

**SQUAW VALLEY PUBLIC SERVICE DISTRICT
BOARD OF DIRECTORS MEETING MINUTES #810
February 23, 2016**

A. Call to Order, Roll Call and Pledge of Allegiance. President Dale Cox called the meeting to order at 8:35 A.M.

Directors Present: Directors: Dale Cox, Carl Gustafson, Bill Hudson, Eric Poulsen and John Wilcox.

Directors Absent: none

Staff Present: Mike Geary, General Manager; Kathy Obayashi-Bartsch, Secretary to the Board; Pete Bansen, Fire Chief; Jesse McGraw, Operations Manager; Brandon Burks, Operations Specialist III; Danielle Grindle, Finance & Administration Manager; Dave Hunt, District Engineer and Thomas Archer, District Counsel.

Others Present: Kyle Crezee, Chevis Hosea, Fred Ilfeld, Andrew Lange, Katie Lazzari, Jean Ann and Charley Luckhardt, Andrea Parisi, Perri Runyon, David Stepner and Mark Wasley

President Cox asked Chevis Hosea to lead the Pledge of Allegiance.

B. Community Informational Items.

B-1 Friends of Squaw Creek – none

B-2 Friends of Squaw Valley – David Stepner said they have had a second round of discussion with the Placer County Board of Supervisors advocating their position and will be sending out a notice of what they learned to the e-mail distribution group. They are waiting for the Village at Squaw's Environmental Impact Report (EIR) to be released in late April.

B-3 Squaw Valley Design Review Committee (SVDRC) – David Stepner said the group reviewed the Resort @ Squaw Creek's Phase 2A plans which include construction of 18 condominiums. The design has changed from a Tahoe theme to a more modern looking style which was a condition of approval. The committee approved the design but is requiring several conditions to improve aesthetic concerns including different colors, more screening from the roadway and other items to enhance blending into the existing landscape.

B-4 Squaw Valley Municipal Advisory Council (SVMAC) – David Stepner said representatives from the Resort at Squaw Creek provided a presentation on their Phase 2A project which was approved long ago. There are over 20 conditions of approval and County staff is reviewing these criteria to determine which phases will trigger these conditions of approval and will be presenting this information to the council.

B-5 Squaw Valley Mutual Water Company (SVMWC) – David Stepner said their next meeting is on February 29th and will address policies to become more consistent with the District's policies such as late payment penalties.

B-6 Squaw Valley Ski Holdings – no report

B-7 Squaw Valley Property Owners Association – no report

B-8 Tahoe-Truckee Sanitation Agency – Dale Cox said the group discussed the Truckee River Interceptor (TRI) Improvements Project, soil aquifer treatment process and State Route

89/Fanny Bridge Community Project and related TRI Relocation Agreement. Mr. Geary said the flow rate is much higher in this past month due to the impact of visitors.

C. Public Comment/Presentation.

Public Comment – none

D. Financial Consent Agenda Items.

Directors Poulsen and Hudson met with staff on February 22nd from approximately 3:30 –5:00 P.M. to review items D-1 through D-8 as well as other finance related items on this agenda.

Director Hudson said all items look to be in order. There are a few items with a significant variance from last year and this is due to how those items were accounted for last year as compared to this year.

Ms. Grindle said an example of this is that tax revenues were allocated to each department at year end whereas this year they are being allocated on a monthly basis.

Mr. Geary said this practice will allow for fewer year-end adjustments that are typically made after the close of the fiscal year. This allows for better overall tracking of the budget with fewer unforeseen and significant adjustments.

Director Poulsen said after reviewing our revenue to expenditures percentages, the District is doing fine even with a bit of a spike in employee salaries and benefits. This is due to some budgeting issues related to how vacation and sick leave was handled.

Public Comment – none

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

Cox-yes
Gustafson-yes
Hudson- yes
Poulsen-yes
Wilcox-yes

E. Approve Minutes.

E-1 Minutes for the Board of Directors meeting of January 26, 2016

A motion to approve the minutes for the Board of Directors meeting of January 26, 2016 as presented was made by Directors Hudson/Poulsen; vote was unanimous.

Cox-yes
Gustafson-yes
Hudson-yes
Poulsen-yes
Wilcox-yes

F. Old & New Business.

F-2 Village at Squaw Valley Project Update.

Director Poulsen left the meeting 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 staff, District Counsel and consultants are in the process of negotiating a Development Agreement with Squaw Valley Real Estate (SVRE) for the proposed project. The Ad Hoc Committee met and reviewed the progress made so far. The group discussed several issues related to wells including replacement, guarantees, capacity, additional supply, development schedule, setbacks and SB221 requirements.

Staff is finalizing business points for negotiation with SVRE representatives. 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 2015 are being used in conjunction with development triggers proposed by SVRE in its Master Phasing Plan for these purposes.

Water

There will be an OVGMP Advisory Group meeting later this week which involves all valley pumpers. There are several items on the agenda which includes a Water Management Action Plan, drought and water conservation update and the Quinquennial Review and Report.

