

**SQUAW VALLEY PUBLIC SERVICE DISTRICT
BOARD OF DIRECTORS MEETING MINUTES #836
February 27, 2018**

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

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

Directors Absent: Fred Ilfeld

Staff Present: Mike Geary, General Manager; Kathryn Obayashi-Bartsch, Secretary to the Board; Allen Riley, Fire Chief; Dave Hunt, District Engineer; Brandon Burks, Operations Superintendent; Danielle Grindle, Finance & Administration Manager and Thomas Archer, District Counsel.

Others Present: Jean Lange and John Wilcox

Chairman Cox asked John Wilcox to lead the Pledge of Allegiance.

B. Community Informational Items.

- B-1** Friends of Squaw Creek – none
- B-2** Friends of Squaw Valley – none
- B-3** Squaw Valley Design Review Committee (SVDRC) – none
- B-4** Squaw Valley Municipal Advisory Council (SVMAC) – none
- B-5** Squaw Valley Mutual Water Company (SVMWC) – none
- B-6** Squaw Valley Property Owners Association – none
- B-7** Mountain Housing Council of Tahoe Truckee – none
- B-8** Tahoe-Truckee Sanitation Agency (T-TSA) – Dale Cox said T-TSA met all discharge requirements and are working on employee union issues.

C. Public Comment/Presentation.

Public Comment – none

D. Financial Consent Agenda Items.

Directors Poulsen and Cox met with staff on February 26, 2018 from approximately 3:30 –5:00 P.M. to review items D-1 through D-10 as well as other finance related items on this agenda.

Director Poulsen said the Committee reviewed all finance related items on the agenda and the financial items are in order. He thanked Chairman Cox for attending the meeting in Director Ilfeld's absence. He said the Committee discussed the CalPERs unfunded liability and the payment from Placer County for the Bike Trail Snow Removal program.

Public Comment – none

A motion to approve the financial consent agenda was made by Directors Hudson/Poulsen as submitted. The motion passed and the vote was unanimous with the exception of Director Ilfeld.

Cox-yes
Gustafson-yes
Hudson-yes
Ilfeld-absent
Poulsen-yes

E. Approve Minutes.

E-1 Minutes for the Board of Directors meeting of January 30, 2018.

Public Comment – none

A motion to approve the minutes for the Board of Directors meeting of January 30, 2018 was made by Directors Hudson/Gustafson. The motion passed and the vote was unanimous with the exception of Director Ilfeld.

Cox-yes
Gustafson-yes
Hudson-yes
Ilfeld-absent
Poulsen-yes

F. Old & New Business.

F-1 2nd Public Hearing – Water Code Revisions – Connection Fees.

The Board conducted the second public hearing of Ordinance 2018-01; water code revisions as related to Connection Fees, accepted public comment and adopted Ordinance 2018-01.

Mr. Geary reviewed the item. In April 2017, the District and HDR Engineering, Inc. completed a Comprehensive Water and Sewer Cost of Service. Part of the study involved updating the District's water and sewer connection fees. The purpose of connection fees is to recover the costs of public facilities in existence at the time the fee is imposed or for new public facilities to be acquired or constructed in the future that are of proportional benefit to the person or property being charged. These fees are charged to new customers connecting to the system, or to existing customers increasing their demands.

In formulating a new connection fee, staff analyzed future improvements related to providing capacity. At the time of the study, the District was not aware of the drilling of a new well as part of the PlumpJack Squaw Valley Inn renovation project. As discussed at previous Board Meetings, the significance of this project requires the District to revisit the cost of a new connection. In addition to revisiting the connection fees, the District would like to change how residential units are defined and charged. Instead of meter size, residential connection fees will be based on property type. Commercial properties will continue to be based on meter size.

Updates to the Water Code were also made to comply with new State laws regarding the collection of connection fees for second units.

The goal of the revised connection fee is to recover the cost of the new well and other future projects either through connection fees or through user fees. The second goal is to charge residential units in an equitable manner based on water demands. The timing of recovering costs will depend on how quickly or slowly new construction occurs. There is a chance it will take many years; however, the District anticipates full recovery of the costs and a positive balance in the Water Capital fund for future unplanned projects. Additionally, as new projects come up, the connection fees will be revisited to ensure they are sufficient to pay for new capital assets.

The revised connection fee increased a one inch meter connection by \$567, from \$10,414 to \$10,981. Based on estimated growth, the District will collect \$1.15 million in connection fees by 2028. These funds, along with the current capital account balance of \$785K, will fund capital improvement projects. Total projects for the next ten years are estimated to cost \$1.47 million. At the end of ten years staff anticipates \$460K left in the capital account for future undefined projects.

