

**SQUAW VALLEY PUBLIC SERVICE DISTRICT  
BOARD OF DIRECTORS MEETING MINUTES #839  
May 29, 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, Fred Ilfeld and Eric Poulsen.

**Directors Absent:** none

**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:** Bill Carollo, Jeff Collins, Brian Hanley, Gate DeMattei, Sal Monforte, David Stepner 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 – David Stepner provided an update on the Village at Squaw Valley Project hearing which focused primarily on California Environmental Quality Act issues.

**B-3** Squaw Valley Design Review Committee (SVDRC) – David Stepner said there was no meeting this month.

**B-4** Squaw Valley Municipal Advisory Council (SVMAC) – David Stepner said there was a presentation on the Base to Base Gondola project at this month's meeting.

**B-5** Squaw Valley Mutual Water Company (SVMWC) – David Stepner said the group is finalizing a list of projects. Brandon Burks said the maintenance and operations contract was reviewed at their board meeting.

**B-6** Squaw Valley Property Owners Association – Mike Geary said the group held their annual meeting on May 27<sup>th</sup> after the annual Pancake Breakfast and clean-up day.

**B-7** Mountain Housing Council of Tahoe Truckee – none

**B-8** Tahoe-Truckee Sanitation Agency (T-TSA) – Dale Cox said the agency will begin work on the Truckee River Interceptor MH 81-83 project. T-TSA hired a Human Resources staff person who will be working with the Personnel Committee to update their Personnel manual.

**C. Public Comment/Presentation.**

Public Comment –

Danielle Grindle provided an update on the Placer County's Capital Advisory Project Committee including the meeting schedule.

**C-1 Recognition of Service – 15 years – Brandon Burks, Operations Superintendent**

Brandon Burks accepted the award. Chairman Cox commended Brandon Burks for his excellent service.

**D. Financial Consent Agenda Items.**

Directors Poulsen and Cox met with staff on May 23, 2018 from approximately 2:30 –4:00 P.M. to review items D-1 through D-11 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 and that Placer County made a payment for the Bike Trail project. He noted that most of the meeting was spent reviewing the budget and the proposed intra-agency loan to pay down the Safety Group’s CalPERS unfunded accrued pension liability.

Public Comment – none

A motion to approve the financial consent agenda was made by Directors Ilfeld/Gustafson as submitted. The motion passed and the vote was unanimous.

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

**E. Approve Minutes.**

**E-1 Minutes for the Board of Directors meeting of April 24, 2018.**

Director Ilfeld requested that on page 1, item B-7, the second sentence read: “The construction costs vary considerably from area to area.”

Public Comment – none

A motion to approve the minutes for the Board of Directors meeting of April 24, 2018 with the requested revision was made by Directors Hudson/Ilfeld. The motion passed and the vote was unanimous.

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

**F. Old & New Business.**

Items F-5, F-4 and F-9 were taken out of order.

Director Poulsen left the room for item F-5 due to a potential conflict of interest due to a lease agreement.

**F-5 Resort at Squaw Creek Phase 2 - Development Agreement – 3rd Amendment.**

The Board reviewed the item, accepted public comment, approved the third amendment to the Resort at Squaw Creek – Phase 2 Development Agreement by adoption of Resolution 2018-08 and authorized the General Manager to execute all necessary contractual documents.

Mr. Geary reviewed the item. In December 2008, the District and Resort at Squaw Creek (RSC) entered into a Water and Sewer Service Agreement, or Development Agreement (Agreement), for the Resort at Squaw Creek - Phase Two; after the District certified a Supplemental Environmental Impact Report (SEIR) for the project. The Agreement includes the terms under which the District would provide water and sewer collection services to the Phase Two project, which was planned to be built in three sub-phases and include as many as 460 bedrooms in 221 residential units and a structured parking facility.

To receive water service from the District, the Agreement requires RSC to dedicate to the District its Well 18-3R, with a minimum capacity of 110gpm, which they currently use as their primary source of water supply for Golf Course irrigation and to meet their obligations to supply Squaw Valley Resort with water for the ski resort's snowmaking operations.

