

**SQUAW VALLEY PUBLIC SERVICE DISTRICT
BOARD OF DIRECTORS MEETING MINUTES #849
February 26, 2019**

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, Bill Hudson, Fred Ilfeld and Eric Poulsen

Directors Absent: None.

Staff Present: Thomas Archer, District Counsel; Jessica Asher, Board Secretary; Brandon Burks, Operations Superintendent; Mike Geary, General Manager; Danielle Grindle, Finance & Administration Manager; Jessica Grunst, Account Clerk II & HR Specialist; Fabienne Gueissaz, Office Supervisor; Dave Hunt, District Engineer; and Allen Riley, Fire Chief.

Others Present: Mark Calhoun, Ron Gajar, Katy Hover-Smoot, Jean Lange, Victoria Mercer, Sal Monforte, and Alissa Morganti.

President Cox asked Allen Riley to lead the Pledge of Allegiance.

Director Cox led a toast with Squaw Valley PSD's tap water in honor of the late Carl Gustafson.

B. Community Informational Items.

B-1 Friends of Squaw Creek (FOSC) – None.

B-2 Friends of Squaw Valley (FOSV) – None.

B-3 Squaw Valley Design Review Committee (SVDRC) – None.

B-4 Squaw Valley Municipal Advisory Council (SVMAC) – None.

B-5 Squaw Valley Mutual Water Company (SVMWC) – Mr. Burks said SVMWC is working to obtain a potential loan from the United States Department of Agriculture (USDA) and will give an update at their next meeting, Monday March 4, 2019.

B-6 Squaw Valley Property Owners Association – None.

B-7 Mountain Housing Council of Tahoe Truckee – None.

B-8 Tahoe-Truckee Sanitation Agency (T-TSA) – Director Cox provided an update. Based on an analysis performed by Shawn Koorn of HDR Engineering, Inc. and in response to Mountain Housing Council recommendations, the T-TSA Board of Directors will likely change the fee structure to a minimum fee per residential unit plus square footage unit fee. A compensation study is currently being performed for employee salaries. In the next few months, T-TSA Board Meeting will be videoed, and will be available on the website. T-TSA met all discharge requirements and the treatment plant is running smoothly.

B-9 Capital Projects Advisory Committee (CAP) – Danielle Grindle provided an update. Applications are on the Placer County website for parties interested in applying for grant funding from transient occupancy taxes (TOT); there are \$3M in funds. Applications are due April 2, 2019. Andy Fisher will present on the Parks and Trails Master Plan for Placer County and there will be an update on current grants projects at the next meeting.

C. Public Comment/Presentation.

Mark Calhoun asked if the District has any emergency provisions in place given that forecast of two weeks of snow in a row and as a response to the presentation Chief Riley gave at the last SV MAC meeting. Chief Riley responded that emergency response falls on the County. Individuals should be prepared and heed the warnings. Mr. Geary added that the Fire Department is trained for several emergencies. There was a discussion about alert systems. Chief Riley said the Fire Department does not have the ability to blanket alert through cell phone towers, but the Fire Department does send out Nixel alerts, which is an opt-in system.

D. Financial Consent Agenda Items.

Directors Ilfeld and Poulsen met with staff on February 25th from approximately 3:30-4:00 p.m. to review items D-1 through D-9 as well as other finance related items on this agenda.

Director Poulsen said the committee reviewed all finance related items, including the budget schedule which is an action item on the Agenda and the bike trail snow removal expenses. Overall our finances look good. The District finally received the Placer County bank statements through December.

Ms. Grindle mentioned that staff, excluding Mike Geary, General Manager, has been recording time spent on the Olympic Meadows Property (OMP) project and approximately \$3,500 has been spent to date. Director Ilfeld said that he would like the time spent on the OMP to be part of the consent calendar as the project proceeds. Mr. Geary said that changing the financial reporting spreadsheet is challenging due to formatting, but it can be included.

Item D-7 – Bike Trail Snow Removal. The contract for the 2018-2019 winter was \$46,000, whereas in previous year it has been approximately \$70,000. Through February 18th, 2019 \$40,000 has been spent including the \$24,000 snow-blower loan repayment. It was noted that weekend storms are more expensive for snow removal because the District needs to pay overtime. As determined at the beginning of the winter, the contingency plans if we are over budget on labor are to first ask the County to execute an additional services agreement and secondly, extend the snow blower loan re-payment which is \$24,000/year.

