

**SQUAW VALLEY PUBLIC SERVICE DISTRICT
BOARD OF DIRECTORS SPECIAL MEETING MINUTES #795
November 21, 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; Jesse McGraw, Operations Manager; Tom Campbell, Finance and Administration Manager; and Thomas Archer, District Counsel.

Others Present: Dave and Sally Brew, Patricia Heck, Ed Heneveld, Chevis Hosea, Dave Hunt, Katie Lazzari, Gate DeMattei, Charley Miller, Andrea Parisi, Lance Poulsen, Perri Runyon, Peter Schweitzer, Isaac Silverman and Derrik Williams.

President Cox asked Katie Lazzari to lead the Pledge of Allegiance

B. Community Informational Items.

B-1 Friends of Squaw Creek – no report

B-2 Friends of Squaw Valley – Ed Heneveld said the next meeting is on December 28th at 4:30 P.M. in the District's community room.

B-3 Squaw Valley Municipal Advisory Committee (SVMAC) – Brian Sheehan said the next meeting is on December 4th at 6 P.M. in the District's community room and an action item on the agenda is the proposed rezoning of the Stables property. Ed Heneveld said the Design Review Committee will also meet at 3:30 P.M. on the same day and location.

B-4 Squaw Valley Mutual Water Company (SVMWC) – Mike Geary provided an update on the SCADA system replacement and technology improvements.

B-5 Squaw Valley Ski Holdings – Mike Geary thanked Squaw Valley Ski Holdings for their donation to the Bike Trail Snow Removal program. Ed Heneveld thanked Squaw Valley Ski Holdings for the tree removal project which involved selective thinning.

B-6 Squaw Valley Property Owners Association – Sally Brew provided an update on the group's activities including the latest newsletter. On December 13th there will be a "Fireside Tales of the Valley" event for members. Mr. Geary thanked the group for their donation to the Bike Trail Snow Removal program.

B-7 Tahoe-Truckee Sanitation Agency – Dale Cox provided an update on the following items: completion of the Truckee River Interceptor Rehabilitation Project, digester update and the status of the General Manager recruitment.

B-8 Incorporate Olympic Valley – Brian Sheehan said the Placer County Local Area Formation Committee (LAFCO) awarded a contract for the comprehensive fiscal analysis and is also beginning work on the Environmental Impact Report (EIR). Mike Geary said LAFCO distributed a notice of preparation for the EIR, to which the District will submit a response, and held a public scoping meeting on November 18th.

C. Public Comment/Presentation.

Sally Brew commented on graffiti on the west water tank. Mr. McGraw said his crew has

inspected the tank, repainting the tank will cost approximately \$4,000 and the Sheriff's department placed cameras in the area. After September 11, 2001, national security of public water systems became much more of an issue and as a result all of the District's water tanks have an alarm which is activated if someone opens the tank lid.

Dave Brew commented on the *Village at Squaw Valley Project*. Mr. Archer asked him to provide his comments during the public comment period for item F-1: *Village at Squaw Valley Project*.

Ed Heneveld commented on the Technical Review Committee which monitors the application of chemicals on the golf course. He believes Placer County wishes to end their role with the committee which he believes is inappropriate.

D. Financial Consent Agenda Items.

Directors Poulsen and Sheehan met with staff on Thursday, November 20th from approximately 3-5 P.M. to review items D-1 through D-16 as well as other finance related items on this agenda.

Director Poulsen said Mr. Campbell provided a revised set of finance exhibits for D-2, D-3, and D-5 including Balance Sheets. Once the report formatting is finalized, the new reports will replace old reports D-2, D-3 and D-5. Water consumption in the District is down which helps with the drought situation but has an adverse impact on revenue. The District appears to be receiving more tax revenue and overall the District is on track with the budget.

Director Sheehan said all items appear to be in order. The financial statements for the current fiscal year shows 33% of the year have elapsed and expenditures are running with 61% left of the budgeted amount in Operations and 64% left of the budgeted amount in Fire. The monthly accrual for estimated depreciation of assets was unbudgeted and is driving this figure below the anticipated linear 67%.