In 2012, the District approved the 1<sup>st</sup> Amendment that extended by four years the date by which RSC had to dedicate Well 18-3R to the District; from November 6, 2012 to November 6, 2016.

In 2016, the District approved the 2<sup>nd</sup> Amendment that extended the Well 18-3R dedication date another three years to November 6, 2019 to align with construction timing under the new Placer County deadline for infrastructure improvements.

This 3<sup>rd</sup> Amendment further extends the deadline by which RSC is required to dedicated Well 18-3R to the District; for one year to November 6, 2020. The 3<sup>rd</sup> Amendment also allows RSC to redefine the second and third sub-phases (e.g., Phase 2B and Phase 2C) and still receive water and sewer service from the District. The "New Project", if proposed, will be limited to a maximum of 221 residential units and a maximum day demand of 110gpm. With the Board's action to approve the 3<sup>rd</sup> Amendment, the Agreement remains current and in force.

**Public Comment –**

Brian Hanley, representing the Resort at Squaw Creek provided a summary of the project and the reasons for the request.

John Wilcox said conditions have changed since the original agreement was developed. An example is that the agreement contains a provision for a possible water treatment plant site but now may no longer be needed.

Mr. Archer said all the terms of the original agreement are still in place.

Directors Hudson/Ilfeld made a motion to adopt Resolution 2018-08, approving the 3<sup>rd</sup> Amendment to the Resort at Squaw Creek – Phase Two Development Agreement and authorizing the General Manager to execute all necessary contractual documents.

The motion passed and the vote was unanimous with the exception of Director Poulsen who was absent for the item.

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

Director Poulsen returned to the meeting room.

**F-4 Residential Garbage Service Contract for FY 2018-2019.**

The Board reviewed the item, accepted public comment and adopted Resolution 2018-06, awarding the garbage collection contract to Tahoe Truckee Sierra Disposal Company and authorizing execution of the agreement.

Ms. Obayashi-Bartsch reviewed the item. The District contracts with the Tahoe Truckee Sierra Disposal Company, Inc. (TTSD), for municipal solid waste collection and disposal services. Squaw Valley, Northstar and Alpine Meadows all have a similar level of service and contract with TTSD.

The terms of the agreement contain no substantive changes other than a rate increase as follows:

PERIOD	BASE RATE	PLACER FEE	TOTAL
07/01/17 - 6/30/18	19.55	.78	\$20.33
07/01/18 - 6/30/19	19.94	.80	\$20.74

Public Comment –

Bill Carollo of TTSD said on June 16<sup>th</sup> there will be a Fire Safety Day for green waste. He commended the District and community for their cooperation in making the community dumpster site a successful operation.

Jeff Collins of TTSD thanked the District for the cooperation and spoke about future industry changes, primarily the handling of food waste.

Director Poulsen thanked Mr. Carollo and Mr. Collins for their service to the community.

Directors Ilfeld/Poulsen made a motion to adopt Resolution 2018-06, awarding the garbage collection contract to Tahoe Truckee Sierra Disposal Company and authorizing execution of the agreement.

The motion passed and the vote was unanimous.

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

**F-9 CalPERS Unfunded Accrued Liability – Intra-Agency Loan.**

The Board reviewed the item, accepted public comment and adopted Resolution 2018-09 approving an intra-agency loan to pay down the Safety Group’s CalPERS unfunded accrued pension liability.

Mr. Geary reviewed the item. The District contracts with the California Public Employees Retirement System (CalPERS) to provide pension services. Governmental Accounting Standards Board Statement #68 (GASB 68) requires a calculation of the District pension plans’ “Unfunded Accrued Liability” (UAL) and for that estimate to be included in the District’s annual audited financial statements.

The total UAL posted in the District’s FY 2016-2017 audited financial statement was 4.9 million dollars and is estimated to be 5.7 million dollars for FY 2017-2018. This balance accrues interest annually at a rate equal to CalPERS’s Discount Rate, currently 7.375 percent and scheduled to lower to 7 percent for FY 2018-2019. The District’s current highest earning investment is a five-year Certificate of Deposit (CD) that earns 3.1 percent annually. The majority of the District’s investments are in Placer County investment accounts currently earning 1.9 percent.

