

**SQUAW VALLEY PUBLIC SERVICE DISTRICT
BOARD OF DIRECTORS REGULAR MEETING MINUTES #794
October 28, 2014**

A. Call to Order, Roll Call and Pledge of Allegiance. President Dale Cox called the meeting to order at 8:30 A.M.

Directors Present: Dale Cox, President; Eric Poulsen, Vice President; Directors: Carl Gustafson; Brian Sheehan; and John Wilcox

Staff Present: Mike Geary, General Manager; Kathryn Obayashi-Bartsch, Secretary to the Board; Pete Bansen, Fire Chief; Julie Dickman, Account Clerk 2/HR Specialist; Jesse McGraw, Operations Manager; Tom Campbell, Finance and Administration Manager; Brandon Burks, Operations Specialist III and Thomas Archer, District Counsel.

Others Present: Dave and Sally Brew, Emily Fralick, Ed Heneveld, Katie Lazzari, and Perri Runyon.

President Cox asked Ed Heneveld to lead the Pledge of Allegiance.

B. Community Informational Items.

B-1 Friends of Squaw Creek – no report

B-2 Friends of Squaw Valley – no report

B-3 Squaw Valley Municipal Advisory Committee (SVMAC) – Brian Sheehan said the next meeting is scheduled for November 6th at 6 P.M. in the District's community room.

B-4 Squaw Valley Mutual Water Company (SVMWC) – no report

B-5 Squaw Valley Ski Holdings – no report

B-6 Squaw Valley Property Owners Association – Sally Brew said a board meeting is scheduled and will have more information to share after the meeting.

B-7 Tahoe-Truckee Sanitation Agency – Dale Cox provided an update on the following items: Truckee River Interceptor Rehabilitation Project and the General Manager recruitment.

B-8 Incorporate Olympic Valley – no report

C. Public Comment/Presentation.

No public comment.

D. Financial Consent Agenda Items.

Directors Poulsen and Sheehan met with staff on Monday, October 27th from approximately 3-5 P.M. to review items D-1 through D-18 as well as other finance related items on this agenda.

Director Sheehan said all items appear to be in order. The District is 25% through the fiscal year and while the fire department expenditures are a bit high this is due to assistance with several wildfires. The District will be reimbursed for this work. The Committee reviewed new draft financial reports showing depreciation as a line item and several other changes. Gibson Accounting completed preparation of the annual financial statement and McClintock Accountancy's audit report is anticipated next month. The budgeted contribution to the Fixed Asset Replacement Funds (FARF) was made and Mr. Campbell will provide more detail.

Mr. Campbell reported on the final status of the Fixed Asset Replacement Fund (FARF) FY13-14. He said the water FARF was reduced from \$253,000 to \$168,000 and the sewer FARF increased by \$65,000 and fire FARF increased from \$387,000 to \$447,000. He said staff is researching options to reallocate these funds based on needs.

Unspent operating budgeted funds from FY13-14 include \$10,000 went to Fire, \$16,000 went to Sewer and \$5,000 came from Water for a total of \$21,000. The District budgeted at a deficit so this is a very positive development.

Director Poulsen said Mr. Campbell has been working hard on the new reports and the Committee spent a lot of time reviewing these new reports, which will be presented to the full Board in the coming months.

Director Gustafson asked about D-11, progress payment to HydroMetrics. This payment is for work in conjunction with the *Village at Squaw Project's* Environmental Impact Review.

President Cox asked about D-12, progress payment to Jennifer Harrison. Mr. Geary said this is for the website redesign.

President Cox asked about D-17, progress payment to Farr West for the Redundant Water Supply Preferred Alternative. Mr. Geary said the phase 1 final report for this project will be distributed to the Board and staff will request direction whether it should be presented at a Board meeting as well since it was already presented earlier this year. The work on phase 2 continues.

Public Comment –

Dave Brew after looking at the Chisholm house excavation, it appears that water moving along the hillside may or may not make it into the aquifer.

Ed Heneveld asked about the Redundant Water Supply Preferred Alternative and how it was funded. Mr. Geary explained how the project was funded and the District's participation in the Tahoe Sierra Integrated Regional Water Management Plan (IRWMP) group which includes grant submittals. He commented on the negative opinions he has heard surrounding the project, primarily from Truckee residents.

Director Wilcox said there have been numerous Board discussions about this project which includes seeking Martis Valley water as a last alternative after all other possible sources are analyzed. In response to the concerns of Truckee residents about the project, some people have misrepresented this project which is irresponsible.