Director Gustafson asked for more information on the status and funding of the Squaw Valley Mutual Water Company Intertie (item D-8). Mr. Geary said construction-ready plans and specifications for the intertie are complete and the design work cost \$19,750. The design was performed by Shaw Engineering, Reno, NV and was funded by the District, Squaw Valley Mutual Water Company and a Placer County Water Agency grant. Construction of the inter-tie is estimated to cost \$188,000 and there is currently no identified source of funding for this phase of the project.

Public Comment – none

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

Cox-yes

Poulsen-yes

Gustafson-yes

Sheehan-yes

Wilcox-yes

E. Approve Minutes.

E-1 Minutes for the Board of Directors meeting of October 28, 2014.

Director Poulsen requested an addition on page 2 under Ed Heneveld's public comment on the Redundant Water Supply - Preferred Alternative Evaluation to include his comments about the District's Strategic Plan which identified a redundant water supply as a primary item.

A motion to approve the minutes for October 28, 2014 with the requested addition was made by Directors Sheehan/Wilcox; 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 progress on 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 the District of potential project impacts and, in some cases, long-term planning needs. Staff has been coordinating and directing each of the consultants to provide background project data and assumptions necessary to accomplish their evaluations. The Space Needs Assessment (Utilities Operations) and the Hydraulic Modeling of Water Distribution System is scheduled for completion and presentation to the Board in December, 2014.

Mr. Geary and Chief Bansen commented on the *Village @ Squaw Valley* Revised Specific Plan Appendix B, specifically Lot 27. The Revised Specific Plan was prepared by Squaw Valley Real Estate and is not the District's document. There has been discussion for a west valley presence with the developer for fire/EMS services and a corporation yard in several locations. The use of Lot 27 was discussed some time ago in preliminary discussions with the developer but there was no agreement or continued substantive discussion about the property.

Chevis Hosea commented on the overlay designation that appears in the Specific Plan which is V-FR (Village – Forest Recreation) that allows for utility and service district facilities. Any uses must be compatible with surrounding uses.

Public Comment

Ed Heneveld commented on the area including the Stables property and Lot 27. He said this area was identified in the *Squaw Valley General Plan* as a conservation zone and should not be further developed.

F-2 Hydraulic Modelling of the District's Sewer System to Assess Impacts from the Proposed Village at Squaw Valley Project.

The Board reviewed the item and accepted public comment.

Mr. Hunt of Farr West Engineering provided a review of the technical memorandum in a presentation (attachment A). The technical analysis hydraulically models three separate wastewater flow scenarios in the sewer collection system:

1. Existing conditions
2. Existing conditions + Village at Squaw Valley Specific Plan (VSVSP)
3. Existing conditions + VSVSP + General Plan build-out

The model shows that the average dry-weather flow (ADWF) for the existing system is 0.632 MGD, which peaks at 0.828 MGD. The peak wet-weather flow is estimated to be 2.007 MGD.

The second scenario (Existing conditions + VSVSP) reveals the following increase in flows:

- ADWF – 1.059 MGD
- ADWF (peak hour) – 1.387 MGD
- PWWF – 3.248 MGD

The third scenario (Existing conditions + VSVSP + General Plan build-out) estimates these flows:

- ADWF – 1.392 MGD
- ADWF (peak hour) – 1.824 MGD
- PWWF – 4.305MGD

All of the pipes in the model are shown as over-capacity when additional wastewater flows are applied are along the main interceptor, along, or north of, Squaw Valley Road. In the first scenario, it shows one section of sewer main that does not meet the capacity criteria; due to a deficiency in its installation, not because the pipe is too small. In the second scenario, it shows eleven pipes that do not meet the capacity criteria. In the third, it reveals twenty-three pipes that need to be upsized.

The information in the technical memorandum will inform negotiations for a Development Agreement between the District and Squaw Valley Real Estate (SVRE) as well as the proposed project's Environmental Impact Report (EIR). Due to new information about the operations of the proposed Mountain Adventure Center (MAC, or water park), an addendum to the scope of work and contract was approved and this model includes the estimated wastewater generated from the MAC.

Public Comment – none

F-3 Olympic Estates Offer of Dedication of Water and Sewer Systems.

Director Poulsen remained out of the room due to filial conflict of interest.

