

**SQUAW VALLEY PUBLIC SERVICE DISTRICT
BOARD OF DIRECTORS MEETING MINUTES #828
June 27, 2017**

A. Call to Order, Roll Call and Pledge of Allegiance. Chairman Dale Cox called the meeting to order at 8:30 A.M.

Directors Present: Directors: Dale Cox, Carl Gustafson, Bill Hudson, Fred Ilfeld and Eric Poulsen

Directors Absent: None

Staff Present: Mike Geary, General Manager; Kathryn Obayashi-Bartsch, Secretary to the Board; Pete Bansen, Fire Chief; Allen Riley, Fire Chief; Brandon Burks, Operations Superintendent; Danielle Grindle, Finance & Administration Manager; Dave Hunt, District Engineer and Thomas Archer, District Counsel.

Others Present: Jean Lange, Patti Guilford and John Wilcox.

Chairman Cox asked Pete Bansen 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) – none

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

B-5 Squaw Valley Mutual Water Company (SVMWC) – Brandon Burks said the SVMWC Board will be meeting later this month.

B-6 Mountain Housing Council of Tahoe Truckee – Fred Ilfeld provided a summary about the group including how and why it was formed. It is a collaborative group with 30 members convened by the Tahoe Truckee Community Foundation in an effort to accelerate affordable housing solutions for the area. The larger group will meet quarterly with some work groups meeting more frequently. All members have contributed funding and/or other resources.

B-7 Squaw Valley Property Owners Association – none

B-8 Tahoe-Truckee Sanitation Agency (T-TSA) – Dale Cox said the Truckee River Interceptor project has been postponed due to high water flows. Several T-TSA employees expressed interest in forming a variety of employee unions and the T-TSA Board is waiting for a legal opinion before further action is taken.

C. Public Comment/Presentation.

Public Comment –

Jean Lange asked about the work along Winding Creek Road. Mr. Burks said staff are working in the area due to a water leak.

Kathryn Obayashi-Bartsch, on behalf of Patti Guilford, provided an update on the pedestrian crossing at Highway 89 and Squaw Valley Road. Striping of the crossing is underway and requests

have been made for diagonal striping to better define the crossing and make it more noticeable.

C-1 Recognition of Service – 5 years – Josh Wilson, Operations Specialist III.

The Board recognized Josh Wilson for excellent service to the District.

D. Financial Consent Agenda Items.

Directors Poulsen and Ilfeld met with staff on June 26th from approximately 2:30 – 4:00 P.M. to review items D-1 through D-11 as well as other finance related items on this agenda.

Director Ilfeld said there is a payment for the Truckee River Siphon Project which is one of the biggest projects that the District will undertake.

Chairman Cox asked staff to comment on the request to T-TSA for financial support of this project.

Mike Geary said he has been in contact with T-TSA's General Manager for a financial contribution to the Truckee River Siphon Project. The T-TSA General Manager is consulting with their legal counsel to bring the request before their Board.

Director Poulsen said the committee reviewed all finance related items on the agenda and all items appear to be in order.

Mr. Geary said at the close of the fiscal year, it is estimated there will be \$717,000 available to contribute to the Fixed Asset Replacement Funds which is a result of higher than anticipated revenue and savings on some items.

Public Comment – none

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

Cox-yes

Gustafson- yes

Hudson-yes

Ilfeld- yes

Poulsen-yes

E. Approve Minutes.

E-1 Minutes for the Board of Directors meeting of May 30, 2017.

Public Comment – none

A motion to approve the minutes for the Board of Directors meeting of May 30, 2017 was made by Directors Gustafson/Ilfeld; vote was unanimous.

Cox-yes

Gustafson-yes

Hudson-yes

Ilfeld-yes
Poulsen-yes

F. Old & New Business.

F-1 Village at Squaw Valley Project Update.

Director Poulsen began to leave the meeting room, due to a conflict of interest from an ownership interest, but this was unnecessary as there was no discussion.

Public Comment – none

F-2 2nd PUBLIC HEARING to Approve FY 2017-18 Budget and Employee Salary Schedules.

Mr. Archer said the Board may consider postponing a vote on this item until after the Closed Session.

A. The Board reviewed the item, accepted public comment and postponed a vote on the FY 2017-2018 budget until after the Closed Session item on the agenda.

B. The Board reviewed the item, accepted public comment and postponed a vote on the Employee Salary Schedules until after the Closed Session item on the agenda.

Ms. Grindle reviewed the budget. The proposed budget was prepared with a focus on establishing adequate reserves of the District's Fixed Asset Replacement Funds (FARFs) while supporting the required resources to provide consistent and quality utility and fire services to the community.