The District can save a considerable amount of money in interest payments by paying off the District’s UAL early. The UAL for the Miscellaneous Group (Operations and Administration Departments) is estimated to be 2.7 million dollars and is estimated to be 71 percent funded. The UAL for the Safety Group (Fire Department) is a little over three million dollars and is 74 percent funded.

CalPERS proposes that the UAL be paid down over a thirty-year period. The total interest payment under this period is estimated to be 6.5 million dollars. Staff prepared a schedule to accelerate the pay down and reduce the overall amount of interest paid. The savings in interest by paying down the UAL earlier is estimated to be 5.12 million dollars.

The UAL for the Miscellaneous Group is scheduled to be paid down over a five-year period. Funds for the Miscellaneous Group are derived primarily from rates and will result in the deferment of some capital replacement projects but internal loans are unnecessary to achieve this schedule.

The UAL for the Safety Group is scheduled to be paid down over a seven-year period. The majority of funds to pay down the Safety Group’s UAL will come from property tax revenue as well as reimbursements for Strike Teams. Capital replacement projects will be deferred as well. The remainder of the funds is proposed to come from a series of annual intra-agency loans from the Sewer Fixed Asset Replacement Fund (FARF). For FY 2018-2019, a loan of \$135,000 is required to reach the first year’s payment.

The amounts to be borrowed in future years are unknown and will be a function of the variable UAL balance, property tax available to the Fire Department and Strike Team reimbursements. The interest for the proposed internal loan is three percent annually. While interest will be charged starting when the loan is made, the Fire Department will commence repayment the year after the Safety Group's last payment is made and when the UAL is paid down to a 90% threshold, around FY 2024-2025.

The number of years over which the internal loan will be repaid to the Sewer FARF will be determined after the UAL is paid down. The number of years and the amount of the annual payments paid by the Fire Department will be a function of the amount borrowed as well as the Fire Department's available revenues and their ability to pay it off without suffering a reduction in the levels of service it provides to the community. The goal is to repay the loan in annual payments as quickly as is reasonably possible.

Variability in the UAL balance can be significant and is generally caused by CalPERS' annual investment performance. The UAL will change every year so it's not feasible to prepare a fixed amortization schedule now. Consequently, staff will update the pay down schedule annually during the Budget process using the current data from CalPERS until the District reaches the recommended funding level of 90%.

Director Poulsen said the Finance Committee reviewed this item and believes this is a good plan to address the issue.

Public Comment –

Sal Montforte asked if it would be better to pay the liability off as soon as possible. Some local Districts are paying the liability off entirely provided they have sufficient funds.

Mr. Geary said staff is continuing its research on the risks and benefits of prepaying the UAL and recommends that the District adopt the current pay-down plan and make adjustments as needed.

Ms. Grindle said her goal is to pay the liability down as soon as possible and will continue to analyze the impacts.

David Stepner said if the unfunded liability continues to grow, the District should be planning on how to address this.

John Wilcox said this is a good plan to address the issue but the problem will continue. The only long term solution will be to provide a pension plan that is not a defined or fixed benefit pension.

Directors Ilfeld/Hudson made a motion to adopt Resolution 2018-09 authorizing staff to pay down the District's Safety Group's CalPERS' unfunded accrued pension liability (UAL) with funds from the Sewer FARF under the terms outlined. The motion passed and the vote was unanimous.

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

**F-1 1<sup>st</sup> PUBLIC HEARING to Review FY 2018-2019 Budget and FY 2018-2019 Rates & Charges.**

The Board reviewed the item and accepted public comment.

Ms. Grindle reviewed the item which includes District financial policies, a budget narrative, general & departmental budgets, cost of service analyses and capital improvement and replacement plans. The proposed budget was prepared with a focus on establishing adequate reserves of the District's Fixed Asset Replacement Funds (FARFs) and incorporates paying down the District's Safety Group's CalPERS' unfunded accrued pension liability (UAL) with funds from the Sewer Fixed Asset Replacement Fund (FARF). For FY 2018-2019, a loan of \$135,000 is factored into the budget.

