

**SQUAW VALLEY PUBLIC SERVICE DISTRICT
BOARD OF DIRECTORS REGULAR MEETING MINUTES #791
July 29, 2014**

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

Staff Present: Mike Geary, General Manager; Kathryn Obayashi-Bartsch, Secretary to the Board; Pete Bansen, Fire Chief; Tom Campbell, Finance/Administration Manager; Jesse McGraw, Operations Manager; Brandon Burks, Operations Specialist III and Thomas Archer, District Counsel.

Others Present: Gate DeMattei, Stan Devereux, Brian Doyle, Alex Fisch, Chevis Hosea, Dave Hunt, Fred Ilfeld, Charley Miller, Tom Mooers, Andrea Parisi, Jon Shanser, David Stepner and Derrik Williams (via phone).

President Cox asked Brandon Burks 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 from the recent Placer County Board of Supervisor's meeting at which the *Village at Squaw Valley* Project was discussed. County staff said the proposed emergency access road was removed from consideration based on Chief Bansen's statement that the road is unnecessary. Chief Bansen said he did not make this statement. Mr. Archer said public comment should be restricted to items not on the agenda.

B-3 Squaw Valley Municipal Advisory Committee (SVMAC) – Brian Sheehan said the next meeting is scheduled for August 7th at 6 P.M. in the District's community room.

B-4 Squaw Valley Mutual Water Company (SVMWC) – none

B-5 Squaw Valley Ski Holdings – none

B-6 Squaw Valley Property Owners Association – none

B-7 Tahoe-Truckee Sanitation Agency – Dale Cox provided an update on the following items: Truckee River Interceptor (TRI) repair near the River Ranch is scheduled at an estimated cost of 1.2 million; the agency is waiting for the CH2M Hill analysis of capacity in both the TRI and the treatment plant; the Executive Director's pending retirement is scheduled for late September; a possible board vacancy; and status of barium concentrations in soil.

B-8 Incorporate Olympic Valley – Fred Ilfeld provided an update on the group's status with the Fair Political Practices Commission. The group has reorganized as a 501(c)(4) and is working to obtain a 501(c)(3) status.

C. Public Comment/Presentation.

Carl Gustafson thanked Squaw Valley Ski Holdings for hosting the Wanderlust event.

D. Financial Consent Agenda Items.

Directors Poulsen and Sheehan met with staff on Monday, July 28, 2014 from approximately 4-5 P.M. to review items D-1 through D-21 as well as other finance related items on this agenda.

Director Poulsen said staff is in the process of making year-end adjustments and Mr. Campbell is working to update accounting procedures. One item being reviewed is how depreciation is handled.

Director Sheehan said the District is approximately 6% under budget for the 2013-14 fiscal year and staff is calculating the amount that will be deposited into fixed asset replacement accounts.

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 June 24, 2014.

Ms. Obayashi-Bartsch provided a revised draft set of the minutes based on requested revisions by Director Sheehan and Mr. Archer which are as follows:

Page 3, middle of the page, addition of “The Olympic Valley Groundwater Management Plan Implementation Group adjourned and reconvened as the Public Service Board of Directors”.

Page 4, 1st paragraph, typographical correction of “ Director Wilcox said most of the increase is necessary due to fixed costs and is not due to the volume used.”

Page 9, 1st paragraph under item J. to read:

“Mr. Archer said Director Poulsen is recused from participation as a Board member due to a conflict from an ownership interest in real property and as an owner of a local business. He will listen to the presentation and the discussion of the item as a member of the public.”

Page 10, 5th paragraph to read: “Mr. Hunt said four wells are needed for the project and two wells for non-project demands. As to the water quality aspect, the better quality water is on the west side of the valley. Mr. Archer said the development agreement which will be negotiated will address well development and include water quality analysis for future wells.”

A motion to approve the minutes with the requested revisions for June 24, 2014 was made

by Directors Sheehan/Gustafson; vote was unanimous.

Cox-yes

Poulsen-yes

Gustafson-yes

Sheehan-yes

Wilcox-yes

F. Old & New Business.

F-1 Village at Squaw 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 staff and District consultants continue to work on the five remaining analyses to better understand the impacts of the project to the District's systems, operations and financial position. The results of these analyses will inform staff of potential project impacts and, in some cases, long-term planning needs.