Public Comment –

Patti Guilford asked about the financial reserve for garbage and the proposed garbage rate. Mr. Geary said there is approximately \$150,000 in reserve and the proposed garbage rate is calculated to increase by three percent (3%). Ms. Guilford requested that the garbage rate not be increased since there is such a significant reserve.

Directors Hudson/Ilfeld made a motion to postpone action on this motion until other decisions have been made after the closed session; vote was unanimous.

Cox-yes
Gustafson-yes
Hudson- yes
Ilfeld-yes
Poulsen-yes

F-3 2nd PUBLIC HEARING of Ordinance 2017-02 – Adopting Rates & Charges and Revised District Codes.

The Board reviewed the item, accepted public comment and adopted Ordinance 2017-02.

Ms. Grindle reviewed the item. The proposed rates and charges support the FY2017-2018 budget and are reflected in the revised District Code Schedules "A" for water, sewer and garbage.

Public Comment – none

Directors Hudson/Gustafson made a motion to adopt Ordinance 2017-02, adopting rates & charges and revised District Codes; vote was unanimous.

Cox-yes

Gustafson-yes

Hudson- yes

Ilfeld-yes

Poulsen-yes

F-4 2nd PUBLIC HEARING of Ordinance 2017-03 – Adopting Water Code Revisions.

The Board reviewed the item, accepted public comment and adopted Ordinance 2017-03.

Mr. Hunt reviewed the item. The proposed water code revisions relate to rates and charges to ensure consistency with the cost of service study, proposed budget and Ordinance 2017-02, Adopting Rates and Charges. The most significant change is alignment of the language in the Water Code with implementation of the revised water rate structure supported by the Cost of Service Analysis.

Public Comment – none

Directors Gustafson/Ilfeld made a motion to adopt Ordinance 2017-03, revising the District Water Code; vote was unanimous.

Cox-yes

Gustafson-yes

Hudson- yes

Ilfeld-yes

Poulsen-yes

F-5 2nd PUBLIC HEARING of Ordinance 2017-04 – Adopting Sewer Code Revisions.

The Board reviewed the item, accepted public comment and adopted Ordinance 2017-04.

Mr. Hunt reviewed the item. The proposed sewer code revisions relate to rates and charges to ensure consistency with the cost of service analyses, proposed budget and Ordinance 2017-02, adopting rates and charges.

Public Comment – none

Directors Gustafson/Ilfeld made a motion to adopt Ordinance 2017-04, revising the District Sewer Code; vote was unanimous.

Cox-yes

Gustafson-yes

Hudson- yes

Ilfeld-yes

Poulsen-yes

F-6 PUBLIC HEARING to Request Placer County to Collect Delinquent Charges.

The Board reviewed the item, accepted public comment and adopted Resolution 2017-13, requesting Placer County to collect delinquent charges.

Ms. Grindle reviewed the item. At this time, 20 accounts totaling \$28,583.68 remain outstanding with overdue balances in excess of \$50 from the July 1, 2016 annual billing. Delinquent notices were sent to each overdue account on a quarterly basis. Per the District's policy, a 12% annual interest rate (1% per month) has been charged to each overdue account, in addition to a \$10 rebilling fee for each notice sent.

Upon Board approval, the overdue balances will be reclassified as delinquent accounts receivable and forwarded to Placer County. Upon collection of the balances by the County, the District will be reimbursed in December and April for the full amounts due less a 1% service fee.

Public Comment – none

Directors Hudson/Ilfeld made a motion to adopt Resolution 2017-13, requesting Placer County to collect delinquent charges; vote was unanimous.

Cox-yes

Gustafson-yes

Hudson- yes

Ilfeld-yes

Poulsen-yes

F-7 Squaw Valley Mutual Water Company Operations & Maintenance Agreement.

Directors Cox and Poulsen left the meeting room due to a conflict of interest from an ownership interest. Director Ilfeld assumed the role of Chair.

The Board reviewed the item, accepted public comment and authorized the General Manager to execute an agreement with Squaw Valley Mutual Water Company (MWC) for operations and maintenance of the MWC system.

Mr. Burks reviewed the item. District staff provided operations and maintenance (O&M) services to the MWC since July 1, 2014. The current agreement expires on June 30, 2017. District staff updated the agreement which is for a five year term from July 1, 2017 to June 30, 2022. The original contract scope and schedule were maintained with a change to a five year term. The contract pricing includes an annual increase starting in July 2018 that mirrors the cost of living adjustment (COLA) provision in the Operations Memorandum of Understanding. The price of basic services was increased by \$341 per month for FY2017-2018.