Lance Poulsen provided an update on the project. He anticipates having a subdivision map approved by Placer county in January, 2015. Mr. Archer said the District may consider the offer

of dedication once a final map is approved by Placer County. Mr. Geary said the water and sewer systems installed have been inspected and meet all requirements.

Public Comment – none

Break 9:50-10 AM

F-4 Olympic Valley Creek Aquifer Interaction Study – Final Report.

Mr. Archer said this topic is a community issue, sufficiently general in nature and is not project driven in spite of SVRE's contribution to the report, so he believes Director Poulsen has no conflict of interest. Director Poulsen returned to the meeting room.

The Board reviewed the item and accepted public comment.

Mr. Geary provided a review of the item. The Squaw Creek / Aquifer Interaction Study was commissioned to gain a better understanding of the impacts of domestic water well pumping on shallow groundwater adjacent to Squaw Creek, so current pumping can be managed and well field improvements planned with the best available information to minimize impacts on Squaw Creek. The project's specific goals are to:

- Improve and quantify our understanding of interactions between Squaw Creek and the valley's aquifer;
- Diminish groundwater pumping impacts on Squaw Creek and the Truckee River; and to
- Increase groundwater storage in Olympic Valley.

The completion of the study satisfies several of the District goals and objectives:

- The study is specifically identified as an element to satisfy several Basin Management Goals and Objectives (BMO's) recognized in the District's Olympic Valley Groundwater Management Plan (May, 2007).
- Task 1.2.0 of the work plan that the District Board approved to implement its Five-Year Strategic Plan in May, 2012.

The District's completion of the study also satisfies a requirement from the California State Water Resources Control Board in its Resolution 2007-0008 to the Lahontan Regional Water Quality Control Board, which directed the Lahontan Board to support the efforts of entities pumping groundwater as well as other stakeholders in Squaw Valley to conduct a study of potential interaction between groundwater pumping and flows in Squaw Creek.

The District's work on the study began in 2007 and was prepared in two phases, both completed by HydroMetrics Water Resources, Inc. Phase I was completed in March, 2011 with grant funds of approximately \$223,520, provided by the California Department of Water Resources (DWR). Phase II of the study was completed earlier this month with funds provided by Squaw Valley Real Estate (SVRE) for approximately \$187,729. Staff and HydroMetrics presented the results of the DRAFT version of the Creek / Aquifer Interaction Study in November 2013.

Mr. Williams of HydroMetrics Water Resources provided a review of the study in a presentation

(attachment B). Improvements to the DRAFT version to create this FINAL version are summarized as follows:

1. The inclusion of an Executive Summary
2. Section 1: Background
3. Section 3.2.2: Streamflow Depletion from Pumping
4. Section 4.1.1: Winter through Early Summer Creek/Aquifer Interactions
5. Section 4.1.3: Late Summer through Fall Creek / Aquifer Interactions
6. Section 5: Recommendations

Previous Recommendations include:

- Any additional pumping should focus in western Olympic Valley, and should be designed to allow flexibility in pumping location.
- Pumping in east Olympic Valley likely leads to greater long-term environmental impacts. Pumping should be restricted, and preferably reduced in eastern Olympic Valley.

New Recommendations and Conclusions include:

Climate Change Related

- If snowfall is reduced, Squaw Creek will dry out earlier, recharge will be reduced, and municipal supplies may be inadequate.
- Pumping will have approximately the same impact as currently.
- If summer and fall rainstorms increase, this will recharge the aquifer during important times.

Other

- Annual dry conditions in the trapezoidal channel in western Olympic Valley is not caused by municipal pumping, although its onset may be hastened by pumping.
- The District should develop a formal pumping management strategy to provide municipal water needs and to minimize impact on Squaw Creek.

Director Sheehan said the study confirms what has already been discussed, that the creek dries up regardless of pumping. It appears that pumping may cause the creek to dry up three to seven days earlier.

Director Wilcox said the reason for conducting the study was because some people believed that pumping was causing the creek to dry up and was causing severe environmental harm. According to the study, it appears that this is not the case as pumping may cause the creek to dry up three to seven days earlier and is not causing severe environmental harm. The cost for this study is a total of \$411,249 which includes funding from the District at \$11,353, grant funding from California Department of Water Resources at \$220,629 and Squaw Valley Real Estate (SVRE) at \$179,267. SVRE provided this funding as the grant for this portion did not become available as anticipated. He thanked Mr. Williams for the study and the report which provides additional data for the aquifer model so it can be used with greater reliability.

