

**SQUAW VALLEY PUBLIC SERVICE DISTRICT
BOARD OF DIRECTORS MEETING MINUTES #813
May 31, 2016**

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, 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 Superintendent; Danielle Grindle, Finance & Administration Manager; Dave Hunt, District Engineer and Thomas Archer, District Counsel.

Others Present: Jon Borden, Brad Chisholm, Chris DeDeo, Gate DeMattei, Kurt Gooding, Dustin Gwerder, Ed Heneveld, Chevis Hosea, Jeff Kraunz, Katie Lazzari, Susan Lisagor, Andrea Parisi, John Rogers, Perri Runyon, Josh Rytter, Mike Sacci, Isaac Silverman, Travis Smith, Vince Sosnkowski, Dave Stepner, Dane Wadle and Derrik Williams.

President Cox asked Chris DeDeo to lead the Pledge of Allegiance.

Item C was taken out of order.

C. Public Comment/Presentation.

Public Comment –

Brad Chisholm, Fire Department Captain commented on the Fire Dept MOU negotiations and read from a statement prepared by Safety Union members expressing dissatisfaction with the negotiations (attachment A).

Dane Wadle of California Special District Association introduced himself and the group's outreach efforts.

B. Community Informational Items.

B-1 Friends of Squaw Creek – none

B-2 Friends of Squaw Valley – David Stepner said the planning commission meeting is scheduled for June 23rd and will review the Village @ Squaw Valley Project.

B-3 Squaw Valley Design Review Committee (SVDRC) – David Stepner said the May meeting was cancelled.

B-4 Squaw Valley Municipal Advisory Council (SVMAC) – David Stepner said the group held a special meeting in May and 340 people attended to vote on the Village @ Squaw Valley Project. Three members were recused from the vote. The voting members recommended denial of the project as proposed. The project developer agreed to reduce the height of the Mountain Adventure Center from 108 feet to 96 feet and the community benefit fee will apply to initial sales as well as re-sales. The Council approved

the project based on the reduced density option. The next meeting is on June 2nd and there will be a presentation on the proposed gondola connecting Squaw and Alpine.

- B-5** Squaw Valley Mutual Water Company (SVMWC) – David Stepner said he reviewed the Company’s proposed rate structure with the District’s finance committee.
- B-6** Squaw Valley Ski Holdings – no report
- B-7** Squaw Valley Property Owners Association – none
- B-8** Tahoe-Truckee Sanitation Agency – Dale Cox provided an update on the following items: Truckee River Interceptor (TRI) improvements MH81 to MH83, State Route 89/Fanny Bridge project and related TRI relocation agreement.

D. Financial Consent Agenda Items.

Directors Poulsen and Hudson met with staff on May 26th from approximately 3:00 –6:15 P.M. to review items D-1 through D-10 as well as other finance related items on this agenda.

Director Poulsen said David Stepner attended the meeting and reviewed the proposed rate structure for the Mutual Water Company. He said the committee discussed the proposed budget and reviewed the regular financial reports. He said the Fire Department’s salary and benefits expenses are running higher than budgeted but this is due to the strike team work.

Director Hudson said overall the District will be within budget for the current year with greater contributions to the Fixed Asset Funds than anticipated.

Public Comment –

Brad Chisholm said there was a comment that the Fire Department’s salary and benefits expenses are running high and would appreciate an opportunity to review this information.

A motion to approve the financial consent agenda was made by Directors Wilcox/Gustafson 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 April 26, 2016.

Public Comment – none

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

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

The Board of Directors adjourned and reconvened as the Olympic Valley Groundwater Management Plan Implementation Group.

Directors Hudson/Poulsen made a motion to adjourn and reconvene as the Olympic Valley Groundwater Management Plan Implementation Group; vote was unanimous.

Cox-yes

Gustafson-yes

Hudson-yes

Poulsen-yes

Wilcox-yes

Call to Order.