Public Comment –

Jean Lange asked if not plowing it is an option. Mr. Geary responded that it is, however, the District would like to maintain its high level of service since the Community enjoys the service.

A motion to approve the financial consent agenda was made by Director Poulsen and seconded by Director Ilfeld as submitted. The motion passed, and the vote was unanimous.

Cox – Yes

Hudson – Yes

Ilfeld – Yes

Poulsen – Yes

E. Approve Minutes.

E-1 Minutes for the Board of Directors meeting of January 29, 2019.

Jessica Asher noted that the motion to adjourn the meeting was seconded by Director Ilfeld, not Director Poulsen, and that the minutes will be updated to reflect the change. Director Poulsen noted that the vote tally showed that he was in the room for item F-1A and F-1B and he was not. Ms. Asher noted that her hard-copy tally showed that Director Poulsen did not vote on these items and was not in the room and will correct the minutes to reflect that.

Public Comment – none

A motion to approve the minutes for the Board of Directors meeting of January 29, 2019 was made by Director Hudson and seconded by Director Ilfeld. The motion passed, and the vote was unanimous.

Cox – Yes

Hudson – Yes

Ilfeld – Yes

Poulsen – Yes

F. Old & New Business.

F-1 Olympic Meadow Property – Project Update.

The Board received an update on the Project and accepted public comment.

Director Poulsen left the room due to conflict of interest with an ownership interest in the property.

Director Ilfeld provided an update on the project. The informational meeting scheduled for February 26th, 2019 was postponed due to the storm and could be as early as March 4th, beginning at the house at 5:00 p.m. We will not have any meetings or provide new information during the voter survey period, which will be in mid-late March. The consultant, True North Research, will try to reach every voter in the valley to have a statistically accurate survey. Director Ilfeld reported that there was low-turnout at the meeting Saturday but it was still a good meeting, with five members of the public. The District is hoping to have better attendance at the next meeting and increase awareness of project. The meeting agenda was distributed on the general and OMP-specific distribution lists, and by the Friends of Squaw Valley.

Director Hudson said that the District and Land Trust will present to the Tahoe City Breakfast Club and 7:00 a.m. at Granlibakken on March 5th, 2019.

Public Comment:

Jean Lange asked how the finances are structured between the Land Trust and the District and how the money Kate Frankfurt is sourcing will be applied to both agencies acquiring the land. Mike Geary responded that so far there are not specific amounts that each agency is responsible for. The Land trust is leading the fundraising for the whole project and that the District is

managing much, but not all, of the work associated with the revenue measure. It was clarified that donations to the Land Trust can be earmarked for the OMP acquisition to lower costs to taxpayers. Mr. Geary explained that since the ballot language needs to be set at end of June 2019, and there will likely be continued fundraising through the summer, that the ballot language will likely set a maximum amount which can be lowered through Board Resolution. Mr. Archer noted that there is a conservation and restoration component of the property which is part of the Land Trust's mission.

Mark Calhoun said it would be helpful to have the community develop a benefactor list and noted that he doesn't really want to give money for the Project through the Land Trust. Director Ilfeld said we are working collaboratively with the Land Trust and asked that Mr. Calhoun meet with himself and Ms. Frankfurt later to discuss fundraising.

Mr. Geary said the Land Trust is a 501(c)(3) organization that can accept donations and is the entity in contract to buy the property; the District is a potential assignee. Director Ilfeld said that he doesn't want to discourage local fundraising efforts but does want to collaborate with the Land Trust. Director Hudson added that one can donate through the Land Trust and earmark donations specifically for the OMP project.

Ms. Lange clarified that donations will lower the property tax, and Mr. Geary said this was accurate.

Director Poulsen reentered the room.

F-2 Tahoe Truckee Area Agreement for Mutual Emergency Aid.

The Board reviewed the item, accepted public comment, approved the General Manger to sign the Updated Tahoe Truckee Area Agreement for Mutual Emergency Aid on behalf of Squaw Valley Public Service District.