Director Poulsen asked whether the study showed that the Olympic channel diverts water from the KT-22 and the Red Dog area and if it is the reason why the creek is “losing” water year-round in the Papoose Bridge area, as noted in the report. The report also mentions fractures

and faulting which does not have much to do with inflow but does with outflow. Perhaps the water that is “lost” is due to a waterfall which then resurfaces in a less volcanically confined area such as the meadow or old stream bed. Mr. Williams said there may also be an old stream channel that leaves the trapezoidal channel with a lot of gravel to move the water away quickly.

Director Poulsen said he also found it interesting that the report indicates that the north fork of Squaw Creek, near the mouth of Shirley Canyon, is an area that also “loses” water. Mr. Williams said the area does not “lose” water year round but in general, the water percolates quickly once it gets into the basin and tends to dry the upper part of the trapezoidal channel.

Director Poulsen said the report gives the District a foundation for the management of its pumping operations. Pumping test data shows that the first two hours of pumping has very minor impact. He asked if the pumping plan will be able to accommodate pumping in two hour intervals to minimize impacts. Mr. McGraw said the pumping plan will minimize pumping from wells which are closer to the creek, such as Well 5 and Well 5R, and relocate it to wells farthest from the creek, such as Well 1R. With the variable frequency drives on the wells, this will allow staff to better manage pumping.

Director Poulsen mentioned some typographical and reference errors which Mr. Williams said would be addressed in an errata sheet or replacement insert sheets.

Director Poulsen asked for an explanation for cooler and warmer ponds along the creek. Mr. Williams said while ground water replenishment occurs on a fairly uniform basis, the cooler ponds are being more actively recharged or may be the deeper pools.

Director Poulsen commented on an exhibit schematically showing water entering on the north side of Squaw Creek and flowing southward underground, below Squaw Creek. He questioned if the southerly flow of groundwater beyond the alignment of the creek was caused by a lack of groundwater flow from recharge from the KT-22 / Red Dog area, asking whether subsurface flows from this area are being intercepted and diverted by the Olympic Channel. Mr. Williams said this is a cross section illustration of the trapezoidal channel. The study did not gather enough information on runoff from the Red Dog/KT-22 area or determine whether recharge can be improved from these areas.

Director Gustafson said he complained to the state about the creek drying up and dying fish. He wanted a simple plan to maintain a minimal flow in the creek to protect habitat. He suggested further investigation into the area between Red Dog and KT-22 as mentioned by Director Poulsen.

President Cox commented on the impact of the District’s pumping on the creek. The impact is minimal as supported by the study. He suggested that retention may have a positive impact on creek flow. Director Poulsen said a suitable retention method would be needed due to the soil’s glacial characteristics in portions of the valley.

Public Comment

Dave Brew asked if a stream gauge in the Olympic Channel or Trapezoidal Channel or other

tools would be helpful to understand the interaction better. Mr. Williams said if the concern is maintaining the meadow area, a better understanding of where water is entering the meadow area would be helpful.

Lance Poulsen said that before the 1960 Olympics, the creek always dried up at some time of the year and additional funds should not be spent on this effort.

Peter Schweitzer asked about plans for mapping the recharge areas. Mr. Williams said there is no specific plan to address this at this time.

Ed Heneveld commented on SVRE's contribution to the project which was to be grant funded, it was not that the developer got stuck with the cost but needed the work to proceed so they offered the funds upfront. Recharge from the north side still needs to be investigated and it appears that pumping from Well 5R has the greatest impact on flow in the Trapezoidal Channel. Mr. Williams said this is an interesting point but does believe it is significant enough to change any recommendations. Ed Heneveld also commented on retention and the possibility of using a rubber dam on the trapezoidal channel.

Director Poulsen said he suspects that there may be a fault near the Papoose Bridge area which causes the creek to "lose" water and that the water may resurface in the shallower Meadow area. It could be that the change from a glacial area upstream and a volcanic area downstream has an impact.