Director Poulsen said prior to the current project, the District's Strategic Plan identified a redundant water supply as a primary item. The next phase of the project will investigate water sources locally and move out from there. Also, an additional storage tank has been discussed over the years to balance out the zones and has been a "back burner" item.

President Cox said since there is considerable interest in the Redundant Supply – Preferred Alternative Evaluation, this item should be placed on a future agenda.

A motion to approve the financial consent agenda was made by Directors Gustafson/Poulsen as submitted; vote was unanimous.

Cox-yes

Poulsen-yes

Gustafson-yes

Sheehan-yes

Wilcox-yes

E. Approve Minutes.

E-1 Minutes for Board of Directors meeting of September 30, 2014.

Director Sheehan requested the following revisions:

Page 2: 6th paragraph "Mr. Geary discussed the capital replacement program and FARF allocations. He said the water FARF was negatively impacted by repairs to Wells #1 and #3 and a water main repair in the Stables area."

Page 3: E-1 "Minutes for the Board of Directors meeting of August 26, 2014."

A motion to approve the minutes for September 30, 2014 with revisions was made by Directors Wilcox/Sheehan; vote was unanimous.

Cox-yes

Poulsen-yes

Gustafson-yes

Sheehan-yes

Wilcox-yes

F. Old & New Business.

F-1 Village at Squaw Project Update.

Director Poulsen left the room due to a conflict of interest from an ownership interest. He listened to the discussion through a one way audio feed.

The Board reviewed the information, discussed the project and accepted public comment.

Mr. Geary said a revised version of the *Village at Squaw Valley* Specific Plan was released earlier this month. The project proposes to construct a total of 868 units with 1,595 bedrooms and 220,083 square-feet of commercial use on 94-acres over a period of 25 years. Lot Four (East Parcel), located across the street from the District's offices and Fire Station at 305 Squaw Valley Road is included in the Specific Plan.

Staff and District consultants continue with progress on six separate analyses to better understand the impacts of the project to the District's systems, operations and financial position. Mr. Geary provided an update on the status of the analyses as follows:

- Water Supply Assessment – completed in July, 2014. Due to the current historic

drought, we plan to append the WSA with the last three years of data (e.g., precipitation, pumping, groundwater elevations, stream flows, etc.) to improve the thoroughness and accuracy of the WSA. Although this additional analysis is not required, Squaw Valley Real Estate (SVRE) has voluntarily agreed to fund the work to improve the validity of the WSA's conclusions.

- Space Needs Assessment (Utilities Operations) – completion and presentation to the Board of Directors is scheduled for November, 2014.
- Collection and processing of the data necessary to update the numerical groundwater model to include effects of the current drought will begin in February, 2015. This will provide a more complete understanding of the hydrologic cycle in terms of aquifer response to storm events over the winter. It is important to wait until the groundwater basin refills to ensure the model update will produce the information needed to assess sufficiency of supply under conditions caused by the drought. We plan to perform additional modeling and prepare the results by mid-April, 2015.
- Hydraulic Modeling of Water Distribution System – scheduled for completion in December, 2014. This work includes updating the existing hydraulic model of the District's water distribution system to properly assess the capital improvements necessary to serve the project. The results of this work will identify the required line and storage tank capacities to serve existing customers as well as proposed development.
- Hydraulic Modeling of Sewer Collection System – scheduled for completion in November, 2014. Farr West Engineering is nearing completion of its work updating the hydraulic model of the District's sewer collection system. The results of the modeling will identify minimum line sizes of existing and new sewer mains required to serve the project. Staff approved an amendment to this scope of work with Farr West Engineering on October 7, 2014 for \$5,750, which was approved for reimbursement by SVRE. The additional work is needed to model impacts to the District's collection system from the proposed Mountain Adventure Center (Water Park). The original scope of work was approved by the Board on June 12, 2014 for \$15,900.

Public Comment

Ed Heneveld asked how hydraulic modeling of pipe flows and differs from the Water Supply Assessment (WSA) modeling. Mr. Geary explained that the WSA uses a numerical groundwater model and evaluated for sufficiency of water supply while the hydraulic modelling software for the storage and distribution system simulates pressurized pipe networks.

F-2 November and December Board Meeting Schedule.

Director Poulsen returned to the meeting room. The Board reviewed the item, accepted public comment and directed staff to schedule the November meeting for Friday, November 21, 2014 and the December meeting for Tuesday, December 16, 2014

Ms. Obayashi-Bartsch reviewed the item.