The District receives property tax from Placer County. The FY 2018-2019 budget is based on a 0.96% increase in ad valorem tax revenue, which is approximately \$3,530,000. This is considered to be conservative and uses the FY 2017-2018 Placer County assessed property tax multiplied by the FY 2018-2019 California Consumer Price Index, and then multiplied again by the Adjusted Gross Levy percentage of each of our funds. In September, Placer County will issue a letter estimating the ad valorem tax revenues estimated for FY 2018-2019.

All tax revenue is placed into the General Fund and distributed into operating and capital accounts as necessary. The Fire Department is mostly sustained by property tax distributions. This year there will be a focus with ad valorem revenue to replenish the Fire fixed asset replacement funds, whose balances need to be increased after the purchase of a new Type I and a new Type III engine, as well as support replacement of other aging assets and to pay off the CalPERS unfunded accrued liability.

In response to the Rate Study and the five year Proposition 218 notice, staff is proposing rate increases as a funding mechanism for the FARFs. This equates to a four percent increase in rates for water, five percent increase in rates for sewer, and two percent increase in rates for garbage. The Proposition 218 notice allowed for a three percent increase in garbage rates. Total rate revenue is budgeted to be \$3,443,000.

Utility Department Operations

Operating expenditures are budgeted one percent lower than in the FY 2017-2018 budget, showing a decrease of \$29,000. However, the FY 2018-2019 budget shows an increase of \$243,000 compared to actual expenditures projected for FY 2017-2018. Notable changes include:

- Payroll is increasing \$96,000, or nine percent. All employees in the Operations and Administration departments are receiving a 3.07% cost of living adjustment (COLA) per

the Consumer Price Index (CPI) as estimated by the U.S. Bureau of Labor Statistics (BLS). In addition to a COLA, many employees will be receiving step increases as well as anticipated incentives. Total wages are budgeted at \$1,173,000.

- Employee benefits are increasing \$52,000, or nine percent. This is due to increases in wages as stated above. Additionally, the CalPERS annual required contribution for the unfunded accrued liability is increasing by \$31,000 from the prior year, to \$146,000. CalPERS is currently underfunded and these payments are to further reduce risks and assure adequate growth in the pension plans. Other benefit changes include an estimated eight percent decrease in workers compensation rates.
- Field expenses such as materials, water meter testing and repairs, maintenance, and trainings are increasing by \$9,000, or two percent.
- Consulting Services are increasing by \$45,000, or 77 percent. In addition to normal contracts such as legal services and the audit, the District is planning on a few extra studies that do not occur every year. These include a five year strategic plan (\$7,500), a Sewer Master Plan (\$18,000), and a Water Master Plan (\$17,500).
- Office Expenses are increasing by \$10,200, or 27 percent to replace outdated computers and standard increases to office cleanings, postage, advertising, and website maintenance.
- Training, Meetings, and Recruitment are increasing by \$4,500, or 38 percent due to additional trainings for employee incentives as well as travel for conferences such as CSDA and CalPERS.
- Utilities are increasing \$5,900 or six percent due to an increase in propane rates.
- Bike Trail expenses are increasing \$15,600, or 52 percent. This assumes allowable expenditures per the contract with Placer County are maximized. All expenses relating to the bike trail are fully reimbursable up to \$70,000.
- Interest Expense and Debt Repayment continues to decline. As the building loan matures, each payment gains a greater contribution towards principal.

#### Fire Department Operations

The proposed Fire Department operations budget has increased \$137,000 to \$3,166,000, or five percent. Notable changes include:

- Fire Department Wages are increasing by \$56,000 or four percent. The primary driver for this increase is the annual Salary Survey to bring employees to the 75<sup>th</sup> percentile. Strike teams are not budgeted as that is dependent on the fire season. As such wages that were reimbursed in FY 2017-2018 are now included in the budget to be paid by the District. \$15,000 is estimated in costs towards the new paramedic incentive program for part-time firefighters.