As proposed in the agreement, the District will provide basic services for an initial rate of \$6,916 per month and additional services on a time and materials (T&M) basis. Additional services will be provided by the District on an as needed basis or as otherwise directed by the MWC Board of Directors. For FY2017-2018, the MWC Board approved additional services with a not to exceed amount of \$19,905 for hydrant flushing.

The agreement was prepared and intends to achieve a balance that does not result in over charging the MWC or result in additional costs to the District to provide the described O&M services. Tasks for which time and costs were difficult or impossible to estimate fairly were included in the T&M services to provide flexibility between the MWC's desired scope of services and the costs to provide such services.

Public Comment –

Patti Guilford, on behalf of the MWC Board of Directors, expressed support for the proposed agreement. She commended District staff for their efforts this past year. The MWC Board took an electronic vote, approving the agreement (and fire hydrant flushing on a T&M basis).

Directors Hudson/Gustafson made a motion to approve the agreement and authorize the General Manager to execute the agreement with a revision to Article One (Term) to read as follows: "This Agreement shall commence on July 1, 2017 and continue in effect through June 30, 2022. Thereafter the Agreement shall automatically renew annually for the fiscal year commencing July 1 and ending June 30, provided that either Party to this Agreement may terminate the Agreement upon written notice to the other Party delivered not less than sixty (60) days prior to June 30 of each year during the term or extended term hereof." Vote was unanimous with the exception of Directors Cox and Poulsen.

Cox-absent

Gustafson-yes

Hudson- yes

Ilfeld-yes

Poulsen-absent

F-8 Special Districts Risk Management Authority (SDRMA) Election.

Directors Cox and Poulsen returned to the meeting room.

The Board reviewed the item, accepted public comment and cast a vote for four representatives by adoption of Resolution 2017-14.

Ms. Obayashi-Bartsch reviewed the item. SDRMA is a public entity Joint Powers Authority established to provide property/liability, workers compensation, 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 the membership by the programs' members. Four seats are up for election to serve a four year term effective January 1, 2018.

The Board may select up to four candidates. The candidates include the following:

- David Aranda Mountain Meadows Community Services District
- Cindi Beaudet Temecula Public Cemetery District
- Jean Bracy Mojave Desert Air Quality Management District
- James Hamlin Burney Water & Sewer District
- Michael Kern Apple Valley Fire Board
- Mike Scheafer Costa Mesa Sanitary District
- Timothy Unruh Kern County Cemetery District #1

Public Comment – none

Directors Ilfeld/Hudson made a motion to adopt Resolution 2017-14, casting a vote for Aranda, Bracy, Scheafer and Unruh; vote was unanimous.

Cox-yes

Gustafson-yes

Hudson- yes

Ilfeld-yes

Poulsen-yes

F-9 PlumpJack / Squaw Valley Inn Municipal Well – Contract Approval.

The Board reviewed the item, accepted public comment, approved a contract with InterFlow Hydrology for the preparation of Well Drilling & Testing Specifications and authorized the General Manager to execute all necessary contractual documents.

Mr. Hunt reviewed the item. The proposed PlumpJack Squaw Valley Inn Project includes the demolition of existing on-site structures to construct a multi-level hotel, two residential condominium buildings, and an underground parking garage. The proposed project also includes landscaping, Class I bicycle paths along the site's frontages, and pedestrian networks that would connect proposed buildings and on-site recreational amenities. Water, sewer, and drainage improvements would also be included to support the operations of the proposed project.

A new well has been identified as being necessary to provide water supply to the proposed project. The Draft Environmental Impact Report (DEIR) identified two potential well sites on the PlumpJack property. The final location of the well site is currently being evaluated by District staff.

Renovation of the existing PlumpJack property is expected to start in May, 2018. Construction of the project is anticipated to continue through 2019. Pursuant to the District's well development schedule, drilling and testing of the new well will need to occur in late summer 2017. The well development schedule spans a three year period prior to the District accepting dedication. The first year being drilling and testing, the second year equipping the well for production and bringing the well online, and the third year concluding with hydrologic verification of well

performance. The District will require the well to be constructed, tested, and equipped (including treatment) as part of its Development Agreement.

District staff proposes to contract with Interflow Hydrology, Inc. to provide hydrogeologic consulting services for the drilling, developing, and testing of the new well. Interflow's scope of work includes support for the well site selection evaluation, preparation of well drilling specifications, permitting assistance, bidding assistance and contractor selection, construction observation during drilling, developing, and testing, and preparation of a final well completion report.

