

**SQUAW VALLEY PUBLIC SERVICE DISTRICT
BOARD OF DIRECTORS MEETING MINUTES #817
August 30, 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; Danielle Grindle, Finance & Administration Manager; Dave Hunt, District Engineer; Brandon Burks, Operations Superintendent and Thomas Archer, District Counsel.

Others Present: Fred Ilfeld, Jean Lange, Katie Lazzari and Perri Runion.

President Cox asked Jean Lange to lead the Pledge of Allegiance.

B. Community Informational Items.

B-1 Friends of Squaw Creek – none

B-2 Friends of Squaw Valley – none

B-3 Squaw Valley Design Review Committee (SVDRC) – Mike Geary said there is no meeting this month.

B-4 Squaw Valley Municipal Advisory Council (SVMAC) –Mike Geary said there is no meeting this month.

B-5 Squaw Valley Mutual Water Company (SVMWC) – Brandon Burks said there are two seats for the Board of Directors up for election. They will conduct the election on September 4th and then conduct their business meeting. There have been problems with the SCADA system and District staff continues to work on these issues.

B-6 Squaw Valley Ski Holdings – no report

B-7 Squaw Valley Property Owners Association – none

B-8 Tahoe-Truckee Sanitation Agency – Dale Cox said the August meeting was cancelled.

C. Public Comment/Presentation.

Public Comment –

Jean Lange made a request of the Fire Chief to publish a community emergency evacuation plan and include how notification will occur in the event of an emergency.

D. Financial Consent Agenda Items.

Directors Poulsen and Hudson met with staff on August 29th from approximately 3:30 – 5:00 P.M. to review items D-1 through D-7 as well as other finance related items on this agenda.

Director Poulsen said the committee reviewed the first financial reports of the new fiscal year. The reports include more detail such as utility department information separated by water and sewer divisions.

The reports also show more revenue detail including a line item for fire strike teams. The Committee also discussed allocation of fixed asset replacement funds and anticipates a recommendation on this issue from HDR Engineering, which is preparing the rate study.

Director Hudson said the District collects all rate revenues early in the year and these amounts are on target with the budget.

Ms. Grindle provided an update on the audit process including preparation of the year-end financial statement and pension reporting in accordance with the Governmental Accounting Standards Board (GASB) 68 pronouncement.

Public Comment – none

A motion to approve the financial consent agenda was made by Directors Hudson/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 July 26, 2016.

Public Comment – none

A motion to approve the minutes for the Board of Directors regular meeting of July 26, 2016 was made by Directors Wilcox/Poulsen; vote was unanimous.

Cox-yes

Gustafson-yes

Hudson-yes

Poulsen-yes

Wilcox-yes

F. Old & New Business.

F-1 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 on August 11th, the Village at Squaw Valley Specific Plan was presented to the Placer County Planning Commission. The Commission voted to certify the Environmental Impact Report (EIR) and recommend to the Board of Supervisors that they approve the Village project

by adopting a Statement of Overriding Considerations. The project will go to the Placer County Board of Supervisors for approval.

Water

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

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.

Director Wilcox said Sierra Watch published information before and after the County's Planning Commission meeting that contained statements which he believes are false. The following are examples of this:

July 29th e-mail – “one of the reasons to oppose the development was because it is straining local water supplies”. Director Wilcox said there is no evidence to support the statement that the local water supply is being strained. Isaac Silverman of Sierra Watch attended the District's June 28th Board meeting at which the Water Capacity & Reliability Study was presented. This study shows that the District has more water than previously believed. There is no evidence to support this statement and he thinks it was irresponsible for Sierra Watch to circulate this statement.

August 9th paper – “the water model used is no good”. Director Wilcox said this is subject to debate. Sierra Watch's hydrologist made this statement, but his statement was shown to be in error because he did not understand how the model worked and what the inputs to the model were. The debate regarding this statement has been published.