F-5 Redundant Water Supply – Preferred Alternative Evaluation (RWS – PAE) – Phase I: Water Supply Feasibility Summary and Gap Analysis.

The Board reviewed the item, accepted public comment and provided direction to staff.

Mr. Geary provided a review of the item. The development of a reliable water supply has been identified as the District's number one goal in many of its long-term Strategic Plans, including the current plan. Based on conclusions of the District's 2009 Alternative / Supplemental Water Supply and Enhanced Utilities Feasibility Study (2009 Study), the Board approved a proposal from Farr West Engineering for a single-phase evaluation to identify a redundant water supply preferred project alternative from Martis Valley in September, 2013.

The District's Water & Sewer Committee and the Board of Directors directed staff to re-evaluate the conclusions of the 2009 Study and perform additional fatal-flaw analyses of local sources of water supply. In response, two conditional phases of analysis were added and the current three-phase project was approved at the Board's October, 2013 meeting for \$225,000.

The Redundant Water Supply / Preferred Alternative Evaluation (RWS – PAE) is composed of three phases and is scheduled for completion in December, 2015. The phases are:

1. Phase I: Water Supply Feasibility Summary and Gap Analysis
2. Phase II: Evaluation of Water Supply Source(s) from Phase I Gap Analyses
3. Phase III: Preferred Alternative Evaluation

Mr. Hunt of Farr West Engineering provided a review of the report in a presentation

(attachment C). The DRAFT version of this Technical Memorandum was presented on February 25, 2014, and this FINAL version includes responses to comments from the public and the Board at the February, 2014 meeting. Changes made to the DRAFT version to create the FINAL version are inclusion of new information from the following sources:

1. Water Supply Assessment (WSA) for the Village at Squaw Valley Specific Plan,
2. Executive Summary from the recently published FINAL version of the Olympic Valley Creek / Aquifer Interaction Study, and
3. Additional information from the Silver Creek Ridge Well on the North Flank.

The ultimate goal of this three-phase evaluation is to identify a water supply source that is available if the primary supply source is compromised and unusable. The redundant water supply sought is an emergency, back-up water supply for the public health and safety of the District's customers.

If the preferred alternative water supply source identified has capacity greater than our Redundant Water Supply Needs, then we intend to use the source to meet our Supplemental Water Supply Needs as well.

The approach to evaluate water supply sources is to prioritize alternatives by considering feasibility, location, environmental impact, and cost. It summarizes all known current and past studies prepared by the District and others evaluating alternative and additional water supplies in and near Olympic Valley and reports the purpose, findings, and conclusions of each.

The six areas in the Squaw Creek watershed evaluated in Phase I include:

1. West Aquifer
2. East Aquifer
3. North Fork Squaw Creek
4. South Fork Squaw Creek
5. North Flank
6. South Flank

The Phase I evaluation concludes that potential water supply in the West Aquifer and East Aquifer, in excess of the supply already anticipated to be developed, do not satisfy the project's goals and will not be further evaluated as feasible water supply source alternatives in either Phases II or III. Further investigations in the West Aquifer and East Aquifer will not be pursued because, by definition, they do not provide supply source redundancy. It is expected that new wells in the aquifer will be impacted in the same manner as our existing wells by long term drought or contamination and won't provide the redundancy required. The potential sources would likely be temporary and not provide a long-term solution. Moreover, for the East Aquifer, the Olympic Valley Creek / Aquifer Interaction Study advises that additional pumping from the East Aquifer will have a greater environmental impact on Squaw Creek and should not be considered for a long term water supply source.

The Phase I Technical Memorandum concludes that the areas (gaps) identified for further evaluation in Phase II are:

1. North Fork of Squaw Creek (Shirley Canyon)

2. South Fork of Squaw Creek (ski area)
3. North Flank of the valley (horizontal wells)
4. South Flank of the valley (horizontal wells)
5. Squaw Creek surface water retention (dam Squaw Creek, surface water storage)
6. Wastewater recycling / reuse
7. Alpine Springs County Water District

This item is informational but the conclusions of the Phase I Technical Memorandum provide direction to staff on how to proceed with identification of a source for redundant water supply. Although no formal action is required of the Board, staff requests support and direction to proceed with the evaluation and identification of a redundant water supply based on the conclusions and findings of the memorandum.

