps, the Water Company can operate responsibly during heavy winters and respond to emergencies. This is a Big Deal for individual members of the Water Board. We are personally responsible for keeping our water system running at all times, and we need the proper equipment to do so.

Jen Paludi, a professional grant writer, noted that the purchase of a backhoe counts as matching funds for many water infrastructure grants. For example, the White Mountain Ranch recently received grant funding to improve their small water system (much like our own). The Ranch purchased a backhoe to satisfy a matching funds requirement.

Brian Nix noted that we need a backhoe in summer months, too, to help us maintain and replace our buried infrastructure.

Shareholders posed a number of questions. They are repeated below, along with answers discovered after the meeting:

How much would a backhoe cost? A price tag of \$70,000 to \$90,000 is typical for used machines in good condition. Samples are shown in the image below.



How would the Water Company pay for a backhoe? There are many options--for example, with a heavy equipment loan advertised on SBA website. If the equipment cost \$80K, we would have to put \$23,000 down including tax and registration. The monthly payment would be \$650. SBA is advertising 2.75% APR on 10-year loans. With current cash reserves of more than \$200,000, this is affordable for the Water Company.

Would we save money by owning our own backhoe during future repair projects? Yes. The Water Board is currently developing a Capital Replacement Plan to renew all of our aging infrastructure including pipes, valves and hydrants. Brian Nix spoke to a likely contractor for the pipe work. "He estimated that by us having our own backhoe we'll save appropriately \$29,000 not having to rent a backhoe from him during the project," says Brian.

How would we service the backhoe? Again, per Brian Nix: "Britt's Diesel in Bishop is a one stop shop for Backhoe repair. They repair the backhoe where it sits. So once it arrives in Aspendell it doesn't have to leave. If we don't break anything, getting it serviced is ballpark \$1,000 and we'd need to do that once to twice a year depending on how many hours we're putting on it."

Can homeowners use the backhoe? Yes. The Board will establish a simple certification process to train homeowners and confirm that they can safely operate the equipment. Tract 2 homeowners will pay a below-market rate to rent the equipment from the Water Company. The Water Company may also rent the equipment at higher market rates to residents outside Tract 2. Revenues should be sufficient to pay all routine maintenance bills as well as monthly loan payments.

Where would we park the backhoe? After the meeting multiple homeowners volunteered their driveways for winter parking. The advantage to the homeowner: the driveway is cleared every time the backhoe exits for snow clearing duties.

The Board agreed to review these findings at our July 1st annual meeting and call for a vote on the purchase of the backhoe.

Secretary Tony Phillips adjourned the meeting on May 28th at 11:00 am.