August 10th e-mail – the local water agency is already looking to import water from Martis Valley due to limited supply. Director Wilcox said that statement is absolutely not true.

Director Gustafson said he submitted a complaint with the Department of Water Resources many years ago which was found to have merit. He said water supply should be managed to maintain minimum flow in the creek and believes the groundwater from the aquifer is over drafted.

Public Comment – none

Items F-5 and F-8 were taken out of order.

F-5 Professional Services Agreement – Developed Knowledge, LLC. – Village @ Squaw Valley Development Agreement.

Director Poulsen remained out of 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 item, accepted public comment, and approved the agreement with Developed Knowledge, LLC. for consulting services related to the Village at Squaw Valley Development Agreement and authorized the General Manager to execute the agreement.

Mr. Geary reviewed the item. Mark Wasley, principal of Developed Knowledge, has been providing consulting services to the District in support of a Development Agreement (DA) with Squaw Valley Real Estate (SVRE) for the proposed Village at Squaw Valley Specific Plan since December 2015. Mark has provided a valuable service to the District's staff and Board and has reached the budget limit for his original proposal.

Mr. Wasley submitted a revised proposal to continue work negotiating a DA for the Board's consideration and approval. Staff's execution of the PSA with Developed Knowledge is contingent on SVRE's commitment to reimburse the District for the cost of the work.

Public Comment – none

Directors Wilcox/Hudson made a motion to approve the on-call professional services agreement and authorize the General Manager to execute the agreement; motion carried with a vote of 3 yes, 1 no and 1 absent.

Cox-yes

Gustafson-no

Hudson-yes

Poulsen-absent

Wilcox-yes

F-8 Commercial Lease – 1810 Squaw Valley Road – Administration Building.

Director Poulsen remained out of 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 item, accepted public comment, approved the proposed lease of 1810 Squaw Valley Road (old Administration Building) and authorized the General Manager to negotiate and execute the lease.

Chief Bansen reviewed the item. Squaw Valley Ski Holdings (SVSH) expressed interest in leasing the former District Administration Office and the final terms and provisions of the lease agreement will be negotiated with their representatives. SVSH indicated their interest in moving in as soon as possible and are working with the District to accomplish this.

He said SVSH would like to reconfigure the facility into office space and to offset the rent accordingly. There were no concessions made for the previous tenants for tenant improvements and this request will be subject to negotiation.

The primary lease terms are as follows:

- Term = 5 years
- Rent = \$4,100/month for years #1 and #2
- Rent = \$4,349/month for years #3 through #5

- Utilities: propane, power, sewer, water, trash removal = \$500/month Utilities: to be adjusted to reflect the actual cost, plus a 10% administrative surcharge at the end of the initial 12 month term.
- Snow Removal = \$100/month
- 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 = \$ 8,200

Directors Hudson/Wilcox expressed support for the General Manager to negotiate the final terms of the agreement in the best interests of the District.

Public Comment – none

Directors Wilcox/Hudson made a motion to approve the lease with Squaw Valley Ski Holdings and authorize the General Manager to negotiate the final terms of the agreement and to execute the agreement; motion carried with a vote of 4 yes and 1 absent.

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

F-2 District Facility Lease Addendum #2 – 1810 Squaw Valley Road – Inn Shop at Squaw Valley.

Director Poulsen returned to the meeting room.

The Board reviewed the item, accepted public comment, approved lease addendum #2 and authorized the General Manager to execute the addendum with the Inn Shop at Squaw Valley.

Ms. Obayashi-Bartsch reviewed the item. Since October 2014, the Inn Shop at Squaw Valley has leased one garage bay, consisting of approximately 357 square feet at the rear of the former District Administration Office. The current lease expires on May 31, 2017 and Frank Sahlman, Managing Member of the Inn Shop requests a lease renewal of one year.

Public Comment – none

Directors Hudson/Wilcox made a motion to approve lease addendum #2 and authorize the General Manager to execute the addendum with the Inn Shop at Squaw Valley; vote was unanimous.