Staff has been coordinating and directing each of the consultants to provide the background project data and assumptions necessary to accomplish their evaluations. They are:

- Hydraulic modeling of the water distribution system (Farr West)
- Hydraulic modeling of the sewer collection system (Farr West)
- Space needs analyses for Utilities operations (PR Design & Engineering)
- Assessment of project impacts and appropriate mitigations for Fire Protection and EMS services (Citygate Associates)
- Financial projections modelling (Hansford Economics)

Staff is working with the consultants noted above to coordinate their work where appropriate so the same assumptions (e.g., growth projections, financial projections, system impacts, etc.) are analyzed.

Water

Staff is finalizing the scope of work with Farr West Engineering to update the existing hydraulic model of the District's water distribution system to properly assess the capital improvements necessary to serve the project. The results of this work will identify the required line and storage tank capacities to serve existing customers as well as proposed development. Staff expects to present the scope of work for this analysis at the August Board meeting.

Sewer

Mr. Geary said Farr West is nearing completion of its work updating the hydraulic model of the District's sewer collection system. The results of the modeling will identify minimum line sizes of existing and new sewer mains required to serve the project.

Fire / EMS

Chief Bansen provided an update on the needs/mitigations analysis being performed by Citygate Associates.

Public Comment:

Fred Ilfeld asked about the role of Citygate. Chief Bansen said they were contracted to assess the District's current Fire and Emergency Medical Services (EMS) operations and the impact of the proposed project on Fire and EMS.

Director Wilcox said Citygate contracted with the District before Placer County Local Area Formation Commission (LAFCO) awarded a contract to Citygate to perform the required Comprehensive Fiscal Analysis (CFA) for the Incorporation of Olympic Valley.

Chevis Hosea commented on the potential conflict of interest.

Mr. Geary said he was contacted by LAFCO about this issue when LAFCO issued their first Request for Proposals (RFP) when only Citygate responded. Subsequently LAFCO issued another RFP, received a few proposals and selected Citygate.

Mr. Archer said Citygate was contracted by the District which is being reimbursed by the project applicant and Citygate has been contracted by LAFCO which is presumably being reimbursed by the Incorporate Olympic Valley group.

F-2 Conflict of Interest Code Update.

Director Poulsen returned to the meeting room.

The Board reviewed the item, accepted public comment and adopted Resolution 2014-18, adopting revisions to the District's Conflict of Interest Code.

Ms. Obayashi-Bartsch provided a review of the item. The only recommended change is the addition of the Finance/Administration Manager to the list of positions which must file an annual financial interest statement.

Public Comment – none

Directors Wilcox/Sheehan made a motion to adopt Resolution 2014-18 revising the District's Conflict of Interest Code and authorizing staff to transmit the revised code to Placer County; vote was unanimous.

Cox-yes

Poulsen-yes

Gustafson-yes

Sheehan-yes

Wilcox-yes

F-4 Notary Public Policy.

The Board reviewed the item, accepted public comment and adopted revisions to notary public policy.

Ms. Obayashi-Bartsch provided a review of the item. The Board was provided with a copy of comments submitted by Ms. Margot Garcia supporting staff's recommendation to provide notary service by appointment only. Mr. Geary provided a review of the proposed policy.

Director Sheehan expressed support of the proposed revisions.

Director Poulsen said the Finance Committee discussed the possibility of charging fees but supports staff's recommendation to continue the complimentary service by appointment.

Director Wilcox said he would like to restrict the service to the Olympic Valley community but understands this is not possible. He supports the proposed revisions.

Public Comment – none

Directors Wilcox/Sheehan made a motion to adopt revisions to the District's Notary Public policy #3090 as presented with notarizations to be performed by appointment; vote was unanimous.

Cox-yes

Poulsen-yes

Gustafson-yes

Sheehan-yes

Wilcox-yes

F-4 Contract for Required Periodic Systems Tests for Commercial Occupancies.

The Board reviewed the item, accepted public comment and approved the contract with Brycer, LLC for the *Compliance Engine* which provides a clearinghouse for required periodic systems tests for commercial occupancies.

Chief Bansen provided a review of the item. The *Compliance Engine* is a clearinghouse for required periodic systems tests for commercial occupancies such as fire alarm, fire sprinkler, kitchen hood cleaning and extinguishing system testing and maintenance, which is paid for by the vendors/contractors who provide those testing and maintenance services. If a business is late on the annual inspection/testing of a system in their facility, it generates a letter to them and notifies us that they are late and have been advised of that. It's being used by quite a few of the departments in the Lake Tahoe Regional Chiefs area, so the vendors who would be providing service to our area are already on board. It also assures us that the work is being performed at the required interval, which, in turn, helps with our ISO rating and prevents having to red-tag a restaurant because their hood is six months (or more) out of date.