Mr. Burks introduced the item. The original Tahoe Truckee Area Agreement for Mutual Emergency Aid was signed in 1983. It allowed for local utilities to ask for and receive aid from other local agencies during emergencies. This agreement has been used occasionally since its signing.

The Agreement was created to assist all utility providers in the Tahoe Truckee area respond to and manage emergencies and natural disasters affecting the services they provide. This plan insures that utilities in the Tahoe Truckee area will be able to render effective and efficient mutual aid when necessary through emergency cooperation. With the mechanics of rendering mutual aid in place, assistance can be requested and can be available without delay from assisting utilities.

The Tahoe Water Suppliers Association (TWSA) reviewed the Tahoe Truckee Area Agreement for Mutual Emergency Aid and felt that there was a need to update the Agreement due to

outdated rates and to add more flexibility. There are also other utilities that wished to participate in the Mutual Aid Agreement. A TWSA sub-committee was formed to revise the Agreement. The update was agreed on and sent around the area for signatures starting in 2017.

Mr. Burks noted that the Agreement has been utilized a few times. Mutual Aid directly mitigates potential sewer spills and the consequent liability imposed by the Lahontan Region Water Quality Control Board. The District has helped control sewer spills near Lake Tahoe and other agencies have helped the District. Mr. Burks noted that the agreement does not mandate a response but if agencies have availability to help, it streamlines the mutual aid process. Mr. Burks noted that there is good communications between the agencies.

Director Poulsen said the mutual aid agreements are very positive for our local area. Director Poulsen commended staff for staying involved and feels the General Manager should sign the agreement. Director Poulsen asked how the rates for mutual aid were updated. Mr. Burks said the rates were updated to use FEMA published rates, but some agencies set their own rates. Typically, agencies do not charge for providing mutual aid as it is considered neighborly support. However, for larger, or multiple day events, reimbursement is often required.

Director Ilfeld asked if there were any concerns from staff. Mr. Burks said the language was updated and additional agencies were added. Mr. Geary added that this agreement was the outcome of a significant sewer discharge to Lake Tahoe from North Tahoe Public Utilities District (NTPUD) and part of the recourse was for NTPUD to develop this mutual aid agreement.

Public Comment:

Mark Calhoun noted that while the District's responsibilities are sewer and water, he asked about electricity and a Tesla battery solution that Andy Wirth proposed. Chief Riley responded that he thought this was a Squaw/Alpine project and that he has not heard about it recently.

Director Hudson made a motion to approve the General Manager to sign the Updated Tahoe Truckee Area Agreement for Mutual Emergency Aid on behalf of Squaw Valley Public Service District, which was seconded by Director Poulsen. The motion passed, and the vote was unanimous.

Cox – Yes

Hudson – Yes

Ilfeld – Yes

Poulsen – Yes

F-3 Special District Risk Management Authority (SDRMA) – Board of Directors Nominations.

The Board reviewed the item, accepted public comment and did not nominate a candidate.

Ms. Asher reviewed the item. SDRMA is a public entity Joint Powers Authority established to provide property/liability and workers compensation insurance, health benefit coverages, and comprehensive risk management programs for special districts and other public agencies. SDRMA is governed by a Board of Directors elected from its membership. Three seats are up for election to serve four-year terms effective January 1, 2020.

Director Hudson asked if there were any representatives from our region. Mr. Geary said that he wasn't sure there was anyone from the east side of the summit. Tom Archer said the SDRMA Board activities and interests were beyond the typical dealings of the District.

Public Comment – none

The Board determined that there was no interest in running for a seat on the Board and did not nominate a candidate.

F-4 California Special Districts Association (CSDA) – Board of Directors Nominations Seat B.

The Board reviewed the item, accepted public comment and did not nominate a candidate.

Ms. Asher reviewed the item. CSDA provides education and training, insurance programs, legal advice, industry-wide litigation and public relations support, legislative advocacy, capital improvement and equipment funding, collateral design services, and current information for management and operational effectiveness.

