

**SQUAW VALLEY PUBLIC SERVICE DISTRICT
BOARD OF DIRECTORS SPECIAL MEETING MINUTES #799
March 24, 2015**

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: Directors: Dale Cox, Carl Gustafson, Eric Poulsen, Brian Sheehan and John Wilcox.

Directors Absent: none

Staff Present: Mike Geary, General Manager; Cindy Herbert, Office Manager; Pete Bansen, Fire Chief; Jesse McGraw, Operations Manager; Tom Campbell, Finance and Administration Manager; Brandon Burks, Ops Specialist III and Thomas Archer, District Counsel

Others Present: Dave Brew, Ed Heneveld, Jean Lange, Chevis Hosea, Katie Lazzari and Bob Moore

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

B. Community Informational Items.

- B-1** Friends of Squaw Creek – Ed Heneveld said the group is waiting to hear about their grant application.
- B-2** Friends of Squaw Valley – no report
- B-3** Squaw Valley Design Review Committee (SVDRC) –Brian Sheehan said the next meeting is on April 2nd at 3:30 P.M. in the District’s community room. .
- B-4** Squaw Valley Municipal Advisory Council (SVMAC) –Brian Sheehan said the next meeting is on April 2nd at 6 P.M. in the District’s community room. Ed Heneveld said the meeting will be about traffic and parking impacts from the *Village at Squaw* Project.
- B-5** Squaw Valley Mutual Water Company (SVMWC) – Brandon Burks said the operations crew continues to work on the SCADA system. The next board meeting is on April 4th at 3:00 P.M. in the District’s community room.
- B-6** Squaw Valley Ski Holdings – no report
- B-7** Squaw Valley Property Owners Association – Jean Lange said there will be a presentation of the story of 1978 Squaw Valley tram accident on April 12th at 5:00 P.M. at the PlumpJack Conference Center. Admission is free to members and \$10 per person for non-members.
- B-8** Tahoe-Truckee Sanitation Agency – Dale Cox said he did not attend this month’s meeting.
- B-9** Incorporate Olympic Valley –Brian Sheehan said the next meeting is April 8th In Auburn.

C. Public Comment/Presentation.

Ed Heneveld said the Squaw Valley Institute was trying to put together a water forum for April 4th, but understands that it will probably be postponed until after the Water Supply Assessment (WSA) Amendment and the Draft EIR process is complete.

Bob Moore confirmed that it has been postponed until after revised WSA and draft EIR are

officially released, possibly in September.

Dave Brew asked if the WSA was part of the draft EIR. Mr. Geary said that is a question for Placer County. He said the District's release of the WSA will be independent of the EIR.

Chevis Hosea said the draft EIR is scheduled to be released in the third or fourth week of April.

Dave Brew asked if it is time for the Board to prohibit irrigation. President Cox said the Board will need to discuss such an action after reviewing the telemetry data to determine if there is any indication of a water crisis or shortage. Mr. Burks said at this present time the aquifer levels are looking good. Mr. Geary said on March 17th the state issued further water conservation requirements and the District is in compliance; the District issued a Stage 2 drought alert on July 29, 2014.

Dave Brew commented on the Redundant Water Supply study. He expressed appreciation for the document and said Dave Hunt did a very good job. He said there is no real discussion of the possibility of treating high iron, high manganese water. He suggested the use of horizontal wells and to have the study re-analyze this use as a supplemental water supply. He believes the relative cost of horizontal wells vs. a pipeline is significant.

Ed Heneveld asked if Mr. Geary attended the recent Truckee River Operating Agreement (TROA) meeting. Mr. Geary gave a brief history of TROA and the meeting. He said the next meeting is April 9th at 10:00 A.M. at the Truckee Town Council chambers.

C-1 Service Recognition – Kurt Gooding, Firefighter/Paramedic
This item was placed on the agenda in error and was removed.