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

F-3 November and December Board Meeting Schedule.

The Board reviewed the item, accepted public comment and determined the November and December 2016 Board meeting schedule.

Ms. Obayashi-Bartsch reviewed the item. The Board of Directors regular meetings are scheduled for the last Tuesday of each month. Due to the holidays during November and December, staff requires direction from the Board to reschedule regular meetings.

Public Comment – none

The Board directed staff to schedule meetings on Tuesday, November 29th and Tuesday, December 20th.

F-4 U.S. Forest Service Cooperative Agreement and Annual Operating Plan.

The Board reviewed the item, accepted public comment and adopted Resolution 2016-19, approving the agreement and annual operating plan and authorized the Fire Chief to execute the necessary contractual documents.

Chief Bansen reviewed the item. This item is a request for approval of Resolution 2016-19, authorizing the Fire Chief to sign the Cooperative Fire Protection agreement with the U.S. Forest Service, which will be valid for five years and the Annual Operating Plans each year during the five year term of the Cooperative Agreement.

The Board expressed support for the agreement.

Public Comment –

Jean Lange referred to the fire on the ridge above the Truckee River and asked how it was reported. Chief Bansen said the fire was sighted by the public and believes the fire was started by natural causes.

Directors Wilcox/Poulsen made a motion to adopt Resolution 2016-19, approve the Cooperative Fire Protection agreement and Annual Operating Plan and authorize the Fire Chief to execute the necessary contractual documents; vote was unanimous.

Cox-yes

Gustafson-yes

Hudson-yes

Poulsen-yes

Wilcox-yes

F-6 Professional Services Agreement – Sierra Controls Systems – 2016 /2017 SCADA Improvements.

The Board reviewed the item, accepted public comment, approved the agreement with Sierra Controls Systems for 2016/2017 SCADA improvements and authorized the General Manager to execute the agreement.

Mr. Hunt reviewed the item. The District operates and maintains a Supervisory Control and Data Acquisition System (SCADA) to control the operation of the water supply and distribution systems and monitor several sewer meters. The District prepared a SCADA Master Plan in 2014 with implementation in phases to distribute resources and accomplish the project over several years.

Phase I of the project was completed in 2015 and Phase II was recently completed by Sierra Controls, LLC. This phase of the SCADA improvements includes further enhancements to the District's SCADA system to ensure operational reliability.

Staff budgeted \$24,000 for implementation of the SCADA improvements for FY 2017 from the Fixed Asset Replacement Fund (FARF). The proposal amount of \$22,085 will reduce the FARF by an equal amount.

Director Poulsen said the Water & Sewer Committee discussed this item and supports the contract and project.

Director Wilcox said the cost of the work is worth it, especially when considering the potentially greater cost of responding to emergencies and making repairs.

Public Comment – none

Directors Wilcox/Hudson made a motion to approve the agreement and authorize the General Manager to execute the agreement; vote was unanimous.

Cox-yes

Gustafson-yes

Hudson-yes

Poulsen-yes

Wilcox-yes

F-7 Capital Budget Amendment – Squaw Valley North Condominiums Water Line Replacement.

The Board reviewed the item, accepted public comment, approved the District's participation in the replacement and dedication of water line and appurtenances, approved an amendment to the 2016-17 Water Capital Budget and authorized the General Manager to execute a Development Agreement with the Squaw Valley North Homeowners' Association.

Mr. Hunt reviewed the item. The Squaw Valley North condominiums are served by a private water line constructed in 1967 and galvanized water service lateral lines. The District owns and maintains the meters serving these units. There are a number of meters and meter boxes located under carports, as well as within some of the condominium units, leaving the meters in a non-accessible area. This does not comply with District Water Code which requires that meters are installed on the curb line or property line most accessible for the District. Both the water main and the water service laterals are in a failing state.