President Cox called the Olympic Valley Groundwater Management Plan Implementation Group meeting to order. Ms. Obayashi-Bartsch read the following statement: "Pursuant to Government Code section 54952.3, the Board does not receive any additional compensation over and above their \$600 monthly compensation."

Professional Service Agreement with Interflow Hydrology.

The Implementation Group received an update from Mr. Hunt.

Mr. Hunt said the Olympic Valley Groundwater Management Advisory Group met and discussed the proposed Water Management Action Plan (WMAF). The Advisory Group recommends that the Implementation Group award a professional services agreement to Interflow Hydrology to prepare the WMAF. It was agreed that the group would share the cost of the work, proportionate to pumping level based on the 2014 data; PlumpJack and Poulsen Commercial are not sharing in the cost.

Mr. Hunt said a grant application was submitted to Placer County Water Agency's (PCWA) Financial Assistance Program to help fund the WMAF and was approved by the PCWA Board of Directors for \$15,661. This grant will lower the costs for each pumper.

Public Comment – none

Directors Wilcox/Poulsen made a motion to authorize the Squaw Valley Public Service District's General Manager to execute a professional services agreement between the Squaw Valley Public Service District and Interflow Hydrology for the Water Management Action Plan; vote was unanimous.

Cox-yes

Gustafson-yes

Hudson-yes

Poulsen-yes

Wilcox-yes

The Olympic Valley Groundwater Management Plan Implementation Group adjourned and reconvened as the Public Service District Board of Directors.

Directors Poulsen/Hudson made a motion to adjourn and reconvene as the Squaw Valley Public Service Board of Directors; vote was unanimous.

Cox-yes

Gustafson-yes

Hudson-yes

Poulsen-yes

Wilcox-yes

F. Old & New Business.

F-1 1st PUBLIC HEARING to Review FY 2016-2017 Budget, Rates and Charges.

The Board reviewed the item and accepted public comment.

Mr. Geary reviewed the item and said a revised version was distributed based on proposed rate increases of 10% for water, 6% for sewer and 2% for garbage.

Ms. Grindle said the budget includes accounting for the Bike Trail Snow Removal Project and wildland strike team revenue and expenses. She said a third of administrative staff expenses are allocated to the Fire Department which differs from past practice.

Director Hudson commented on the District's efforts to study capital replacement plans and fixed asset replacement funds (FARF). He said currently the water FARF is low so the 10% water rate increase is needed. The sewer FARF is in better shape, so it was determined that a 6% sewer rate increase is acceptable rather than the proposed 8% increase. He said he feels that this is a smart and conservative budget.

Chief Bansen said administrative staff expenses have been charged to the Fire Department in the past so this is not a new practice, however the allocation of a third of administrative staff costs has not occurred before. He said he does not support this level of allocation and does not believe this is an accurate reflection of appropriate charges.

Director Wilcox said the District has been required to raise rates over the past several years as a result of the recession and reduced tax revenues. The District has built fixed asset reserves with any unused operating funds and unlike many public agencies, the District has very little debt. The past five years have eroded this reserve and the District is attempting to rebuild these reserves. The tax revenue situation is improving but is still not back to previous funding levels.

Public Comment – none

F-2 Introduce Ordinance 2016-01 Adopting Rates & Charges and Revised District Codes.

The Board introduced Ordinance 2016-01 and accepted public comment.

Ms. Obayashi-Bartsch introduced Ordinance 2016-01 which will adopt rates and charges and revise District Administrative codes in accordance with these rates. No action is requested at

this first hearing of Ordinance 2016-01.

Public Comment – none

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

The Board reviewed the item, accepted public comment and adopted resolutions establishing appropriation limits for funds #541-003 and #541-435.

A. Proposed Action: Adopt Resolution 2016-05, establishing an Appropriations Limit for Fund #541-003 for FY 2016-17 in the amount of \$1,430,899.

Ms. Grindle reviewed the item.

Public Comment – none

Directors Gustafson/Hudson made a motion to adopt Resolution 2016-05, establishing an appropriations limit for Fund #541-003 for FY 2016-17 in the amount of \$1,430,899; vote was unanimous.