D. Financial Consent Agenda Items.

Directors Poulsen and Sheehan met with staff on March 23rd from approximately 3:30 – 5:00 P.M. to review items D-1 through D-9 as well as other finance related items on this agenda.

Director Sheehan said the committee reviewed the finance related items with staff and all items appear to be in order. He said they also reviewed Item F-2 which will be discussed later in this meeting.

Director Poulsen said the Bike Trail Snow Removal Program has not had a lot of work this year due to lack of snow; therefore the income received from sponsors exceeds the costs. He said the Fire Department got paid for all the mutual aid provided last year. The Committee and staff are watching what is happening with tax revenues as it affects the budget.

Director Sheehan asked about surplus funds in the bike path budget. Mr. Geary explained how surplus funds serve as a buffer to mitigate variability in funding and snowfall. He explained that the funds will be utilized in case of a shortage of committed funding and/or a heavy snow year in the future which will make the project more costly to deliver.

Public Comment – none

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

Cox-yes

Poulsen-yes

Gustafson-yes

Sheehan-yes

Wilcox-yes

E. Approve Minutes.

E-1 Minutes for the Board of Directors meeting of February 24, 2015.

Ms. Herbert said revisions were requested and are as follows: Director Poulsen noted that Katie Lazzari's name was misspelled in "Others Present".

A motion to approve the minutes for the Board of Directors meeting of February 24, 2015 with the requested revisions was made by Directors Gustafson/Poulsen; vote was unanimous.

Cox-yes

Poulsen-yes

Gustafson-yes

Sheehan-yes

Wilcox-yes

F. Old & New Business.

F-1 Village at Squaw Valley 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 negotiations for a Development Agreement between the District (staff, consultants and counsel) and SVRE resumed in January, 2015 and are ongoing. The distribution of the Draft Environmental Impact Report (EIR) is tentatively scheduled for April, 2015. District staff expects to review the document and submit comments to Placer County for their consideration and response in the Final EIR. An updated version of the *Village at Squaw Valley* Specific Plan and Draft EIR are scheduled for distribution at approximately the same time.

Mr. Geary provided a summary of the following items:

Water

Water Supply Assessment Amendment – Collection and processing of the data necessary to update the numerical groundwater model to include effects of the current drought commenced in February, 2015. It's estimated that the additional modeling and preparation of the results will be complete by July, 2015.

Sewer

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

Fire/EMS

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

Public Comment –

Ed Heneveld said conservation measures should be considered in the development agreement and also discussed at the Olympic Valley Groundwater Management meeting on April 17th.

F-2 First Review of 2015-16 Fiscal Year Budget and Rate Structures.

Director Poulsen returned to the meeting room.

The Board reviewed the item, accepted public comment and authorized mailing/posting of proposed rate structures in accordance with Proposition 218.

Mr. Campbell distributed a revised version of the Exhibit F-2 and provided a review of the item. The State of California mandates all public agencies issue a notice of any proposed rate increases. In accordance with this requirement, staff generated a draft 2015-16 budget to determine the maximum potential rates necessary to maintain a consistent and quality level of service to its customers, in addition to contributions to the fixed asset replacement funds for capital replacements.

Staff will continue to review the upcoming 2015-16 budget for expense savings and recommends approving the rate increase notice of up to 15% on water and sewer rates and 3% on garbage rates, with \$500,000 funding into the Fixed Asset Replacement Fund (FARF) accounts.

President Cox asked if the 15% maximum increase is proposed for water and sewer rates. Mr. Campbell said yes. He asked if the sewer FARF is also going to be funded with the sewer rate increase. Mr. Campbell said he is concentrating on contributing to the Water FARF as it has a much greater need. President Cox asked if the water FARF could borrow from sewer FARF. Mr. Campbell said that is possible.

Director Gustafson asked Mr. McGraw if he is comfortable with the water FARF being less than \$200,000. Mr. McGraw said he is not comfortable and this item is a high priority.