CSDA is governed by an 18-member Board of Directors elected by mail ballots. The Board consists of three directors from each of the six regions throughout California. The CSDA Elections and Bylaws Committee seek interested Special District Board Members or General Managers who are interested in leadership of the California Special Districts Association for the 2020-2022 term. Seat B is currently held by Ginger Root, General Manager of Lincoln Rural County Fire Protection District who is running for re-election.

Eric Poulsen noted that Ginger Root has done a good job thus far. Mr. Geary and the Board said they are satisfied with current representation.

Public Comment – none

The Board determined that there was no interest in running for a seat on the Board and did not nominate a candidate.

F-5 Budget Preparation Schedule.

The Board reviewed the item and accepted public comment.

Ms. Grindle reviewed the item. During the budget preparation process, the Board's attention is drawn to estimated changes in property tax, changes in rate revenue, proposed utility rate

increases, debt reduction or proposed new debt, two operating budgets, capital budgets, pension expenses, and contributions to Fixed Asset Replacement Funds (FARFs).

The District's budget is the core document that identifies anticipated "fiscal and resource impacts". It serves as a short term and long-term map for how the District will carry out its financial plan. The District operates on approximately \$3.6 million in rate revenue and \$3.6 million in tax revenue annually. The District must use these funds to cover operations, pay for capital projects and save for the future. In order to do that the budget must detail estimates of costs, revenues, capital projects, and reserve funds. It's the goal of the District to always be fully funded and avoid significant rate increases or debt financing.

Director Hudson asked if this was the same schedule as last year, Ms. Grindle responded that it was.

Public Comment – none

F-6 Commercial Lease – 1810 Squaw Valley Road.

The Board reviewed the item, accepted public comment and authorized the General Manager to execute a Commercial Lease with Perusse Law and terminate the lease with Squaw Valley Institute based on the terms presented.

Mr. Geary introduced the item. Squaw Valley Institute's (SVI) current lease expires on March 31, 2020. However, SVI wishes to terminate the lease. Geoff Perusse, of Perusse Law P.C, wishes to enter into a lease agreement starting on March 1, 2019 for the same, 1,171 square-foot office space. Staff researched rates of comparable properties to determine market value for the upstairs office space. Rental rates for office space in Truckee are around \$1.70/ft² and in Tahoe City around \$1.89/ft².

If the Board approves the new lease as requested by Perusse Law P.C., the proposed terms of the revised lease would be:

- Rent: \$2,050 / month (\$1.75 / square foot)
- Utilities: \$350 / month
- Snow Removal: \$600/year
- Term: March 1, 2019 to October 31, 2021
- Parking Spaces: Two (2)
- Security Deposit: \$4,100

Mr. Geary noted there were some minor changes in the standard lease, as suggested by legal counsel, which improved the document. Director Cox said in the past, the lessees for the District's property at 1810 Squaw Valley Road were non-profits and asked if this for-profit group met the needs of our rental agreement. Mr. Geary responded that currently Squaw Valley / Alpine Meadows Marketing team is also in the space and that we have never required the lessee to be a non-profit. Mr. Archer noted that the Board can choose to whom it leases its property.

Director Poulsen asked if this was the standard lease, with changes made over time. Mr. Archer said it was a lease he prepared some time ago, and that he suggested revisions over time and reviewed the most recent version. Mr. Archer also noted that he has sent a notice of termination to SVI and that the new lease is contingent upon SVI's termination.

Public Comment – none

Director Hudson made a motion to authorize the General Manager to execute a Commercial Lease with Perusse Law and terminate the lease with Squaw Valley Institute based on the terms presented, which was seconded by Director Ilfeld. The motion passed, and the vote was unanimous.

Cox – Yes

Hudson – Yes

Ilfeld – Yes

Poulsen – Yes

F-7 Board Member Appointment Process.

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

Mr. Geary reviewed the item. This four-member board will appoint a member of the public that meets the requirements to fill the vacant seat and serve the remainder of Director Gustafson's term, through 2020. In November 2020, the appointed Director would be required to run in the general election if they desired to remain on the Board.

Director Cox said he saw some members of the public in the room that may be interested in applying and wanted to express the importance of the position. Conducting the District's business is extremely important to the public and District; total and complete dedication is important. Time commitments include sitting on one more committees and attending training on how to perform in the position. Applications are due March 15th, 2019.