District staff has been working with the Squaw Valley North Condominium Owners' Association to address this situation for some time. Recognizing the need to replace the aging infrastructure, the Association contracted with Auerbach Engineering Corporation to design the improvements needed to meet the District's codes. The dedication of the water system improvements and a public utility easement to the District was also discussed. This will place these water system facilities into the ownership and responsibility of the District.

Staff reviewed and approved the design plans from Auerbach Engineering and recommends funding a portion of the project. The costs associated with the new connection on Squaw Valley Road and the additional fire hydrant is approximately \$14,500. The Association also requested that the District cover the cost of the public utility easement's legal description and exhibits in the amount of \$1,400. The District's total capital contribution to the project will be \$15,900 and due to additional legal expenses, the proposed budget amendment in the report is estimated at \$17,000.

In an effort to reduce project costs to the Association, staff offered to provide labor in the form of inspection during construction and installation of the water meters in the new meter boxes. Construction inspection provided by staff is essential to ensure that the project is constructed in accordance with the approved plans and the District's code.

Construction of the improvements will begin in September 2016, with completion expected in early October. Upon satisfactory completion of the improvements, the Association will convey the improvements and the new public utility easement to the District through an Offer of Dedication.

Ms. Grindle said the budget amendment should also include the District's labor cost of approximately \$8,500 to perform the inspections. The total proposed budget amendment with this cost is \$25,500 and will be taken from the capital budget.

Director Poulsen said the Water & Sewer Committee discussed this item and supports the project. He commented on the easement dedication and associated research which should identify any easement issues. He said the project area is in very rocky ground and the District will not have any responsibility for rock removal. The committee also discussed this being the site of a possible water line intertie as the line is in close proximity to the Mutual Water Company's line.

Public Comment – none

Directors Gustafson/Poulsen made a motion to approve the District's participation in the replacement and dedication of the Squaw Valley North Condominiums' water line and appurtenances, approve an amendment to the 2016-17 Water Capital Budget of \$25,500 and authorize the General Manager to execute a Development Agreement with the Squaw Valley North Homeowners' Association; vote was unanimous.

Cox-yes

Gustafson-yes

Hudson-yes

Poulsen-yes
Wilcox-yes

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. Burks reviewed the report. He said a revised water quality report is posted on the District's website and the District may send a postcard mailer to all customers about this new report once the Department of Water Resources provides direction.

Public Comment –

Fred Ilfeld asked for clarification on the recorded aquifer level. Mr. Burks said the July 2016 reading shows the aquifer at 6,186.5' which is higher than the July 2015 reading at 6,185.6'. Jean Lange asked about the time period for the highest reported aquifer level. Mr. Burks said the highest reported aquifer level is a historical level.

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. The North Lake Tahoe Resort Association Joint Capital Infrastructure/Transportation Committee met on August 29th and agreed to fund the District's Bike Trail Snow Removal Project for the upcoming winter.

Public Comment –

Fred Ilfed asked who SVRE's contact person for the Village Project is. Mr. Geary said the District is working with Chevis Hosea and Bryan Elliot.

G-6 Legal Report (verbal).

none

G-7 Director's Comments.

Director Wilcox said the new Pickleball courts in Squaw Valley Park will be opened and dedicated on September 1st.

Director Poulsen referred to the SCADA staff report and in the report it was mentioned that Fire Department staff may respond in an emergency. Several of the operations staff are commuting from the Reno area and this response time may impact District operations. He suggested that the issue of commuting and the impact on District operations be a future Board meeting item.

Mr. Burks and Mr. Geary said that is an issue that is being discussed at the District and throughout the Tahoe/Truckee area as housing becomes less affordable.

Jean Lange asked about the prices for the Palisades project homes. Mr. Geary said the project is a mix of duplexes and single family homes but does not know what the prices will be.

H. Adjourn.

Directors Wilcox/Poulsen made a motion to adjourn at 11:00 a.m.; vote was unanimous.

Cox-yes

Gustafson-yes

Hudson-yes

Poulsen-yes

Wilcox-yes

By, K. Obayashi-Bartsch