Director Poulsen read the first paragraph of the Exhibit F-2 aloud. He thought it described the District's current position very well and the reason for the rate increase. He gave an overview of real estate sales last year in the valley and said tax revenues are still a concern for the District. He said any excess funds left from this year's budget are historically placed in the FARF. As we get closer to the end of the budget year, that will be evaluated and will have an effect on the rates increase, hopefully decreasing the proposed 15% rate increases.

Chief Bansen said the Fire FARF isn't where it should be either and are in need of new vehicles and equipment.

Director Wilcox said he agrees with all that has been said. He feels the FARF has seriously been neglected since the recession and needs to be replenished.

Public Comment –

Jean Lange asked if the sewer FARF is substantially funded, why the 15% increase in sewer. Mr. Campbell said he hopes that will be a smaller rate increase than 15% as the final budget is developed.

A motion to approve the proposed budget and rate structure and to authorize mailing/posting of proposed rate structures in accordance with Proposition 218 was made by Directors Wilcox/Sheehan; vote was unanimous.

Cox-yes

Poulsen-yes

Gustafson-yes

Sheehan-yes

Wilcox-yes

F-3 Fire Department Annual Report.

The Board reviewed the item and accepted public comment.

Chief Bansen provided a review of the report.

Director Poulsen commended Chief Bansen and the Fire Department for the great job that they do. He said their work with the King Fire and communicating with the public was commendable. He is impressed with the new ISO fire rating. He said new home owners often have trouble getting home fire insurance despite the ISO rating and appreciates Chief Bansen talking to the insurance companies and helping them get coverage. Chief Bansen explained the ISO rating pertains to mostly structural fire protection. He said the insurers are redlining a large part of California based on the risk of wildfire and our area, unfortunately, is included in that area.

Director Gustafson asked Chief Bansen if the water supply is adequate for fire protection. Chief Bansen said it is quite adequate.

Public Comment –

Dave Brew commented on the reduction of the calls (22%) and wondered how the local economy was impacted with fewer visitors.

F-4 Sewer System Master Plan (SSMP) Audit Report.

The Board reviewed the item and accepted public comment.

Mr. McGraw provided a review of the report. In May of 2006, the California State Water Resources Control Board adopted Waste Discharge Requirements(WDR) for sewer systems greater than one mile in length; WDR 2006-003. In compliance with WDR 2006-003 the District adopted a Sewer System Management Plan (SSMP) on July 27, 2010. The WDR requires the SSMP be audited every two years and be updated every five years.

The SSMP contains 11 key elements; the audit report evaluates the sufficiency of each element, summarizes the District's efforts over the past five years, reviews benchmarks for performance and makes recommendations for improvements where appropriate.

In the past five years, the operations crew worked to implement all elements of the SSMP. New equipment was purchased to assist in cleaning lines in easements and to control roots. The District implemented sewer rehabilitation projects and implemented a comprehensive sewer television inspection program increasing the frequency of the inspection cycle from ten years to five years. The District implemented an aggressive control procedure to reduce fats, oil and grease (FOG) in the system by contacting all restaurant owners; these efforts resulted in reduced FOG build up in the collection system and reduced frequency of maintenance.

The District experienced two sanitary sewer overflows (SSO's) over the past five years. This is consistent with past estimates and is average for other small agencies with 27% of California agencies reporting zero SSO's and 55% reporting one or two SSO's. District staff is working to prevent future SSO's with increased frequency of television inspections, aggressive FOG control and a comprehensive rehabilitation program will result in fewer SSO's in the future. The next SSMP Audit is scheduled for 2017 and will include a Sewer System Master Plan and updated Capital Improvement Project list.

Director Sheehan asked what the causes of the SSO's were. Mr. McGraw replied one was caused by roots and two were structural. He also asked about the easement clearing project. Mr. McGraw replied he believes there are nine properties to inspect and notify.

Director Poulsen asked about the two private sewer line spills, Granite Chief Line and Ski Resort ski hill sewer spills. He asked how we can help prevent and improve private sewer lines from spilling. Mr. McGraw said reminders to customer to maintain their lines and he suggested a sewer lateral testing program be put in place.

