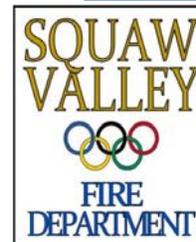




SQUAW VALLEY PUBLIC SERVICE DISTRICT



VILLAGE AT SQUAW VALLEY PROJECT

DATE: October 25, 2016

TO: District Board Members

FROM: Mike Geary, General Manager

SUBJECT: *Village at Squaw Valley* - Project Update & Status – Direction to Submit Guest Column for Publication in Local Newspaper

BACKGROUND: The discussion section below provides information on the *Village at Squaw* Project. It is included in the District's monthly agenda to allow discussion of the project without violating the Brown Act's requirement that there be no discussion undertaken on any item not on the agenda. This report is prepared to provide new information and recent progress on issues that are not the subject of a separate report.

Staff, District counsel and consultants continue to share and negotiate business points to prepare a Development Agreement with Squaw Valley Real Estate (SVRE) for the proposed project. Current work includes updating the District standard Development Agreement; customizing it for the Village at Squaw Valley Project.

Development triggers for required infrastructure and facility improvements are being identified. The six separate analyses of project impacts and proposed mitigations completed by the District in 2014 and early 2015 are being used in conjunction with development triggers proposed by SVRE in its Master Phasing Plan for these purposes.

The flexible phasing of development allowed by the County and the length of the time anticipated for project development (25 years) makes the negotiation of a Development Agreement that protects, maintains, and improves the District's existing customers, our water and sewer systems, and our current levels of services challenging.

Staff will provide updates to the status of negotiations to the Village Ad Hoc Committee and the whole Board as additional progress is made.

The Placer County Board of Supervisors is scheduled to consider approval of the Village at Squaw Valley Specific Plan (VSVSP) and certification of the Environmental Impact Report on Tuesday, November 15, 2016 in Kings Beach. District staff are scheduled to present the results of the Water Supply Assessment 2015 Update and information on emergency preparedness in Squaw Valley.

Misleading information continues to be widely distributed through email blasts, guest columns in newspapers and on weblogs regarding the water supply for the proposed project which generates concern for the District's staff and Board of Directors. This issue has been discussed at our Board Meetings frequently. The concern for the District is the potential erosion of trust our customers and the regional community has in the District's work evaluating and analyzing available water supply to meet the demands of the proposed project and, by inference, other work performed by the District.

DISCUSSION: Water

There is no new information to report since last month's Board Meeting.

Sewer

Preparation of a Term Sheet for sewer collection services for the project is in draft form. It identifies development triggers for associated infrastructure improvements to increase conveyance capacity in the District's collection system. Staff and consultants are leveraging information in the Master Phasing Plan for the project.

Fire / EMS

The Term Sheet for fire protection and emergency medical services for the project is also in draft form. It includes mitigations identified in the *Assessment of Project Impacts and Appropriate Fire Service Mitigations for the Proposed Village at Squaw Project*, the report prepared by Citygate Associates in September, 2014.

At last month's meeting in September, the Board directed staff to prepare a guest column for submittal to a local newspaper to respond to misleading claims made by opponents of the VSVSP project regarding available water supply proposed for the project. A draft version of the guest column is attached for the Board's review and consideration of directing staff to submit it for publication in a local newspaper.

- ALTERNATIVES:**
1. Direct staff to submit the guest column to a local newspaper for publication.
 2. Direct staff to *not* submit the guest column to a local newspaper for publication.

FISCAL/RESOURCE IMPACTS: None.

RECOMMENDATION: If there is concern that the public's trust in the District's work and its assessment of available water supply could be damaged by misleading statements from those opposed to the project, then it is recommended that the guest column be submitted to a local newspaper for publication.

If the concern is that the dissemination of misleading information is frustrating or unethical, then we should discuss whether it's worth the potential of drawing additional attention to that information and the District appearing to take a position on the approval of the project, which it cannot; either in support or in opposition.

ATTACHMENTS: Draft guest column addressing misleading statements about the District's work evaluating the Village at Squaw Valley Specific Plan's proposed water supply and the District's redundant water supply needs.

DATE PREPARED: October 21, 2016.

Guest Column to Local Newspaper - Draft

The proposed Village at Squaw Valley Specific Plan (VSVSP) has generated volumes of evaluations and analyses, and much public discussion about its impacts on our community. Enmeshed in the information intended to shape public opinion about the project are two misrepresentative claims that are widely distributed and cause the Squaw Valley Public Service District concern. The first is that the Village Project will strain local water supplies. The second assertion is the PSD is already looking to import water from Martis Valley due to limited supply. These statements are misleading and distort facts and could regrettably result in a public misunderstanding.

The PSD worked diligently over its 52-year history to earn the trust of the community we serve. The PSD's staff and Board of Directors hold that trust as critically important. The maintenance of the public's trust guides our work providing high levels of water, sewer and fire protection services. It's our beacon as we wade through a period of planning for development at a pace unprecedented since the 1960 Olympics. This is especially true as we evaluate available water supply necessary to support proposed projects.

Misleading information has potential to erode that critical trust our community holds in the work performed by our Board and staff and could create misunderstanding in the public we serve. The concern was captured at a recent meeting when one of our directors said that, "misleading statements about the Village Project and their effect on the community's trust of the District and its role in the evaluation of available water supply is very harmful to our reputation in the community". Our concern is not the expression of opinion about a development project or a legitimate, data-based challenge to an analysis (which we welcome): it is that public trust may be compromised because of oft-repeated inaccurate, misleading information. And while we have striven to correct the record along the way, the PSD believes it's again time to convey the facts about our water supply:

Local water supply in Squaw Valley is sufficient to supply the proposed VSVSP project and 20-years of additional non-project growth. On behalf of Placer County and using best available science, the PSD prepared the Water Supply Assessment (WSA) for the project. Understanding the importance of maintaining community trust, we used conservative assumptions and paid to have the results peer-reviewed and verified by a licensed independent third-party hydrogeologist. The WSA was released in July, 2014 during a historic drought in California. So to ensure we were evaluating available water supply in the driest conditions, we started over and updated the WSA in 2015, incorporating data from the four-year drought into the analyses.

SVPSD is not seeking a redundant water supply to support new development in Squaw Valley. The need for a redundant water supply is for the same reason every other water purveyor seeks or maintains supply redundancy: to guarantee water supply for its customers in emergencies, it's that simple. SVPSD identified the need for an alternate water supply and evaluated potential sources – including Martis Valley - in 2009, before the acquisition of Squaw Valley Resort by KSL and long before any discussion of an expanded Village. In January of 2016, we completed another evaluation to identify a preferred alternative to import water from Martis Valley and concluded that the best option for a

redundant water supply is an emergency inter-tie with a purveyor in Truckee. Emergency inter-ties between independently operated water systems are standard in the industry and even locally. All residents and businesses in our region benefit from having a redundant water supply as an emergency back-up except those served by a private well or a water provider that is geographically isolated from neighboring water system infrastructure, like the PSD.

It is important to us that our customers and the regional community understand these facts because we cherish and work hard for the trust we earn and think we deserve. We understand there are a variety of opinions about development in Squaw Valley, Truckee and on the North Shore and the PSD supports a broad understanding of the assorted impacts they'll bring. To that end, we are here to share information and invite you to www.svpsd.org. Our website has all of the evaluations and analyses we've performed to ensure we maintain and protect our ability to provide the high levels of service currently enjoyed by our existing customers and to prepare for proposed development projects.

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