Director Gustafson asked if Squaw Valley Ski Holdings was contacted for more information about springs on their property. Mr. Geary said from initial discussion with their representatives, sufficient supplies are unavailable.

Director Wilcox said he would like to ensure drainage areas closer to the valley are investigated.

Public Comment

Lance Poulsen commented on the Cinder Cone area and the feasibility of developing a water supply source from this area. The Cinder Cone springs were contaminated in the past but sufficient time may have passed that the water is no longer a health concern. Mr. Geary said apart from water quality issues, that the hydrogeologist who prepared the District's 2004 *Tahoe Truckee Forest Tract Groundwater Evaluation*, concluded that development of the springs was not feasible as a reliable and long-term source for several reasons (e.g., site access, land ownership, low anticipated yield, water rights issues).

Dave Brew commented on the numerous springs in the Olympic Valley and treatment of low quality water.

Director Poulsen commented on data gaps to consider for further investigation. He suggested drainages on privately owned and forest service areas such as Alpine Creek, Deep Creek, Pole Creek, Silver Creek, water treatment of low quality water sources with good production, and the Cinder Cone area. He said Alpine Meadows also needs redundancy. Having a redundant water source is a good plan, we are trying to create a good plan for the future and that is why it is in the District's Strategic Plan as a priority item.

Directors Wilcox/Poulsen made the motion: "The Board of Directors accepts and affirms the findings and conclusions of the Technical Memorandum, for Phase I of the Redundant Water Supply / Preferred Alternative Evaluation: Water Supply Feasibility Summary and Gap Analysis and hereby directs staff to proceed with evaluations of water supply sources only in areas recommended in the Phase I Technical Memorandum and selected drainages close by and north of Squaw Valley."; vote was unanimous.

Cox-yes

Poulsen-yes

Gustafson-yes
Sheehan-yes
Wilcox-yes

F-6 VueWorks Implementation Contract with Farr West Engineering.

The Board reviewed the item, accepted public comment and authorized staff to execute a contract with Farr West Engineering.

Mr. Geary provided a review of the item. Farr West Engineering provides implementation services for VUEWorks software in support of asset and work management. The agreement is for on-call implementation services and the project's budget is intended to allow staff to assign work to Farr West on an as-needed or on-call basis. The scope of the agreement intends to:

- Continue progress with our Asset Management activities to develop water and sewer capital replacement plans;
- Improve the accuracy of the District's GIS data for our water and sewer systems;
- Build our customer and parcel database; and
- Implement various business management processes into VUEWorks to improve efficiency in their executions.

Public Comment –none

Directors Sheehan/Wilcox made a motion to accept the proposal from Farr West Engineering, to provide asset and work management system implementation services on an on-call basis and authorized staff to enter into an agreement with Farr West Engineering to perform the work for a price not to exceed \$30,000; vote was unanimous.

Cox-yes
Poulsen-yes
Gustafson-yes
Sheehan-yes
Wilcox-yes

F-7 Grant Contract with North Lake Tahoe Resort Association (NLTRA) for Bike Trail Snow Removal.

The Board reviewed the item, accepted public comment, approved the contract and authorized staff to execute the agreement with North Lake Tahoe Resort Association (NLTRA).

Mr. Geary provided a review of the item. The District is providing snow removal services on 2.3 miles of bike trail using its own staff and equipment for the 2014/15 winter. Snow removal is performed as needed between November 15th and April 30th on 2.3 miles of trail. Maintenance services also include trail inspection and maintenance, sanding for traction control, sweeping, installation, replacement and removal of snow poles and signage, litter pick-up, equipment maintenance, and seasonal fence repair and trail resurfacing. The program complies with provisions of a Placer County Encroachment Permit.

Last winter, the District implemented the following changes to the program to improve the level of service and reduce the costs:

1. We performed the work with District staff and leased equipment;
2. We increased the length of maintained trail by one mile (77% increase), with no additional funding;
3. We constructed three paved pedestrian paths to access the trail at Victor Dr., Russell Rd. and Wayne Rd;
4. We financed the purchase of a Trackless MT6 snow blower for the program's sole use to reduce annual equipment expenses by \$336,000 over the next 15 years, or \$22,400 per year as compared to leasing the equipment.