- Benefits are increasing by \$16,000 or two percent and is due to increased wages. Additionally, the CalPERS annual required contribution for the unfunded accrued liability is increasing by \$36,000 from the prior year, to \$153,000. Other benefit changes include an estimated eight percent decrease in workers compensation rates.
- A third of Administrative Salaries & Wages are allocated to the Fire Department which is \$290,000 or an increase of five percent.
- Field expenses are increasing \$10,000, or eight percent compared to prior year as follows:
  - Maintenance & Repair is increasing by \$7,000, or 70 percent due to additional radio maintenance as well as reclassifying equipment tests to be properly reflected in this account.
  - Training and Memberships are increasing by \$4,000, or nine percent, in order to bridge the gap in expertise resulting from newer staff and to maintain high standards within the Department.
  - Facilities are decreasing by \$1,500, or five percent due to fewer emergency repairs.
  - Vehicle operations are increasing by \$1,400, or five percent due to increase costs in fuel, maintenance expected on the aging fleet, as well as operating costs associated with one new engine.
  - Consulting fees are increasing by \$10,000, or 78 percent, due to a five year strategic plan in the amount of \$7,500.
  - Licenses, Permits & Contracts is increasing by \$15,000, or 30 percent mostly due to the increased cost of the CalFire Dispatch contract. This is budgeted for \$40,000. Additional increases include adding three more iPads for use with the Incident View software.

The Utility Capital Reserve Projects include Capital Improvements include Truckee River Siphon Replacement Project, Sewer Bypass Trailer and Hose, PlumpJack Well – Phase II, Granite Chief Sewer A Line and Squaw Valley North Condos.

The Utility Fixed Asset Repairs and Replacements Funds (FARF) include Fire Hydrant Replacement, Zone 3 Booster Pump Station, Manhole Inspection Project, CCTV, Phone System Replacement , 305 Convault, 1810 AC Slurry and Roof Replacement.

The Fire Department Capital Reserve Projects include a contribution to a Regional Training Facility.

The Fire Department Fixed Asset Repairs and Replacements Funds (FARF) include Hose and Nozzle Replacement, Turnout Gear Replacement, ALS Monitors, Turn Out Extractor, Facility Repairs and Rescue Air Bags and Struts.

Public Comment –

David Stepner said according to the budget narrative a portion of property tax that the District receives goes to offset water operations. Mutual Water Company customers pay taxes but the Mutual Water Company does not receive any tax revenue. The Mutual Water Company may also seek tax revenues for their operations which may be a consideration for the District.

**F-2 1<sup>st</sup> PUBLIC HEARING to Introduce Ordinance 2018-02 – Adopting Rates & Charges and Revised District Codes.**

The Board introduced Ordinance 2018-02 and accepted public comment.

Ms. Grindle reviewed the item. This item will codify the rates, charges and relevant District Codes.

Public Comment – none

**F-3 PUBLIC HEARING to Establish Appropriation Limits for Funds #541-003 and #541-435.**

A. The Board reviewed the item, accepted public comment and adopted Resolution 2018-04, establishing an Appropriations Limit for Fund #541-003 for FY 2018-2019 in the amount of \$1,557,128.

B. The Board reviewed the item, accepted public comment and adopted Resolution 2018-05, establishing an Appropriations Limit for Fund #541-435 for FY 2018-2019 in the amount of \$5,077,606.

Ms. Grindle reviewed the items.

Public Comment on items – none

Directors Poulsen/Gustafson made a motion to adopt Resolution 2018-04, establishing an Appropriations Limit for Fund #541-003 for FY 2018-2019 in the amount of \$1,557,128. The motion passed and the vote was unanimous.

Cox-yes

Gustafson-yes

Hudson-yes

Ilfeld-yes

Poulsen-yes

Directors Poulsen/Gustafson made a motion to adopt Resolution 2018-05, establishing an Appropriations Limit for Fund #541-435 for FY 2018-2019 in the amount of \$5,077,606.

The motion passed and the vote was unanimous.

Cox-yes

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

**F-6 Truckee River Siphon Project – Construction Contract Award.**

The Board reviewed the item and authorized staff to negotiate directly with one or more contractors and possibly commence the Project as early as 2018.