Public Comment – none

F-5 District's Role in Parks and Recreation Services for Olympic Valley.

The Board reviewed the item and accepted public comment.

Mr. Geary provided a review of the item. A request was made in February to place this item on a Board Meeting agenda for discussion about providing a forum to discuss Parks & Recreation (Parks & Rec.) services in the valley. Specifically, a forum to discuss impacts of Squaw Valley Real Estate's (SVRE) proposed *Village at Squaw Valley* Specific Plan (VSVSP) including input from the community on how to mitigate such impacts with funds expected from Placer County Park Dedication fees and County Service Area assessments for Parks & Rec. services and facilities.

The District's enabling legislation (Water Code; Div. 12, section 31130) allows the District to construct, maintain, and operate Park & Rec. facilities. That said, the District's previous attempts to own and manage Squaw Valley Park have not come to fruition. In 2011, the District agreed to provide maintenance and snow removal services on the Squaw Valley Bike Trail

during the winter months only. This expansion in service was, and continues to be, contingent on receiving 100% of the funds required to provide the service from grants from the County's Transient Occupancy Tax (TOT) administered through the North Lake Tahoe Resort Association (NLTRA), and donations from local businesses as well as Squaw's property owners and business associations.

On March 5, 2015, the Squaw Valley Municipal Advisory Council (MAC) formed a Parks & Recreation Sub-Committee to address Parks & Recreation issues in the valley. This group will interact with the community and Placer County to address impacts and mitigations associated with Parks & Rec facilities in Squaw Valley from SVRE's VSVSP. The goals of the sub-committee are to conduct a community survey for input on how Park Dedication Fees anticipated from the VSVSP should be spent in Olympic Valley.

The District doesn't receive any property tax revenue dedicated to provide Parks & Rec. services. Placer County is responsible for providing Parks & Rec. services in Squaw Valley and receives tax revenue from property owners in Squaw Valley specifically for that purpose. Without additional revenue, any work evaluating or performing Parks & Rec. services will be funded from the District's allocation of property tax revenue. The consumption of property tax revenue adversely impacts water and sewer rates.

Mr. Geary recommended the Board continue its practice of listening to the community within the context of the District's Mission Statement. He also recommended not assuming additional responsibilities without identifying dedicated and secured funding for the services.

Director Sheehan said the District should not proceed too robustly until the results of the Incorporate Olympic Valley are known.

Director Wilcox gave the history of the formation of the Squaw Valley Park. He said he feels the park is more of a regional park than a community park as he rarely sees Squaw Valley residents using the facility. He said under the present conditions, with lack of funding and hardly any of our constituents using the park, it does not make sense for the District to get into the park business right now. With the *Village at Squaw* development and additional park facilities coming on-line with potential funding available, then it would make sense to get in the park business. He does not think it is a high priority at this time.

President Cox said he agrees with Director Wilcox's comments regarding non-residents using the Squaw Valley Park. He feels more urgency for the District to get into the park business. He feels if the community doesn't have a proposed project or organization in place, the community will not benefit from these funding opportunities and those funds will be funneled into other places.

Mr. Geary said at the last Squaw Valley Municipal Advisory Council (MAC) meeting, a Parks and Rec sub-committee was created. The goal of that committee is to create a forum to solicit community input.

Director Poulsen said the county requires a developer to pay park fees. He said much of those fees go into a fund and Squaw Valley loses those fees to other areas. He said the District does a very good job providing water, sewer, garbage and fire/EMS services and has a way to pay for it with user fees. He believes the District doesn't have the funds to get into the recreation business at this time. To do so, the District needs community buy-in and the means to pay for it. He suggested that District staff talk to Tahoe City Public Utility (TCPUD), who have a very successful Parks and Rec Department, and inquire how they are funding their department. He said before the District gets into the Park and Rec business we need to have a plan, funding and community support.