Fire / EMS

Chief Bansen said there is no new information to report since last month's Board Meeting.

Sewer

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

President Cox said it is difficult to develop an agreement without knowing where buildings and other project elements are situated.

Mr. Archer said in ideal world, we would know all of these things before entering into development agreement negotiations. The project is being developed on a programmatic level with Placer County which is what we must work with.

Director Wilcox said the agreement will be crafted by business people and attorneys and will cover the District's requirements. The agreement will be complicated but will be cover all the necessary points.

Director Gustafson said the dust impact from the traffic on Squaw Valley Road is significant due to the high volume of traffic at times such as late Saturday afternoon.

Public Comment –

Andrew Lange asked about traffic and emergency services due to impact from visitation to the ski resort. Chief Bansen said the heavy traffic does create some impact to services. He has told resort staff that the best way to promote confidence in the community about potential traffic issues from the Village at Squaw Project is to do a good job managing traffic currently. He believes they are doing the best that they can with this year's heavy demand.

David Stepner said the development agreement needs to have parameters because you do not know where buildings and other project elements will be placed. He asked if the Water Management Action Plan will be in effect only for drought conditions. Mr. Geary said that is still to be determined.

F-2 Special District Leadership Foundation – Transparency Certificate of Excellence.

The Board reviewed the item and accepted public comment.

Director Poulsen returned to the meeting room.

Ms. Obayashi-Bartsch reviewed the item. In order to receive the award, the District demonstrated completion of eight essential governance transparency requirements, such as conducting ethics training for all Board members, properly conducting open and public meetings, and filing financial transactions and compensation reports to the State Controller in a timely manner.

The District also fulfilled 15 website requirements, including providing readily available information to the public, such as board agendas, past minutes, current District budget, most recent financial audit and fiscal policies. Finally, the District demonstrated outreach to constituents through the District newsletter and District election information.

Director Wilcox and the Board commended staff for their work and efforts to keep the Board's operations in compliance with transparency requirements.

Public Comment – none

F-3 Budget Schedule.

The Board reviewed the item, accepted public comment and approved the proposed schedule for the 2016-2017 FY Budget.

Ms. Grindle reviewed the item and presented a revised schedule including some important dates related to the Proposition 218 rate notification. Staff anticipates achieving specific milestones included in the schedule to prepare and deliver the 2016-17 budget on time. The budget hearings are scheduled for May 31st and June 28th at the District's regularly scheduled Board meetings.

Public Comment – none

Directors Hudson/Poulsen made a motion to approve the schedule as presented; vote was unanimous.

Cox-yes

Gustafson-yes

Hudson- yes

Poulsen-yes

Wilcox-yes

F-4 Squaw Valley Ski Holdings – Non-Exclusive Use Agreement – District Parking Lot.

The Board reviewed the item, accepted public comment and authorized the General Manager to execute agreement.

Director Poulsen said he may have a conflict of interest due to an ownership interest. Mr. Archer said Director Poulsen could participate on this agenda item.

Chief Bansen reviewed the item. The General Manager received a request from Squaw Valley Ski Holdings (SVSH) to occasionally use parking spaces at the District's Fire and Administration Center at 305 Squaw Valley Road. The parking lot will be used for overflow parking on weekend days when the Squaw Valley Ski Resort's parking lots are at capacity.

The number of parking spaces provided to SVSH will be limited to about 40. No parking will be provided to SVSH on days when a reservation has been made to use the Community Room. SVSH will be required to request use of the parking lot a minimum of three days in advance of the anticipated need, required to maintain access at all times for the District's operations and to cooperate with any and all requests or direction from District staff.

The District will require SVSH to sign the District's standard agreement for such use, provide liability insurance with coverage for property damage in the minimum policy limits of one million dollars (\$1,000,000) and coverage for bodily injury and/or death with policy limits of not less than two million dollars (\$2,000,000) per person and five million dollars (\$5,000,000) per occurrence. The agreement in the exhibit is correct with the exception of these policy limits. District Counsel has reviewed and approved the agreement.

Public Comment –

Kyle Crezee of Squaw Valley Ski Holdings said they appreciate having this agreement with the District and would only have needed to use the District lot once this year.

President Cox suggested using the Placer County's Squaw Valley Park for overflow parking.

Mr. Geary said it would serve as a great staging area for the winter bike trail use as well.

Chief Bansen said he believes the thickness of the pavement is insufficient for winter use.

Mr. Geary said this would be an excellent project for Transient Occupancy Tax (TOT) funds.

Director Wilcox said the TOT funds may only be issued to a non-profit agency.

Directors Wilcox/Hudson made a motion to approve the agreement with insurance requirements as follows: "...with coverage for property damage in the minimum policy limits of One Million Dollars (\$1,000,000) and coverage for bodily injury and/or death with policy limits of not less than Two Million Dollars (\$2,000,000) per person and Five Million Dollars (\$5,000,000) per occurrence..." and authorized the General Manager to execute the agreement; vote was unanimous.