At the January Board meeting, Mr. Geary requested direction from the Board in regard to Accessory Dwelling Units (ADUs) that are discovered by the District. The law is clear on how to handle new ADUs, but is silent on ADUs that are discovered and have not been permitted by the District.

Director Poulsen said discovered ADUs should comply with current rules and is unsure if the proposed revision captures this intent. He referred to Section 2.02 Accessory Dwelling Unit (ADU) and believes that the table on page II-1, should be revised.

Mr. Geary said if the first three scenarios on the table on page II-1 include the word "new" that will address this and provide clarification. Director Poulsen agreed that changing the first three scenarios with the addition of the word "new" is acceptable.

Chairman Cox asked how a unit with a microwave, hot plate and other kitchen appliances that are unattached would be categorized and if such a unit would be considered an ADU.

Mr. Archer suggested removing the word "permanent" in the second line of the definition of ADU to address this type of situation.

Ms. Grindle reviewed the revisions to the Water Connection Fees.

Public Comment – none

A motion to adopt Ordinance 2018-01 was made by Directors Hudson/Gustafson including amendments to Section 2.02, Accessory Dwelling Unit (ADU). The amendments include deletion of the word "permanent" from the second sentence of the definition and addition the word "new" or "newly" to the first three boxes on the scenario table on page II-1.

The motion passed and the vote was unanimous with the exception of Director Ilfeld.
Cox-yes

Gustafson-yes
Hudson-yes
Ilfeld-absent
Poulsen-yes

F-2 Budget Preparation Schedule.

The Board reviewed the item, accepted public comment and approved the schedule as presented.

Ms. Grindle reviewed the item. During the budget preparation process, the Board's attention is drawn to estimated changes in property tax, changes in rate revenue, proposed utility rate increases, debt reduction or proposed new debt, two operating budgets, capital budgets, pension expenses, and contributions to Fixed Asset Replacement Funds (FARFs).

The District's budget is the core document that identifies anticipated "fiscal and resource impacts". It serves as a short term and long term map for how the District will carry out its financial plan. The District operates on approximately \$3.4 million in rate revenue and \$3.5 million in tax revenue annually. The District must use these funds to cover operations, pay for capital projects and save for the future. In order to do that the budget must detail estimates of costs, revenues, capital projects, and reserve funds. It's the goal of the District to always be fully funded and avoid significant rate increases or debt financing.

Public Comment – none

F-3 Annual Review of Financial Investment Policy.

The Board reviewed the item, accepted public comment and approved the District's Financial Investment Policy.

Ms. Grindle reviewed the item. The current investment policy is based on conservative principles with an emphasis of earning maximum returns while mitigating any loss of principal. There are no notable market conditions and/or laws legislated that would warrant any changes in that nature. One change staff is proposing relates to the Local Agency Investment Fund (LAIF). The current policy states that the LAIF generally has higher interest rates than U.S. Treasury Bills or Certificates of Deposits. As that is not always the case, more appropriate verbiage would be to say the District reviews all current interest rates when determining investment strategies.

The investment policy establishes a protocol for investment making decisions. If questions ever arise about fiscal management, the answers will not come from the investment results, but rather what decisions were made and how they were made. By establishing priorities in this policy (safety, liquidity, and yield), the District is insuring long-term, stable, and effective management of funds without risking principle.

Public Comment – none

A motion to approve the Financial Investment Policy was made by Directors Gustafson/Poulsen. The motion passed and the vote was unanimous with the exception of Director Ilfeld.

Cox-yes
Gustafson-yes
Hudson-yes
Ilfeld-absent
Poulsen-yes

F-4 Fire Department Paramedic Incentive Program.

The Board reviewed the item, accepted public comment and approved the program.

Chief Riley reviewed the item. The program financially supports a firefighter to attend a paramedic program. A typical paramedic program is about one year and costs around \$9,000 to \$12,000. The Paramedic Incentive Program reimburses 25% of the cost of the program to the eligible employee up front and pays an additional 25% at the end of the first year. As incentive to retain the paramedic, an additional 25% is provided at the end of each of the next two years, essentially paying for the entire program over a three-year period. Spacing the payments out over the three years incentivizes retention of the paramedic.

Recruitment and retention has been a challenge for the Fire Department (SVFD) as well as in the fire service in general. The Department is currently short one paramedic on C-Shift with neighboring districts actively recruiting from SVFD's ranks. SVFD is a small department with a small staff, which does not lend itself to a lot of upward mobility for the younger staff members. The cost of living in or near the community has made it difficult to recruit from outside the area.

Director Hudson said the Personnel Committee met and reviewed this item. The committee recommends approval of the program.

Director Poulsen asked for clarification of the fiscal impacts. Chief Riley said if three staff attended paramedic school the cost would be \$21,000 per year and this reflects the maximum cost for a year.