Director Gustafson said he thinks it would take a lot of effort and resources to do what TCPUD does. He believes the District should focus on the services we currently provide and doesn't want the District to get sidetracked or dilute District resources.

Mr. Archer said this is a broader community discussion and that moving forward there should be a community forum rather than putting the burden on the District.

Director Wilcox suggested that since the MAC formed a Parks and Rec committee to pursue this further let some leadership and direction develop from that committee. The District can indicate our interest and if the community wants the District to get into the Park and Rec business, it would be given serious consideration. However, the initial discussions and planning for what the community wants would be better achieved through the MAC than the District.

Mr. Geary said it would be prudent to talk with the TCPUD and gather information regarding the management of their Park & Rec Department, especially the revenue and expenses associated with providing those services and also talk to Andy Fischer of Placer County about park dedication, maintenance and TOT funds.

Public Comment –

Dave Stepner via email dated March 21, 2015 - *Unfortunately, I cannot be at the PSD meeting on the 24th as I had already committed to teaching a CPR class in Reno for REMSA.*

I noticed that one of the agenda items is "F-5, Parks and Recreation Services. Information only; review item and accept public comment". I know that I was the one that raised this subject again at the past PSD meeting. You also talked with me at the MAC meeting (I believe) about how the formation of a MAC P&R committee would affect the discussion at the PSD. My feeling is that the PSD is the natural place for this activity, as the PSD has the capability to reach all members of the community (you have all their addresses), and can be the long term steward of any park lands brought into the community. The MAC (acting as our de facto town council) can help in setting up outreach sessions to get the sense of community on what they feel is wanted and what they are willing to pay for. But the formation of one, in my mind, should not hinder the discussion at the other.

Ed Heneveld said he'd like to see the District be part of the community workshop and help spread the word. He would like to see a community survey and have it ask the community if it is

willing to pay an assessment for recreation. Also ask the question “Does the community want ownership transferred either with the town or the District?”

Directors Wilcox and Poulsen volunteered to be on the MAC’s Parks and Rec forum and President Cox indicated his support of this effort.

F-6 Property Lease of District Facility to Squaw Valley Preparatory School– 1810 Squaw Valley Road.

The Board reviewed the item, accepted public comment, approved lease of space at 1810 Squaw Valley Road to the Squaw Valley Preparatory School (Squaw Prep) and authorized staff to execute the agreement.

Mr. Geary provided a review of the item. Squaw Prep requested a 39-month (three years and three months) lease of the administrative office facility for the purpose of educational instruction and office space. The lease period is proposed as April 1, 2015 to June 30, 2018 with the option by to terminate after the first 15 months. The primary lease terms negotiated by staff with Squaw Prep are as follows:

- Rent: \$3,230.50/month which will increase to \$3,727.50/month starting on July 1, 2016 if lease is not terminated. Rent for last tenant was \$3,295.42/month.
- Utilities: propane, power, sewer, water, trash removal = \$500/month for the initial 15 month period with a potential increase at the end of the initial 15 month term if lease is extended. Another adjustment will be made should the lease be extended an additional year.
- Snow Removal: \$100/month. The amount collected for snow removal services will be reviewed and adjusted to reflect the actual costs at the end of the initial 15 month term if lease is not terminated. Another adjustment will be made should the lease be extended an additional year.
- Parking: non-exclusive right to use of six (6) parking spaces for Lessee, its employees, invitees and guests, upon a first-come/first-served basis.
- Security Deposit: \$6,461, which is double the initial rental rate.

Mr. Geary said we are still working on some minor changes with wording in lease at the request of the school.

Director Poulsen asked how the utility billing amount was determined. Mr. Geary explained that the utility charges are based on the past history of leasing to the Board of Realtors. He asked if the insurance is adequate. Mr. Archer felt the insurance is adequate as required.

Director Poulsen asked if the lease rates were competitive and researched. Mr. Geary said the rates are a little below market but felt comfortable with the amount and the District will not lose any monies.