Director Sheehan said he supports this agreement.

Public Comment – none

Directors Wilcox/Sheehan made a motion to authorize staff to execute a contract with Brycer, LLC; vote was unanimous.

Cox-yes

Poulsen-yes

Gustafson-yes

Sheehan-yes

Wilcox-yes

F-5 Copier Purchase.

The Board reviewed the item, accepted public comment and authorized purchase of a Konica/Minolta Copier.

Mr. Campbell provided a review of the item. This copier will replace the copier which was scheduled for replacement last year.

Director Poulsen said this item is needed and supports the request.

Director Sheehan thanked Mr. Campbell for his work to secure the contract with favorable terms.

Public Comment – none

Directors Poulsen/Gustafson made a motion to authorize purchase of the copier; vote was unanimous.

Cox-yes

Poulsen-yes

Gustafson-yes

Sheehan-yes

Wilcox-yes

F-6 Vehicle Purchase.

The Board reviewed the item, accepted public comment and authorized purchase of a 2015 Ford F-150 Truck.

Mr. McGraw provided a review of the item. This vehicle will replace the Ford Ranger truck which has exceeded its useful life and required many repairs.

Director Sheehan said the District's fleet is aging and maintenance costs are a concern. He supports the request.

Public Comment – none

Directors Sheehan/Wilcox made a motion to authorize purchase of a 2015 Ford F-150 Truck; vote was 4 ayes to 1 no.

Cox-yes

Poulsen=yes
Gustafson=no
Sheehan=yes
Wilcox=yes

F-7 Drought Preparedness/Water Conservation.

The Board reviewed the item and accepted public comment.

Mr. McGraw provided a review of the item.

Director Wilcox asked if the aquifer is in danger with the current conditions. Mr. McGraw said staff continues to monitor the aquifer and does not believe aquifer levels will be in danger.

Public Comment

Jon Shanser asked about the timing of the legislation's effective date and the Board's potential action in August. Mr. McGraw said the agency will have 30 days to comply with the final legislation which should be released around August 1st.

David Stepner asked if the Mutual Water Company will be impacted. Mr. Geary said they may need to comply with state mandates but the District's policies do not apply to their customers.

Break 9:45-9:55 A.M.

Timed Item 10:00 A.M.

F-8 Final Water Supply Assessment (WSA) for Village at Squaw Valley Project.

Mr. Archer said Director Poulsen is recused from participation as a Board member due to a conflict from an ownership interest in real property and as an owner of a local business. He will listen to the presentation and the discussion of the item as a member of the public.

The Board reviewed the item and accepted public comment.

Mr. Geary provided a review of the document which includes minor technical revisions to the Draft WSA presented at the June 24, 2014 Board meeting. These revisions incorporate additional information to clarify WSA methodology and findings. Significant improvements made to the Draft version are the inclusion of an Executive Summary, updates to the project description and population estimates, and additions to the *Conclusion* section.

There are some revisions to the appendices. Mr. Geary said the demands memo was changed to correct values in Table 13. There were some small text changes in the Sufficiency of Supply memo made to clarify that SVMWC-2 is in the western portion of the Basin, that there is limited connection between bedrock and the Basin, and some other clarity changes resulting from internal review.

The proposed Project and non-project growth over the next 25 years represents an increase

in water demand of 363 acre feet per year (AFY) for a total demand of 1,205 AFY at 2040. The 2040 water demand was simulated in a model that includes wet, average, single dry and multiple dry year conditions. The model determined that the 2040 demand can be met with an adequate margin of safety and determined there is sufficient supply availability from the Olympic Valley Basin to meet expected Project demand and other foreseeable non-project development through 2040. The Basin is not in overdraft and is not projected to be overdrafted with the addition of the Project and non-project demands through 2040.

Director Sheehan said he has no questions or concerns with the revisions.

Director Wilcox said the public feedback to the WSA has generally been positive.

Director Gustafson commented on recharge of the aquifer in a dry cycle and on interference with wells being too close to one another. He commented on well field management to maintain a minimal flow level in the creek, primarily in the meadow area.