Mr. Hunt reviewed the item. The District put the Truckee River Siphon Replacement Project (Project) out to bid on May 4, 2018. Bids were scheduled to be opened on May 25, 2018 but no bids were received. The project is being funded through a combination of Capital funds and Capital Replacement funds. The total Project cost is estimated to be approximately \$1,750,000, with the engineer's construction costs estimated to be \$1,236,000.

District staff and Farr West Engineering developed a list of potential contractors for the Project, which included both directional drilling and general contractors. Contract documents were delivered to seven drilling contractors and six general contractors. District staff and Farr West frequently communicated with potential contractors throughout the bid process. Several of the general contractors indicated they would not bid the Project due to work load constraints and the District's final completion schedule requirements. The contract documents called for a final completion date of October 15, 2018. Although interested, many of the drilling contractors also expressed concern over the compressed schedule, the complex nature of the Project, and potential risks associated with directional drilling under the Truckee River.

Without any bids received, staff and Farr West's consultants discussed alternatives that could be explored to construct the Project.

Alternative #1 - One alternative would be to negotiate a scope and contract with general and drilling contractor(s) now. Staff recommends this alternative; negotiating with contractor(s) to solicit a proposal and complete, at a minimum, the directional drilling in 2018. The manholes, vaults, and miscellaneous piping improvements would begin in June 2019. If directional drilling is determined to be unfeasible in 2018 due to field conditions, then staff would spend the fall/winter of 2018-2019 revising the design of the project and securing the necessary permits to construct using open excavation techniques. Under this scenario, the entire redesigned project would be re-bid in March 2019 and constructed in the summer of 2019. This alternative results in a one-year delay.

Alternative #2 – The other alternative would be to re-bid the project in the fall of 2018 for construction in 2019. Under this scenario, drilling would not commence until June 2019. If directional drilling is determined to be unfeasible at that time, then staff would revise the design and secure the necessary permits for an open excavation construction in the fall/winter of 2019-2020 and construct the Project in 2020. This alternative results in a two-year delay.

Chairman Cox expressed concern about the lack of interest in bidding the project and wonders if the lack of interest is due to the directional drilling approach.

Director Hudson said further conversation with some of the contractors might be an appropriate approach.

Mr. Geary said this may result in a delay in the project's schedule but that the absence of bids does not necessitate revisiting the project's approach.

Directors Hudson/Ilfeld made a motion directing staff to negotiate directly with one or more contractors and to commence the Project as early as 2018. The motion passed and the vote was unanimous.

Cox-yes

Gustafson-yes

Hudson-yes

Ilfeld-yes

Poulsen-yes

**F-7 Truckee River Siphon Project – Accept Dedication of Easement – Painted Rock.**

The Board reviewed the item, accepted public comment and adopted Resolution 2018-07 accepting dedication of easement from Painted Rock.

Mr. Hunt reviewed the item. The District intends to construct the Truckee River Siphon Replacement Project beginning in July 2018, with project completion anticipated in October 2018. The project includes installation of two high density polyethylene pipelines by horizontal directional drilling under Highway 89 and the Truckee River, extending from the west side of Highway 89 within the Caltrans right of way to the eastside of the Truckee River on land owned by the U.S. Forest Service. A sewer pipeline easement is required on APN 096-230-039, 5038 River Road (Painted Rock Lodge), for the new sewer pipelines.

The easement will secure the District's right to construct, operate, maintain and replace the sewer pipelines. The sewer pipeline easement is 27-feet in width. The easement is being granted to the District by Beatrice Pup, LLC, owner of the Painted Rock Lodge.

The District is not providing compensation for the easement to the property owner. Costs associated with the easement include preparation of the legal description and exhibit by Andregg Geomatics, and associated staff time and legal fees.

The Truckee River Siphon Replacement Project is being funded through a combination of Sewer Capital and Sewer Fixed Asset Replacement Funds. Staff recommends approval of Resolution 2018-07, authorizing execution of the sewer pipeline easement on APN 096-230-039 for the Truckee River Siphon Replacement Project.