Public Comment – none

A motion to approve the proposed lease of space at 1810 Squaw Valley Road to the Squaw Valley Preparatory School and authorize staff to execute the agreement was made by Directors Wilcox/Sheehan; vote was unanimous.

Cox-yes

Poulsen-yes

Gustafson-yes

Sheehan-yes

Wilcox-yes

F-7 2015 Sewer Television Inspection Project (TVI) – Contract Award to Mountain Pipeline.

The Board reviewed the item, accepted public comment, approved contract to Mountain Pipeline for an amount not to exceed \$32,000 and authorized staff to execute the agreement.

Mr. McGraw and Mr. Burks provided a review of the item. The District is prepared to begin the third phase of a four year project to televise the sewer system. In 2013 the District issued a Request for Proposals to eight companies performing TVI services in northern California. After receiving three responses the District selected Mountain Pipeline as the most responsive bid with the lowest cost.

Since 2013, the District has worked closely with Mountain Pipeline and with Farr West Engineering to develop protocols for working with the Ques Granite XP software used by Mountain Pipeline to televise the system and VueWorks, the District's maintenance software. Protocols are presently in place that allows efficient migration of the data collected during the TVI process into VueWorks, so data can be assimilated for use in evaluating the need for corrective work and asset management. Additional cost would be incurred to duplicate the process with another vendor; therefore the District staff recommends working with Mountain Pipeline for Phase III of the project on a sole source basis, at the same unit price as the original bid in 2013.

The 2015 Sewer TVI Project includes television inspection of 28,500 feet of pipe and 127 laterals. District personnel will perform the pre-cleaning work providing staff an opportunity to evaluate cost and effectiveness. The proposed cost from Mountain Pipeline for the 2015 scope of work is \$32,000. Mountain Pipeline is a well-known and reputable contractor, therefore staff is recommending award of the project to Mountain Pipeline.

Public Comment – none

A motion to approve the contract with Mountain Pipeline for the 2015 Sewer Television Inspection Project for an amount not to exceed \$32,000 and to authorize staff to execute the agreement was made by Directors Sheehan/Poulsen; vote was unanimous.

Cox-yes

Poulsen-yes

Gustafson-yes

Sheehan=yes
Wilcox=yes

G. Status Reports.

G-1 Fire Department Operations/Capital Projects Report.

Chief Bansen provided a review of the report and Fire operations.

Public Comment – none

G-2 Water & Sewer Operations Report.

Mr. McGraw provided a review of the report. He said that staff is moving forward with a Water Master Plan and submitting it to Placer County Water Agency (PCWA) for funding.

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 said the Granite Chief project will be a bit complex when it happens. He said the District is now required to include statutory language regarding prevailing wage in contracts.

Public Comment – none

G-6 Director's Comments.

Director Sheehan said he will be attending the CSDA Gold Chapter meeting in Cameron Park on April 1st.

Director Poulsen said he attended the Incorporate Olympic Valley meeting. The City Manager of the South Lake Tahoe was present and said she was able to negotiate with the unions and cut their unfunded liabilities in half, which he felt was quite impressive. He said that Dave Brew made comments today regarding the Redundant Water Supply Study, horizontal wells and water treatment. He said the Water and Sewer committee had discussions regarding the horizontal wells and water treatment and there are still possibilities for them. He said the horizontal wells cost \$50,000 or \$100,000, if you find one that works. If the District could find 20 or 30 horizontal wells it would be a lot less expensive than the pipe line.

President Cox asked when developing the Redundant Water Supply Study if the property at the Resort at Squaw Creek “ear-marked” for water treatment was considered. Mr. Geary said it was

included.

H. Adjourn.

Directors Sheehan/Wilcox made a motion to adjourn at 11:32 A.M.; vote was unanimous.

Cox-yes

Poulsen-yes

Gustafson-yes

Sheehan-yes

Wilcox-yes

By, Cindy Herbert

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