President Cox said he supports a cooperative pumping management plan among the pumpers in the valley. Mr. Geary said, based on direction from the Groundwater Management Plan Implementation Group, that staff is defining a scope of work with HydroMetrics WRI to update trigger groundwater elevation levels that are aimed at providing the basis of an update to the 1991 Water Management Action Plan.

Director Wilcox asked Mr. Hunt to confirm his understanding that calculating a sustainable yield figure is not possible based on the unique conditions of the area. Mr. Hunt confirmed this.

Public Comment –

David Stepler commented on saturation levels and the correlation between rainfall and saturation levels. Mr. Williams said there is little correlation between rainfall and aquifer saturation levels due to other variables such as run off from melting snow.

Director Wilcox asked Mr. Williams to comment on the earlier consultant's opinion that Squaw Creek would dry up seven out of ten years, regardless of the amount of water pumped. Mr. Williams said the answer is "yes" with respect to the trapezoidal channel.

Mr. Geary asked Mr. Williams to comment on the difference between sustainable yield and safe yield. Mr. Williams said the difference sustainable yield and safe yield is an issue of semantics, these terms are often used interchangeably.

Relevant to the WSA's demand schedule, Mr. Geary asked Mr. Williams if he anticipated a permanent decrease in aquifer levels, subsidence in the aquifer, impacts to surface water flows and/or negative impacts to water rights. Mr. Williams said he does not believe any of these would occur.

G. Status Reports.

G-1 Fire Department Operations/Capital Projects Report.

Chief Bansen provided a review of the report.

There were no questions or comments.

Public Comment – none.

G-2 Water & Sewer Operations Report.

Mr. McGraw provided a review of the report. He commended the Operations staff for their hard work repairing the S- turn leak and managing daily operations. Mr. Burks, Operations Specialist III was commended for his work coordinating and managing the Squaw Valley Mutual Water Company operations and maintenance work.

Mr. Geary corrected item #11 in the report, explaining that the design of the replacement of the District's Sewer Interceptor across the Olympic Estates property was complete but staff was not recommending construction at this time.

Public Comment – none

G-3 Administration Report.

Mr. Campbell provided a review of the report. He commended Cindy Herbert, Office Manager for her efforts with the annual utility billing and processing of account payments.

Public Comment – none

G-4 Manager's Comments.

Mr. Geary reported that on June 25, 2014, the District was requested by the Resort at Squaw Creek (RSC) to use the parking facilities at 305 Squaw Valley Road over the busy 4th of July weekend for the RSC's employee overflow parking. Mr. Geary had previously explained to representatives from the RSC that the Board of Directors would be required to approve such use in advance and that an agreement would be required that included certain provisions that protected the District's access to, and use of, its facilities and addressed indemnity, insurance, and other risks of liability. As there was no meeting of the Board scheduled between the date staff was contacted by the RSC and 4th of July weekend, Mr. Geary requested a draft agreement from the RSC for District counsel review. Mr. Archer reviewed and substantially modified the agreement and it was executed on July 3, 2014 by Mr. Geary. The agreement was approved in consideration of the \$18,000 contribution from the RSC to the District for the Bike Trail Snow Removal Program during the 2013-14 winter. Legal expenses associated with preparation and review of the agreement will be reimbursed by the RSC.

Mr. Geary said he was interviewed by the *Sierra Sun* to discuss the separate analyses associated with the *Village at the Squaw* project. The article is scheduled for publication in tomorrow's newspaper.

Mr. Geary said a Utilities Department staff member resigned in July.

Public Comment – none

G-5 Legal Report (verbal).

Mr. Archer made no comments.

Public Comment – none

G-6 Director's Comments.

There were no Directors comments.

H. Closed Session.

Directors Wilcox/Sheehan made a motion to conduct the meeting in closed session; vote was unanimous.

Cox-yes

Poulsen-yes

Gustafson-yes

Sheehan-yes

Wilcox-yes

The Board met in Closed Session pursuant to Government Code 54957 et al regarding the General Manager's annual performance evaluation.

Directors Wilcox/Sheehan made a motion to return the meeting to open session; vote was unanimous.

Cox-yes

Poulsen-yes

Gustafson-yes

Sheehan-yes

Wilcox-yes

Mr. Archer said no reportable decisions or actions were made during closed session.

I. Adjourn.

Directors Sheehan/Wilcox made a motion to adjourn at 12:30 P.M.; vote was unanimous.

Cox-yes

Poulsen-yes

Gustafson-yes

Sheehan-yes

Wilcox-yes

By, K. Obayashi-Bartsch