Director Poulsen suggested that grant funds could help support this program.

Public Comment – none

A motion to approve the Fire Department Paramedic Incentive Program was made by Directors Hudson/Poulsen. The motion passed and the vote was unanimous with the exception of Director Ilfeld.

Cox-yes
Gustafson-yes
Hudson-yes
Ilfeld-absent
Poulsen-yes

F-5 Farr West Engineering – Contract Amendment #1 – PlumpJack Well Design.

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

Mr. Hunt reviewed the item. The District entered into a Professional Services Agreement (PSA) with Farr West Engineering on October 1, 2017 to provide professional engineering services for the design of the PlumpJack Well Phase 2 improvements for a contract amount not to exceed \$95,812.00.

Farr West recently completed 30% level design documents for the project, which included basic site and building layouts. Continuing discussions with neighboring property owners, specifically the Tram Condominiums and Squaw Valley Lodge representatives, have resulted in a request to prepare additional architectural elevations so that they may have a better idea of the potential look and feel of the well house. These elevations are outside of the PSA's scope of work, and therefore an Additional Services Amendment (ASA) has been requested by Farr West to complete these tasks. Included in the ASA is a contingency amount for potential future additional design services based on comments from the neighboring property owners and the Squaw Valley Design Review Committee.

The requested ASA totals \$6,860.00, which will bring the total contract amount to \$102,672.00

Mr. Geary said PlumpJack is postponing the construction of their renovation project until 2019 or later. This change may impact the PlumpJack Well project and staff plans to meet with PlumpJack representatives to better understand their plans and potential impacts to the District's project.

Director Poulsen expressed concern with delaying the District's project as special state permits have been acquired for the well. If PlumpJack changes their plans, there may be another site for the well building.

Public Comment –

John Wilcox said he owns a Squaw Valley Lodge unit which currently has a great view. The proposed PlumpJack renovation will block the view from Squaw Valley Lodge and the Tram Condos; the well building is inconsequential in terms of the visual impact.

Jean Lange asked about the proposed changes to the PlumpJack Renovation project. Mr. Geary said it is his understanding that the reason for changing the project is to reduce construction costs.

A motion to approve contract amendment #1 to the Farr West Engineering contract for the PlumpJack Well Design was made by Directors Gustafson/Poulsen. The motion passed and the vote was unanimous with the exception of Director Ilfeld.

Cox-yes

Gustafson-yes

Hudson-yes

Ilfeld-absent
Poulsen-yes

F-6 Andregg PSOMAS – Contract Amendment #1 – Truckee River Siphon Project Design and Boundary/Easement Surveys.

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

Mr. Hunt reviewed the item. The District entered into a Professional Services Agreement (PSA) with Andregg on May 1, 2017 to provide professional surveying services for the design of the Truckee River Siphon Replacement Project for a contract amount not to exceed \$9,500.00.

Andregg's scope of work included control and boundary surveys, design surveys, and preparation of one legal description and plat for the new parallel pipelines. As design has progressed, the District realized, in conversations with the land owner on the east side of the Truckee River, that additional easements would be required for both temporary construction access and permanent operation and maintenance access. This access would be over the private Bridge Three and through the Painted Rock residential parcel.

The proposed Additional Services Agreement (ASA) provides for two additional easements covering both temporary construction and permanent access. The ASA totals \$3,660.00, which will bring the total contract amount to \$13,160.00

Public Comment – none

A motion to approve contract amendment #1 to the Andregg PSOMAS contract for the Truckee River Siphon Project Design and Boundary/Easement Surveys was made by Directors Hudson/Poulsen. The motion passed and the vote was unanimous with the exception of Director Ilfeld.

Cox-yes
Gustafson-yes
Hudson-yes
Ilfeld-absent
Poulsen-yes

G. Status Reports.

G-1 Fire Department Operations Report.

Chief Riley reviewed the report.

Public Comment – none

G-2 Water & Sewer Operations Report.

Mr. Burks reviewed the report.

Public Comment – none

G-3 Engineering Report.

Mr. Hunt reviewed the report including an update on the Truckee River Siphon projects.

Public Comment – none

G-4 Administration Report.

Ms. Obayashi-Bartsch reviewed the report.

Public Comment – none

G-5 Manager's Comments.

Mr. Geary reviewed the report.

Public Comment – none

G-6 Legal Report (verbal).

Mr. Archer had no comments.

Public Comment – none

G-7 Director's Comments.

There were no comments.

H. Adjourn.

Directors Hudson/Poulsen made a motion to adjourn at 10:00 A.M. The motion passed and the vote was unanimous with the exception of Director Ilfeld.

Cox-yes

Gustafson-yes

Hudson-yes

Ilfeld-absent

Poulsen-yes

By, K. Obayashi-Bartsch