Public Comment – none

Directors Sheehan/Wilcox made a motion directing staff to schedule the November meeting for Friday, November 21, 2014 and the December meeting for Tuesday, December 16, 2014; vote was unanimous.

Cox-yes

Poulsen-yes

Gustafson-yes

Sheehan-yes

Wilcox-yes

F-3 Surplus Items Sale Results.

The Board reviewed the item and accepted public comment.

Mr. McGraw and Chief Bansen reviewed the item. Mr. McGraw said the 2003 Ford F-250 truck was not sold so we will advertise on Craigslist.

Public Comment – none

G. Status Reports.

G-1 Fire Department Operations/Capital Projects Report.

Chief Bansen provided a review of the report and reported on a chimney fire at a residence on Winding Creek. Jim Binks plans to retire in February so in preparation for staff changes, an in-house test was given for the engineer position. Josh Rytter had the highest test score and is well-positioned to be the next engineer when the position becomes vacant.

Public Comment – none

G-2 Water & Sewer Operations Report.

Mr. McGraw provided a review of the report. He said the Tahoe Sierra Integrated Regional Water Management Plan (IRWM) Plan group was notified that the submittal is still under consideration for funding. The District's intertie project is included in this submittal so there is still a possibility of grant funds in 2015.

Brandon Burks provided an update on the Operations and Maintenance agreement with Squaw Valley Mutual Water Company.

Director Poulsen commented on the Aspens Sewer Realignment Project, noting the condition of the Winding Creek Road area which is not indicative of a typical District project. Mr. McGraw concurred and said this was a very difficult contract to manage and he encountered many difficulties.

Public Comment – none

G-3 Administration Report.

Mr. Campbell provided a review of the report.

Public Comment – none

G-4 Manager's Comments.

Mr. Geary provided a review of the report.

Public Comment – none

G-5 Legal Report (verbal).

Mr. Archer made no comments.

Public Comment – none

G-6 Director's Comments.

No comments.

Directors Wilcox/Gustafson made a motion to meet in closed session: vote was unanimous;

Cox-yes

Gustafson-yes

Poulsen-yes

Sheehan-yes

Wilcox-yes

H. Closed Session – Performance Evaluation – General Manager.

The Board met in Closed Session pursuant to Government Code 54957 et al regarding the General Manager's annual performance evaluation.

Directors Sheehan/Wilcox made a motion to return the meeting to open session; vote was unanimous.

Cox-yes

Poulsen-yes

Gustafson-yes

Sheehan-yes

Wilcox-yes

I. Possible Action Resulting from Closed Session – Performance Evaluation – General Manager.

The Board discussed the personnel policy addressing paid vacation for full-time employees and the application to the General Manager as a contracted employee. The policy section from *Division 6: Employment Hours* was discussed and is as follows:

“Section 6.15 Paid Vacation for Full-Time Employees

A regular employee is entitled to paid vacation. No vacation time shall be vested until an employee successfully completes the six (6) months of service period, however vacation time shall be accrued commencing with the first full month of employment.

A. Administrative and Operations employees shall earn vacation up to the maximum allowable credit for each year of continuous employment as follows based on a forty (40) hour week:

Years of Service	Vacation Credit Accrual Rate	Maximum Allowable Credit
Less than 10	10 hours/month	120 hours
10 but less than 15	12 hours/month	144 hours
15 but less than 20	14 hours/month	168 hours
20 or more	16.67 hours/month	200 hours

Vacation credit shall accrue at the normal rate during leave with pay. Vacation credit shall not be used prior to the time it is actually earned. Vacations shall be scheduled at the convenience of the District and approved by the Department Manager and the General Manager.

Vacation credit is charged on the basis of the number of working days or fractions of days taken off. Payment of 100% of accrued vacation time will be paid upon termination. Payment of 100% of accrued vacation time in excess of the annual maximum accrual will be made in the last pay period of the calendar year. “

Directors Sheehan/Wilcox made a motion authorizing an amendment to the General Manager’s contract for a one-time, one year extension of the General Manager’s vacation leave accrual cap which results in no payout to the General Manager for unused vacation leave for the period ending December 2014, directing Counsel to draft the amendment and authorizing the President to execute the amendment; vote was unanimous.

- Cox-yes
- Poulsen-yes
- Gustafson-yes
- Sheehan-yes
- Wilcox-yes

J. Adjourn.

Directors Gustafson/Poulsen made a motion to adjourn at 10:45 A.M.; vote was unanimous.

- Cox-yes
- Poulsen-yes
- Gustafson-yes
- Sheehan-yes
- Wilcox-yes

By, K. Obayashi-Bartsch