Mr. Geary recommended that interested applicants provide a letter of interest to highlight relevant Board or public agency experience. Mr. Geary said he is available for a pre-appointment orientation. During the March 26th, 2019 Regular Board Meeting, the current Board may appoint a new member who would then take the Oath of Office and sit in on that meeting. Following the appointment, there will be a post-appointment orientation which will include a tour of the District's facilities, and an opportunity to meet staff and learn about the different staff roles.

Director Hudson asked if there could be a closed session for the board appointment, stating that it was awkward when he was appointed. Mr. Archer responded that the appointment does not qualify for closed session and must be done in open session.

Director Poulsen said he thinks it is still a good job description, however the medical expenses need to be added to the compensation section. Mr. Geary asked if any of the Directors had any

additional recommended changes to the job description. Director Cox said he thinks the compensation is clearly outlined on the first page, but it is appropriate to add it to the formal job description. Mr. Geary also requested that staff be allowed to update the bullets under education to reflect the requirement to attend CDSA Special District Leadership Academy (SDLA) in their first term and the anti-harassment training which is required every 2 years by law.

Public Comment – none

Director Hudson made a motion to approve the job description amendment as discussed, which was seconded by Director Ilfeld. The motion passed, and the vote was unanimous.

Cox – Yes

Hudson – Yes

Ilfeld – Yes

Poulsen – Yes

G. Status Reports.

G-1 Fire Department Operations Report.

Chief Riley reviewed the report.

Chief Riley noted that there were more calls recently regarding carbon monoxide. It is important that the public is aware and manages snow loads on roofs and propane tanks. Director Cox said Captain Chisholm received a grant several years ago for carbon monoxide detectors. Chief Riley responded that this was before they were required and as such, he did not think we could receive another grant or would have the ability to give out monitors again.

Public Comment – None.

G-2 Water & Sewer Operations Report.

Mr. Burks reviewed the report.

Mr. Burks said the Operations Department has been busy with snow removal at our building facilities and on the bike trail and the crew is putting in long hours.

Director Hudson noted that it is interesting that the aquifer is lower than last year. Mr. Burks responded that the storms have generally had less water content, even though there is so much snow.

Director Poulsen commented on the Page 1 Figures, noting that water production was 0.42MG more than in 2018, while Sewer was only .01MG more, potentially there is less infiltration and inflow (I&I) to the sewer, or maybe there is more water loss or higher consumptive use. Mr. Burks responded that the Annual Operations Report will be released in April.

Public Comment – None.

G-3 Engineering Report.

Mr. Hunt reviewed the report and provided an update on the District's major projects.

Mr. Hunt said staff applied for two grants from the Placer County Water Agency (PCWA) assistance program for asset management and GIS updates, and the Water Master Plan. The District applies for grants every year and they are generally successful every other year. The grants are awarded in June and would be used to offset staff costs and potentially some consultant costs.

The District is under contract with Cruz Construction for the Truckee River Siphon Replacement Project and staff expects the contractor to mobilize around June 1st, 2019.

Mr. Hunt discussed the PlumpJack Squaw Valley Inn project. The Project and the CEQA addendum are postponed. The net effect on the District is unknown. The District drilled a well on their property and is waiting to determine if the PlumpJack project will move forward as the District's well-house project will be easier to complete if done in concert with the larger project. If it seems that the PlumpJack project will be delayed long-term, the District will need to consider moving forward without the PlumpJack project as the well should not sit stagnant for too long. Director Ilfeld asked how much the new well will increase our capacity. Mr. Hunt responded that while we have sufficient capacity in our system now, the additional well would provide operational flexibility, reliability and redundancy, as well as supporting some of the proposed development.

Mr. Hunt said the District received a set of approval plans for the Resort at Squaw Creek which includes infrastructure work to support Phases 2B and 2C of their Project. The Resort is relocating water and sewer lines and, pursuant to the Development Agreement, will be dedicating Well 18 3R in the eastern portion of the golf course by November 2020. Water treatment is required for high manganese levels.

Director Poulsen commented that the wells in the western portion of the Valley are from Olympic times and echoed Mr. Hunt's explanation that the new PlumpJack well would provide flexibility within the overall system.