Based on the well development schedule and construction timeframe the estimated overall schedule for drilling and dedicating the new well includes:

- Drill, develop and test new well – Summer/Fall 2017
- Equip new well and bring it online – Spring/Summer 2018
- Hydrogeologic well performance verification – Fall 2019

Chairman Cox expressed concern about the proximity of developing a well near the old PlumpJack contamination site.

Mr. Archer explained the process used to develop a well and the development agreement that will be negotiated with PlumpJack.

Mr. Hunt said he is aware of the history of the area and will take this into consideration as the project moves forward.

Public Comment –

John Wilcox said when this well was first proposed there were allegations that the well would pump Squaw Creek dry. He has personal experience with this area and does not think a well would negatively impact the creek.

Directors Ilfeld/Hudson made a motion to approve a contract with InterFlow Hydrology for the preparation of Well Drilling & Testing Specifications and authorized the General Manager to execute all necessary contractual documents; vote was unanimous.

Cox-yes

Gustafson-yes

Hudson- yes

Ilfeld-yes

Poulsen-yes

Status Reports.

G-1 Fire Department Operations/Capital Projects Report.

Chief Riley reviewed the report.

Public Comment –

Patti Guilford asked about having Fire Department staff at the west end of the valley this past winter and any plans for the upcoming winter. Chief Riley said the program worked very well and he anticipates repeating the program for the upcoming winter.

Patti Guilford said she believes there are many rental units without proper smoke detectors and carbon monoxide detectors and encouraged raising awareness by publishing information in the District's newsletter.

G-2 Water & Sewer Operations Report.

Mr. Burks reviewed the report.

Public Comment – none

G-3 Engineering Report.

Mr. Hunt reviewed the report.

Public Comment – none

G-4 Administration Report.

Ms. Obayashi-Bartsch reviewed the report.

Public Comment –

Patti Guilford asked about the on-line bill pay and whether there is a service charge. Ms. Grindle said there is no service charge.

G-5 Manager's Comments.

Mr. Geary reviewed the report.

Public Comment – none

G-6 Legal Report (verbal).

Mr. Archer had no comments.

Public Comment – none

G-7 Director's Comments.

Director Gustafson thanked staff for their support and assistance.

Director Poulsen thanked all those involved with the wildland clean-up effort.

Director Poulsen commented on the concept of a community development fund. He supports the concept but does not think it is appropriate for the District to include the fund in development agreements.

Patti Guilford thanked Pete Bansen for his service to the community.

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

Cox-yes

Gustafson-yes

Hudson-yes

Ilfeld-yes

Poulsen-yes

H. Closed Session – Performance Evaluation of General Manager.

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

H-1 General Manager’s Performance Evaluation and Employment Contract.

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

Cox-yes

Gustafson-yes

Hudson-yes

Ilfeld-yes

Poulsen-yes

I. Possible Action Resulting from Closed Session.

Mr. Archer said no actions or decisions were made in Closed Session and only items on the Closed Session agenda were discussed.

I-1 Approve General Manager’s Employment Contract.

The Board did not take action on this item.

F-2 2nd PUBLIC HEARING to Approve FY2017-18 Budget and Employee Salary Schedules.

A. The Board reviewed the item, accepted public comment and approved the FY2017-2018 Budget by adoption of Resolution 2017-11.

Public Comment – none

Directors Hudson/Ilfeld made a motion to approve FY2017-2018 Budget by adoption of Resolution 2017-11; vote was unanimous.

Cox-yes

Gustafson-yes

Hudson-yes

Ilfeld-yes

Poulsen-yes

B. The Board reviewed the item, accepted public comment and approved the Employee Salary Schedules by adoption of Resolution 2017-12.

The Board discussed the salary schedules including compensation for the General Manager and Department Managers.

Directors Hudson and Ilfeld expressed support for the salary schedules as presented.

Public Comment – none

Directors Hudson/Ilfeld made a motion to approve Employee Salary Schedules by adoption of Resolution 2017-12; vote was unanimous.

Cox-yes

Gustafson-yes

Hudson-yes

Ilfeld-yes

Poulsen-yes

J. Adjourn.

Directors Gustafson/Poulsen made a motion to adjourn at 12:10 P.M.; vote was unanimous.

Cox-yes

Gustafson-yes

Hudson-yes

Ilfeld-yes

Poulsen-yes

The Board attended the Fire Department Staff Badge Pinning and Swearing-in Ceremony and the presentation of Pete Bansen's Resolution of Appreciation 2017-15.

By, K. Obayashi-Bartsch