Cox-yes

Gustafson-yes

Hudson-yes

Poulsen-yes

Wilcox-yes

B. Proposed Action: Adopt Resolution 2016-06, establishing an Appropriations Limit for Fund #541-435 for FY 2016-17 in the amount of \$4,665,988.

Ms. Grindle reviewed the item.

Public Comment – none

Directors Hudson/Wilcox made a motion to adopt Resolution 2016-06, establishing an appropriations limit for Fund #541-435 for FY 2016-17 in the amount of \$4,665,988; vote was unanimous.

Cox-yes

Gustafson-yes

Hudson-yes

Poulsen-yes

Wilcox-yes

Item F-8 was taken out of order.

F-8 Residential Garbage Service Contract for FY 2016-17.

The Board reviewed the item, accepted public comment and adopted Resolution 2016-07 awarding the garbage collection contract to Tahoe Truckee Sierra Disposal (TTSD) Company and authorizing the Board President and Secretary to the Board to execute the agreement.

Ms. Obayashi-Bartsch reviewed the item. The terms of the agreement contain no substantive changes, with the exception of timing which will correspond to the July 1st contract renewal date. In the past new rates were delayed until October 1st and there is no rate increase for the 2016-17 contract.

Public Comment –

Bill Carollo of TTSD provided information on green waste events. He said on June 7th, there will be a green waste event at the District and customers are encouraged to bring their green waste to the event. He thanked Brandon Burks and District staff for their cooperation.

Jeff Collins of TTSD thanked the District Board, staff and the community for the opportunity to provide service to Olympic Valley.

Mr. Geary said although the company is not raising rates, the District's proposed rate increase of 2% is to help fund the improvements at the 1810 Squaw Valley Road facility.

Directors Gustafson/Hudson made a motion to adopt Resolution 2016-07 awarding the garbage collection contract to Tahoe Truckee Sierra Disposal (TTSD) Company and authorizing the Board President and Secretary to the Board to execute the agreement; vote was unanimous.

Cox-yes

Gustafson-yes

Hudson- yes

Poulsen-yes

Wilcox-yes

F-4 Maximum Water Analyses Study Update.

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

Mr. Williams of HydroMetrics WRI and Mr. Hunt reviewed the item (attachment B). Placer County received a project application from the Palisades at Squaw Project which proposes to construct 63 residential lots. Given the magnitude of the project, it could consume all or a significant portion of the District's remaining source capacity. The 2016 Capacity and Reliability Study Update will assess the ability to serve additional new customers based on annual supply and demands, peak monthly supply and demands, and maximum day demands.

In order to assess the District's capacity and reliability to serve additional new customers from existing supplies, the District contracted Hydrometrics Water Resources Inc. to prepare the Maximum Supply Analysis (MSA). The MSA aims to estimate the maximum groundwater supply available from the current well field configuration and water demand structure and is intended to support planning estimates associated with available capacity from the existing well field.

The 2016 MSA uses the most recently calibrated groundwater model to identify the potential

maximum available water supply based on the current pumping configuration in the west aquifer. The most recent model was used to support the Village at Squaw Valley Specific Plan (VSVSP) Water Supply Assessment Update (WSA) and was recently recalibrated to support the VSVSP Final Environmental Impact Report.

This model provides accurate baseline conditions, including existing pumping wells in the Valley and historical average pumping rates based on production data for the time period 2000-2015. The MSA specifically addresses pumping from the west aquifer, and takes into account past and existing pumping by the main groundwater pumpers including the District, Squaw Valley Mutual Water Company (SVMWC), Squaw Valley Resort (SVR), and the Resort at Squaw Creek. The maximum water supply is an operational yield and pertains to maximizing pumping volume based on well field operational considerations. This maximum yield is also based on the historic timing of water demands.

Changes to the distribution and timing of water demands would most likely affect the results. Pumping in the SVMWC and SVR wells were kept at baseline rates for this analysis, assuming that the existing wells can meet respective water demands and that no additional pumping capacity would be required to satisfy future water demands. The historic pumping is based on average production from 2000-2015.