Public Comment –

Jean Lange asked for clarification regarding the Resort at Squaw Creek wells. Mr. Hunt said the Resort has 3 irrigation wells, one of which will be retrofitted to provide drinking water such that the District can use it to supply potable water to the Resort.

G-4 Administration Report.

Mrs. Asher reviewed the report.

Director Cox asked the Board Members and Public for their thoughts on the new phone tree system. Director Poulsen said he likes talking with our staff but appreciates that when staff is

busy he can dial an extension to get through to who he needs to talk with. He added that it would be nice if, when the office is not busy, a live person could pick up. Director Hudson said he is OK with the phone tree if it helps with operations.

Public Comment –

Sal Montforte said the phone tree is standard among Fire Districts and beneficial because the recording says to dial 911 for emergencies. Director Cox responded that he understands but misses the personal touch. Victoria Mercer said that if there is a clear phone tree, it is OK. Director Cox said he would reluctantly go along if others are OK. Director Ilfeld said we need to be highly responsive to customers regardless of how the phone is answered. Ms. Grindle said she is happy to revisit this in a few months once the system has been operational and tested.

G-5 Manager's Comments.

Mr. Geary reviewed the report.

Mr. Geary reviewed the low-income water rate assistance program. The coalition wholeheartedly supports safe, accessible, and affordable drinking water for all Californians. However, the coalition feels more engagement and collaboration is needed with a broad cross section of water agencies to flush out final details of a W-LIRA that would seek to impose Legislative action on how public water systems set rates.

Director Poulsen said he thought the letter was well done.

Public Comment – none

G-6 Legal Report (verbal).

Mr. Archer had none

Director Cox thanked Mr. Archer for his due diligence on his conflict of interest regarding the Olympic Meadow Property.

Public Comment – None.

G-7 Director's Comments.

Director Cox said last month Mr. Burks discussed high traffic days, and the operational challenges that creates in terms of emergency response for utilities. This is a critical issue that Director Cox would like Mr. Burks and Mr. Geary to consider. Mr. Burks said it is challenging because we do not have a large staff and do not operate on 24-hour shifts. Director Poulsen said Director Cox's should be on the agenda for a future meeting to discuss. Ms. Grindle responded to Director Cox's question about where in the budget process we are, saying the issue can be considered as part of the budget process. Mr. Geary said this is an issue the District and all neighboring District's have been facing with the rising cost of local housing. Therefore, we contribute financially and with Director time to the Mountain Housing Counsel. Additionally, all employees have emergency responder ID cards.

Director Poulsen left the room.

H. Closed Session.

Only the item on the agenda, price and terms of payment for real-property negotiations, were discussed and no action was taken.

I. Possible Action from Closed Session.

No action was taken from the Closed Session.

Director Hudson made a motion to go back to open session and revisit item F-7, seconded by Director Ilfeld.

Director Poulsen rejoined the meeting.

Director Cox asked if there could be a personnel committee meeting to discuss the applicants in advance of the appointment at the Board Meeting. Mr. Geary said a personnel committee meeting could only include the Directors sitting on that committee, Director Ilfeld and Director Hudson. If other Directors wanted to join, it would be a Special Board Meeting. Director Cox said he would like to have a Special Board Meeting. Mr. Archer asked if we would tell applicants of this change. Mr. Geary said we would notice everyone on our distribution list, including all applicants. Director Poulsen said normally each applicant should make a statement of why they are interested and then it would be discussed. Mr. Geary said applications are due March 15th, 2019 and encourage the Directors to separately interview each candidate, without discussion with any other Directors. Separately, Mr. Geary will ask each applicant to come in for a pre-appointment orientation. Director Poulsen said we should proceed with the District's normal process to appoint Directors. Director Dale Cox said he wants to make sure that the applicants feel comfortable. Mr. Geary said the Directors handled this well at the last appointment and is confident they can do so again.

J. Adjourn.

Director Poulsen made a motion, seconded by Ilfeld, to adjourn at 11:45 A.M. The motion passed, and the vote was unanimous.

Cox – Yes

Hudson – Yes

Ilfeld – Yes

Poulsen – Yes

By, J. Asher