The NLTRA granted up to \$70,000 to the District for bike trail snow removal for the 2014/15 winter. The contract is between the District and the NLTRA and provides the terms of the agreement and describes how the grant funds will be administered.

Public Comment – none

Director Poulsen asked if any changes were made to the contract from last year. Mr. Geary said the agreement better reflects the use of the District's resources to provide the service.

Director Poulsen said Placer County Parks and Recreation is responsible to provide parks and recreation services with property tax revenue. The county maintains parks and recreation facilities during the winter in other areas of the county but does not provide the same level of service in this area. Placer County should be approached for the future support of winter trail snow removal and maintenance as this is the only winter parks and recreation service that is occurring in this area.

Directors Sheehan/ Wilcox made a motion to authorize staff to execute the Memorandum of Agreement between the North Lake Tahoe Resort Association and the Squaw Valley Public Service District for the Bike Trail Snow Removal Program; vote was unanimous.

Cox-yes

Poulsen-yes

Gustafson-yes

Sheehan-yes

Wilcox-yes

F-8 Contract Change Order #1 with Aspen Developers for Aspens Sewer Rehabilitation Project.

The Board reviewed the item, accepted public comment, approved the contract change order and authorized the Board President to execute the agreement.

Mr. McGraw provided a review of the item. The District entered into a contract with Aspen Developers Corp. to replace approximately 300 feet of sewer line and three manholes at the Aspens Condominiums. Work on the project is complete at this time except for the installation of manhole E-30 which is being re-designed. The contractor excavated the pipeline and installed a bypass pipeline in lieu of the manhole so that work could be suspended through winter at a cost equal to installing the manhole; the District has retained the unused manhole materials.

The contractor submitted a progress billing which includes an increase in cost for paving and rock removal. The contract for the Aspens Sewer Realignment Project contains a rock removal clause. The contractor encountered one immovable boulder that required drilling and breaking off of two cubic yards of rock to accommodate the pipeline at a cost of \$3,000. Due to large boulders, trench sloughing and the condition of the pavement, an additional 225 square-feet of pavement was removed at a cost of \$1,350. The total change in the contract price is \$4,350.

Staff is of the opinion that the work to install the manhole verses the work to install the bypass arrangement is equal in value and that the contractor should be compensated in full for the effort. The additional costs associated with the paving and rock removal are incidental to accomplish the work.

Public Comment – none

Directors Sheehan/Wilcox made a motion to approve the contract change order and authorized Board President to execute the agreement; vote was unanimous.

Cox-yes

Poulsen-yes

Gustafson-yes

Sheehan-yes

Wilcox-yes

G. Status Reports.

G-1 Fire Department Operations/Capital Projects Report.

Chief Bansen provided a review of the report.

Public Comment – none

G-2 Water & Sewer Operations Report.

Mr. McGraw provided a review of the report.

Public Comment – none

G-3 Administration Report.

Mr. Campbell provided a review of the report.

Public Comment – none

G-4 Manager's Comments.

Mr. Geary provided a review of the report. He commented on the following items: Plumpjack development plans, implementation of the bi-state Truckee River Operating Agreement (TROA) is predicted as early as October 1, 2015, and the Sustainable Groundwater Management Act of 2014 (SGMA). The SGMA provides a framework for sustainable management of groundwater supplies, requires the formation of local groundwater sustainability agencies that must assess conditions in their local water basins and adopt locally-based management plans. Staff will keep

up to date on the implementation of TROA and SGMA.

Public Comment – none

G-5 Legal Report (verbal).

Mr. Archer made no comments.

Public Comment – none

G-6 Director's Comments.

Director Sheehan commented on the sewer capacity study; that an increase in a pipe's diameter from 15" to 18" provides a 44% increase in areal capacity.

President Cox commented on the security of the water tanks as discussed earlier in the meeting and urged staff to take the necessary steps to minimize any threats.

No comments.

H. Adjourn.

Directors Wilcox/Poulsen made a motion to adjourn at 12:35 P.M.; vote was unanimous.

Cox-yes

Poulsen-yes

Gustafson-yes

Sheehan-yes

Wilcox-yes

By, K. Obayashi-Bartsch