The MSA used pumping water level as the criteria to assess maximum water supply. The pumping water level could not fall below the top of the well screen in any individual well to satisfy this criteria. The MSA also used the District's pumping capacity, based on the design point of the well pump, along with limiting the pumping to a maximum of 17 hours per day, to assess maximum monthly and annual production capability. Based on this, the analysis results showed that the maximum water supply would be achieved with Well 2R offline, as Well 2R is most affected by reduced pumping water levels, although Well 2R would be available to satisfy maximum day demands.

Using well screen and maximum pumping rate threshold criteria, the results estimated a maximum water supply for the District's wells to be approximately 612 acre-feet annually (AFA). This assumes that pumping for the Squaw Valley Mutual Water Company wells remained at historical pumping averages as well as for the SVR snowmaking wells.

Director Wilcox said it appears that water capacity exceeds current use. Mr. Williams said from the perspective of the wells and the aquifer, there is additional capacity which is also impacted by conservation measures.

Mr. Geary said there are operational efficiencies and low flow plumbing fixtures which impact demand. The Water Capacity & Reliability Study will be released next month.

Mr. Williams reviewed the model and its predictive capability. He said this analysis estimates ground water supply but does not assess impacts on stream flow.

Public Comment –

Ed Heneveld said this is a report on operational yields, not safe or sustainable yields and asked how much water the Palisades Project is expected to need. Mr. Geary said the Palisades Project is projected to use 550 gallons/day for a single family residence or the equivalent.

F-5 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 its consultants are in the process of finalizing business points for negotiation with SVRE representatives. Meetings to negotiate terms of the Development Agreement for Fire and Emergency Medical Services (EMS) are scheduled for the second week of June. Staff will provide updates on the status of negotiations to the Village Ad Hoc Committee and the whole Board as additional progress is made.

Placer County released the Final Environmental Impact Report (FEIR) on April 7th. Staff responded to the FEIR with three letters and the Board was provided with these letters on May 6th.

President Cox said with past developments, the District has had very firm commitments for the Fire Department's needs. He said he is very anxious that the Village at Squaw Valley developer identify a location for a west valley fire station and address the needs of the Fire Department. The west valley facility and Fire Department presence would not be needed if not for this development. The developer has an obligation to address these needs and provide a site and an appropriate facility before Development Agreement negotiations continue.

Sewer

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

Water

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

Fire/EMS

Chief Bansen said development agreement negotiations for Fire and EMS are scheduled for the second week of June.

Public Comment –

Ed Heneveld asked if President Cox may lobby his fellow directors. Mr. Archer said if there is a quorum of the Board he may do so in a public setting if it is properly noticed but he may not engage in any type of serial communication with directors.

David Stepner asked if a completed Development Agreement is a precursor to planning commission reviewing the project. Mr. Geary said it is not a requirement.

Ed Heneveld requested that District staff respond to the county's EIR in a public setting. Mr. Geary said comments on behalf of the District were submitted and District staff and Counsel met with Placer County staff and Counsel to review these comments.

David Stepner said it is important to understand that comment letters will not get as much attention as making a comment at the county meetings.

Isaac Silverman of Sierra Watch said the Planning Commission meeting is scheduled for June 23rd and will likely be held at the North Tahoe Event Center.

Mr. Geary said he plans to attend the Planning Commission meeting and will make comments at that meeting.

F-6 Squaw Education Foundation on behalf of Creekside Charter Management Request for Rent Reduction – Facility Lease of 1810 Squaw Valley Road.

Director Poulsen returned to the meeting room.

Directors Poulsen and Hudson recused themselves due to a potential conflict of interest from filial interests. They remained in the room as part of the audience.

The Board reviewed the item, accepted public comment and directed staff to work with school representatives to develop options and bring this item back for the Board's consideration.