Mr. Archer recommended the following revision to item #1 of the resolution to read as follows: "Does hereby conditionally accept the Grant of Easement, which documents are attached hereto and incorporated herein, upon execution and delivery of the Grant of Easement by the owner."

Directors Gustafson/Poulsen made a motion to adopt the revised Resolution 2018-07 accepting dedication of easement from Painted Rock.

The motion passed and the vote was unanimous.

Cox-yes

Gustafson-yes

Hudson-yes

Ilfeld-yes

Poulsen-yes

**F-8 Truckee River Siphon Project – Professional Services Agreement with Farr West Engineering for Construction Inspection Services.**

The Board reviewed the item, approved the agreement and authorized the General Manager to execute the agreement.

Mr. Hunt reviewed the item. Replacement of the Truckee River siphon is a very complex project, which includes installation of two new inverted sewer pipelines under Highway 89 and the Truckee River using horizontal directional drilling (HDD) construction techniques, as well as sewer flowmeters, sewer manholes, inlet and outlet sewer vaults, and appurtenant piping and SCADA controls. In order to ensure construction in accordance with the contract documents, and strict adherence to the District's regulatory permit requirements, this Project will require nearly full time field inspection.

District staff is proposing to contract with Farr West Engineering to provide inspection services for the project. Farr West has recent experience in the design and construction inspection of sewer pipeline installation under the Truckee River using HDD, and this experience will be crucial for the successful completion of the project.

District staff will also participate in field inspection of the drilling operation as well as installation of the appurtenant facilities. District staff will be responsible for construction management, with support provided by Farr West for submittal review, weekly construction meetings, requests for information, and contract change orders.

Staff recommends approval of the proposal from Farr West Engineering for providing construction inspection services and recommends the General Manager be authorized to execute a Professional Service Agreement with Farr West Engineering in an amount not to exceed \$65,000.

Directors Ilfeld/Poulsen made a motion to approve the agreement with Farr West Engineering for Truckee River Siphon Project construction inspection services and authorized the General Manager to execute the agreement. The motion passed and the vote was unanimous.

Cox-yes

Gustafson-yes

Hudson-yes

Ilfeld-yes

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 Project and PlumpJack Well.

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 and discussed the possibility of postponing an update to the five year Strategic Plan until the District's role in Parks & Recreation services is explored at a committee level. He said this item will be placed on a future agenda for discussion.

Public Comment –

John Wilcox said the current Strategic Plan is very comprehensive and expensive. He believes that a totally updated five year Strategic Plan using the services of a consultant is unnecessary.

**G-6 Legal Report (verbal).**

Mr. Archer had no comments.

Public Comment – none

**G-7 Director's Comments.**

There were no comments.

Directors Hudson/Gustafson made a motion to adjourn the open session and reconvene in closed session: vote was unanimous.

Cox-yes

Gustafson-yes

Hudson-yes

Iffeld-yes  
Poulsen-yes

**H. Closed Session – District Labor Negotiations and Performance Evaluation of General Manager.**

The Board met in closed session pursuant to Government Code 54957 et al regarding the performance evaluation of General Manager.

**H-1 Performance Evaluation of General Manager.**

Directors Iffeld/Hudson made a motion to adjourn the closed session and reconvene in open session; vote was unanimous.

Cox-yes  
Gustafson-yes  
Hudson-yes  
Iffeld-yes  
Poulsen-yes

No actions or decisions were made in Closed Session and only items on the Closed Session agenda were discussed.

**I. Possible Action Resulting from Closed Session - Approve General Manager’s Employment Contract.**

Directors Hudson/Iffeld made a motion to approve the General Manager’s employment contract as amended. The only change is at the bottom of page one of the contract; the merit increase shall be one percent per year over the three year period of the contract; vote was four yes to one no.

Cox-yes  
Gustafson-no  
Hudson-yes  
Iffeld-yes  
Poulsen-yes

**J. Adjourn.**

Directors Hudson/Gustafson made a motion to adjourn at 1:00 P.M. The motion passed and the vote was unanimous.

Cox-yes  
Gustafson-yes  
Hudson-yes  
Iffeld-yes  
Poulsen-yes

By, K. Obayashi-Bartsch