Cox-yes

Gustafson-yes

Hudson- yes

Poulsen-yes

Wilcox-yes

F-5 Sewer User Fees – Squaw Valley Chapel – 440 Squaw Peak Road (APN: 096-020-002).

The Board reviewed the item, accepted public comment and provided staff with direction.

Mr. Geary reviewed the item.

Directors Wilcox and Poulsen said the Water and Sewer Committee met last week to discuss the issue and Mr. Luckhardt was on the phone throughout the discussion of this item. The Committee recommends that the full Board authorize a one-time sewer fee of \$900 which is the base rate for the year. They also recommend that HDR, the consultant performing the rate study, investigate this issue for a rate specific to churches.

Director Poulsen asked if there will be two more billing periods before any new rates are in effect. He said while installation of a separate meter is expensive, it is a good idea to have a separate irrigation meter.

Public Comment –

Charley Luckhardt said he did not realize that there would be a second bill before any new rate comes into effect. He suggests that they be billed the same as Queen of the Snows Church for the second billing period as their facilities and facility use are very similar. He supports the committee's recommendation.

President Cox suggested installing a screw-on meter that may be attached to an exterior hose bib and is willing to provide assistance installing such a meter.

Ms. Grindle clarified there is only one more billing period before new rates based on the rate study will be in effect.

Director Poulsen said the Chapel should be prepared to install an irrigation meter as this may be something that the HDR rate study recommends as well.

Directors Wilcox/Hudson made a motion to charge the Chapel a one-time charge of \$900 for their sewer fee for the period (5/1/15 through 4/30/16) and to direct HDR to give the District professional advice on a church category separate from the other commercial

customers; vote was unanimous.

Cox-yes

Gustafson-yes

Hudson- yes

Poulsen-yes

Wilcox-yes

F-6 Irrigation Meter Installation Waiver Request – Lim – 209 Trails End Court (APN: 096-264-010).

The Board reviewed the item, accepted public comment and provided staff with direction.

Mr. Geary reviewed the item.

Directors Wilcox and Poulsen said the Water and Sewer Committee met and discussed the request and recommend that the full Board uphold the General Manager's decision to require the irrigation meter installation.

Public Comment – none

Directors Hudson/Wilcox made a motion to uphold the General Manager's decision to require the irrigation meter installation; vote was unanimous.

Cox-yes

Gustafson-yes

Hudson- yes

Poulsen-yes

Wilcox-yes

G. Status Reports.

G-1 Fire Department Operations/Capital Projects Report.

Chief Bansen reviewed the report and Fire operations.

Public Comment – none

G-2 Water & Sewer Operations Report.

Mr. McGraw and Mr. Burks reviewed the report. Mr. McGraw also reviewed the Toilet Rebate Program which provides for replacement of up to 214 toilets.

Mr. Burks provided an update on the drought situation. The District pumped 95.20 million gallons of water in 2015 which is a reduction of 39.16 million gallons in comparison to 2013.

Director Poulsen said there has been an increase in water production this year due to the increase in winter customer visitation. He thanked Mr. Burks and staff for their efforts.

President Cox said there may be a need to ensure that single family homeowners have the same opportunity as commercial customers such as condominium complexes.

Public Comment – none

G-3 Administration Report.

Ms. Obayashi-Bartsch reviewed the report. Ms. Grindle reviewed the Springbrook Accounting Software training and Office Manager recruitment.

Public Comment – none

G-4 Manager's Comments.

Mr. Geary reviewed the report including the projects that he has been working on. The District did not win the Great American Water Taste Test for best tasting water but holds the award for Best Tasting Water in California. He said Dave Hunt, District Engineer will be providing regular staff reports beginning next month.

Mr. Hunt said he has been working on several projects including the Water Capacity & Reliability study in support of the Palisades at Squaw project, well development schedule, well set-backs and issues related to the Village at Squaw Project.

President Cox asked if the Palisades Project developer expects to receive any assistance for the required study. Mr. Geary said staff made it clear to the developer that because his project needs the study to move forward, he is required to fund the necessary work. In the past the District has performed the Capacity & Reliability Study but given all the work done related to the Village Project, we have a lot data and this study is not a priority. This study is being driven by the Palisades Project's schedule.

Mr. Geary said the Palisades Project's Environmental Impact Report (EIR) will review relocation of the District's corporation yard on a programmatic level. There is also discussion about a proposed dumpster relocation which will be the subject of a meeting of the Garbage Committee in early March.

Public Comment – none

G-5 Legal Report (verbal).

Mr. Archer suggested reviewing the District's ordinance requiring irrigation meters and its application.

Public Comment – none

G-6 Director's Comments.

President Cox asked if the Board members would support a review of Board compensation and direction to staff to look into this item. The Board expressed general support for staff to investigate this item.

H. Adjourn.

Directors Wilcox/Hudson made a motion to adjourn at 11:40 a.m.; vote was unanimous.

Cox-yes
Gustafson-yes
Hudson-yes
Poulsen-yes
Wilcox-yes

By, K. Obayashi-Bartsch

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