Mr. Geary reviewed the item. The Squaw Education Foundation (SEF) on behalf of the Creekside Charter Management and Squaw Valley Preparatory School requests rent reduction for the 2016-17 school year of 50%, or \$22,365.

Creekside Charter Management is leasing the District's old Administration Building at 1810 Squaw Valley Road. The term of the lease is from April 1, 2015 to June 30, 2018. Starting July 1st, the rent is \$3,727.50 per month. The lease also specifies the tenant pay \$500 per month for utilities and \$1,200 per year for snow removal. The cost for utilities is scheduled to increase to \$803/month on July 1st to cover the actual costs to the District.

Public Comment –

Jeff Kraunz and Vince Sosnkowski presented the school's request for rent reduction and reviewed the renovations the school has made to the facility.

Mr. Sosnkowski suggested that the District compensate the school for a share of facility renovations.

Mr. Geary said the proposed FY 2016-17 budget includes a \$25,000 improvement plan for the 1810 facility.

Mr. Kraunz suggested the school contribute to the improvement plan with labor which could be used to offset a portion of the rent and would reduce the District's cost for the work.

Mr. Geary suggested that staff work with school representatives to develop options and bring this item back for the Board's consideration.

President Cox said balancing the need to reduce expenses, keep rates as low as possible and grant this request is complicated. He said although he wants the improvements at the 1810 facility, he is willing to forgo the proposed improvements if this will help the school succeed.

Director Wilcox expressed support of President Cox's suggestion.

The Board directed staff to work with the school representatives to develop options and bring this item back for the Board's consideration.

Item F-14 was taken out of order.

F-14 License Agreement and Removal of Easement Encroachments – Borden and O'Reilly.
Directors Poulsen and Hudson resumed their active role on the Board.

The Board reviewed the item, accepted public comment, adopted Resolution 2016-08, authorizing Board President to execute license agreement and removal of easement encroachments on APN: 096-271-014-000, located at: 440 Indian Trail Road, Olympic Valley, CA. and authorizing staff to submit to Placer County for recordation.

Mr. Geary reviewed the item. Mr. Borden received approval from Placer County for a requested variance for a reduction to the required front setback from Squaw Valley Road for the construction of a fence at 440 Indian Trail Road. The variance allows Mr. Borden to install an eight foot tall fence zero feet from the property line of Squaw Valley Road, although the fence must meet a minimum setback of 35 feet from the painted centerline of Squaw Valley Road. The conditions of approval for the variance recognized that the proposed fence affects multiple existing easements, including the District's water and sewer line easements, and that prior to issuance of a building permit, the applicant is required to enter into an easement encroachment agreement with the District.

The proposed fence encroaches on the District's waterline easement. There are a number of other existing encroachments within this easement, including hardscaping and landscaping improvements. Staff has been working with Mr. Borden to develop an agreement which would allow for the construction of the fence based on the requirements detailed in the proposed License and Agreement for Removal of Easement Encroachments.

Staff established design criteria that will protect the District's access and maintenance of the waterline, requiring that the fence be constructed with a minimum separation of seven feet and five inches between the side of the waterline trench and side of the fence post postholes. Operations staff visited the project site and determined that approving the agreement will not affect the District's ability to access and maintain the waterline. Conditions of approval require the owner and contractor to coordinate with District staff for preconstruction meeting and District will inspect the project throughout.

President Cox expressed concern that granting this request may set a precedent.

Director Wilcox said he does not think granting this request will set a precedent.

Public Comment – none

Directors Hudson/Wilcox made a motion to adopt Resolution 2016-08, authorizing the Board President to execute license agreement and removal of easement encroachments on APN: 096-271-014, located at: 440 Indian Trail Road, Olympic Valley, CA. and authorizing staff to submit to Placer County for recordation; vote was unanimous.

Cox-yes

Gustafson-yes

Hudson- yes

Poulsen-yes

Wilcox-yes

F-7 Election of Special District Representatives to the Placer County Local Area Formation Commission (LAFCO).

The Board reviewed the item, accepted public comment and cast a vote for two candidates.

Ms. Obayashi-Bartsch reviewed the item.

Public Comment – none

Directors Hudson/Wilcox made a motion to cast a vote for Josh Alpine and Susan Daniels; vote was unanimous.

Cox-yes

Gustafson-yes

Hudson- yes

Poulsen-yes

Wilcox-yes

F-9 Board Member Benefits.

The Board reviewed the item, accepted public comment and approved reimbursement of qualified medical expenses for each Director and eligible family members for an amount not to exceed \$6,000 per year, per Director, and effective July 1,2016.

Mr. Geary reviewed the item.

Director Wilcox said the Personnel Committee met and recommends reimbursing Board members through payroll for eligible, out-of-pocket medical expenses for a maximum amount of \$6,000 per year and that the annual period run from July 1st to June 30th annually.

President Cox said the objective in offering this benefit is to attract a broader pool of well qualified and committed people to run for the Board.

Director Hudson said the Finance Committee also discussed this item and recommends approval.

Public Comment – none

Directors Wilcox/Poulsen made a motion to reimburse Board members through payroll for eligible, out-of-pocket medical expenses for a maximum amount of \$6,000 per year and that the annual period run from July 1st to June 30th annually; vote was unanimous.

Cox-yes

Gustafson-yes

Hudson- yes

Poulsen-yes

Wilcox-yes

Break 11:30 -11:45 a.m.

F-10 Drought – Stage II/Water Conservation Restrictions/Landscape Restrictions Update.

The Board reviewed the item, accepted public comment and received an update on water conservation restrictions and landscape restrictions.

Mr. Burks reviewed the item. The District Water Code Chapter 1-Division III contains the Water Conservation Program and conservation provisions. Stage I of the Water Conservation Program will keep the District in compliance with all State requirements and recommended conservation efforts. As the State finalizes its restrictions on wastage of water, District staff will recommend changes and additions to the District Water Code.

Olympic Valley received above average precipitation in the winter of 2015-16 and the aquifer has refilled. Continued education along with the restrictions and recommendations in the Stage I of the Water Conservation Program should maintain an adequate supply of water in the aquifer for the coming year.

Mr. Burks said it is unnecessary to renew the Stage II water conservation restrictions and unnecessary to extend the Emergency Irrigation Regulations. The District will revert to Stage I water conservation restrictions. Staff will update the educational information and will promote conservation.

Public Comment – none

Director Hudson said it will be important to handle public outreach of this information in a manner that promotes water conservation practices.

Chief Bansen suggested public notification include the District's Stage I water conservation restrictions and promote water conservation.

F-11 Strategic Plan Progress Report.

Proposed Action: Receive update, accept public comment and provide direction to staff.

Mr. Geary reviewed the item. The Board approved the District's Five-Year Strategic Plan and its Work Plan four years ago. To support its implementation, the Work Plan has been reviewed periodically; currently it's reviewed annually. The Work Plan presented is the sixth Progress Report.

Director Wilcox said the work plan is a lengthy and complex document but is a good tool. He has no recommendations for changes but in the future suggests a less lengthy and complex plan.

President Cox said it appears that good progress has been made on the top ranking items. He referenced item 2.2.0, Goal 2, and advised handling the Squaw Valley Mutual Water Company issues carefully by allowing the company to approach the District rather than the District approaching them.

Director Gustafson said this is a good plan but adaptive management is always needed.

Director Wilcox said the next Strategic Plan update may not require an outside consultant.

President Cox said the consultant that facilitated the last Strategic Plan work did a very good job.

Director Hudson said when the next Strategic Plan is developed, there may be considerable value using an outside consultant.

Mr. Geary said the last consultant's contract was for approximately \$7,000.

Director Gustafson referenced item 1.5.1, and said the word "watershed" could be replaced with the word "drainage".

Director Poulsen said one of the most important tasks accomplished was the Redundant Water Supply Project.

Public Comment – none

The Board made no other recommendations to the Work Plan.

Break 12:35 - 12:50 p.m.

F-12 McClintock Accountancy – Auditing Services – Additional Services Addendum #1 (ASA).

The Board reviewed the item, accepted public comment and authorized the General Manager to execute an ASA with McClintock Accountancy for auditing services for an amount not to exceed \$18,900.

Ms. Grindle reviewed the item.

Public Comment – none

Directors Wilcox/Gustafson made a motion to approve the ASA and authorized the General Manager to execute an agreement with McClintock Accountancy for an amount not to exceed \$18,900; vote was unanimous.

Cox-yes

Gustafson-yes

Hudson- yes

Poulsen-yes

Wilcox-yes

F-13 Gibson & Company – Accounting Services – Additional Services Addendum #1 (ASA).

The Board reviewed the item, accepted public comment and authorized the General Manager to execute an ASA with Gibson & Company for auditing services for an amount not to exceed \$32,241.75.

Ms. Grindle reviewed the item.

Public Comment – none

Directors Hudson/Gustafson made a motion to approve the ASA and authorized the General Manager to execute an agreement with Gibson & Company for an amount not to exceed \$32,241.75; 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.

Director Wilcox said he attended the Squaw Valley Mutual Water Company meeting and they were very complimentary of the District's staff.

Public Comment – none

G-3 Engineering Report.

Mr. Hunt reviewed the report.

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.

Director Poulsen complimented Director Wilcox for his presentation at the Squaw Valley Property Owners Association meeting. He said in reference to the Finance Committee report earlier in the meeting, his comment regarding Fire Department salary expenses are running higher than budgeted is due to the strike team work.

Director Gustafson thanked the Fire Department staff for the Memorial Day weekend pancake breakfast.

Brad Chisholm thanked Director Poulsen for the clarification about Fire Department salary expenses running higher than budgeted. He commented on the Fire Department labor negotiations and the dissatisfaction with the terms. He addressed three issues including the 75th percentile and “glowing standard”, medical payout and a 1.5% cola. He said the terms are not of the same standard as neighboring agencies and this is very disappointing.

President Cox thanked Brad Chisholm for his comments and said the 75th percentile standard was adopted because the District wanted to retain quality staff.

Directors Hudson/Gustafson made a motion to close the open session and convene in closed session.

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

The Board met in Closed Session pursuant to Government Code §54957 et al.

1. Conference with District Labor Negotiator: Michael Geary

Employee Organization: IUOE, Stationary Engineers, Local 39, for Fire Department Personnel to discuss salaries, salary schedules, or compensation paid in the form of fringe benefits.

2. Performance Evaluation – General Manager.

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

Cox-yes

Gustafson-yes

Hudson-yes

Poulsen-yes

Wilcox-yes

I. Possible Action Resulting from Closed Session.

I-1 Adopt Resolution 2016-09, approving the MOU with the International Union of Operating Engineers, Stationary Engineers, Local 39, for the Fire Department Personnel.

Directors Gustafson/Poulsen made a motion to adopt Resolution 2016-09, approving the MOU with the International Union of Operating Engineers, Stationary Engineers, Local 39, for the Fire Department Personnel; vote was unanimous.

Cox-yes

Gustafson-yes

Hudson- yes

Poulsen-yes

Wilcox-yes

I-2 Adopt Resolution 2016-10, approving a zero contribution for Employer Paid Member Contributions for the Safety group into CalPERS and rescind Resolution 2012-17 (May 29, 2012).

Directors Gustafson/Poulsen made a motion to adopt Resolution 2016-10, approving a zero contribution for Employer Paid Member Contributions for the Safety group into CalPERS and rescind Resolution 2012-17; vote was unanimous.

Cox-yes

Gustafson-yes

Hudson- yes

Poulsen-yes

Wilcox-yes

J. Adjourn.

Directors Gustafson/Poulsen made a motion to adjourn at 4:00 p.m.; vote was unanimous.

Cox-yes

Gustafson-yes

Hudson-yes

Poulsen-yes

Wilcox-yes

By, K. Obayashi-Bartsch