

**SQUAW VALLEY PUBLIC SERVICE DISTRICT
BOARD OF DIRECTORS MEETING MINUTES #830
August 29, 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, Fred Ilfeld, Bill Hudson and Eric Poulsen

Directors Absent: None

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

Others Present: Andrew Lange, Stacia Lange and John Wilcox

Chairman Cox asked Andrew 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) – none

B-4 Squaw Valley Municipal Advisory Council (SVMAC) – Mike Geary said the SVMAC will conduct a parks subcommittee meeting on Thursday, August 31st in the District's meeting room to discuss the park and trail master plan and related issues.

Public Comment –

Dale Cox asked for comments from the Board regarding parks and recreation services. He expressed support for the District being involved in providing these services in some capacity.

Tom Archer said it is premature for the Board to make a determination about providing parks and recreation services for the purposes of this meeting.

John Wilcox said the meeting has nothing to do with the District providing parks and recreation services. Placer County staff will share information with the public about the Parks and Trails Master Plan and elicit comments from the public about Squaw Valley Park and the proposed Olympic Museum.

Bill Hudson said his concern is whether the District could efficiently and effectively manage to provide these services in addition to current District operations.

Fred Ilfeld said he has concerns about the financial aspect of providing parks and recreation services. He believes Placer County should provide support through Transient Occupancy Tax (TOT) funds and other types of financial support.

Eric Poulsen said this is not an agenda item for the Board and does not recall the District

adopting a resolution to provide parks and recreation services. He favors providing these services but only if there is sufficient financial support to do so.

Carl Gustafson said he would like to know what facilities and activities would be provided by parks and recreation services.

Andrew Lange said Placer County spent a considerable amount on three Pickle Ball Courts and is concerned that parks and recreation services cannot be operated without sufficient funding.

- B-5** Squaw Valley Mutual Water Company (SVMWC) – Brandon Burks said the company is replacing water lines in the Christy Lane area.
- 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) – Dale Cox said this month's meeting was cancelled. There has been media coverage about unionization as some employees want to unionize and some do not. As a representative of the District, Director Cox has expressed the opinion that it is up to the employees whether to unionize or not.

C. Public Comment/Presentation.

Public Comment – none

D. Financial Consent Agenda Items.

Directors Poulsen and Ilfeld met with staff on August 28th from approximately 3:00 – 4:15 P.M. to review items D-1 through D-12 as well as other finance related items on this agenda.

Director Poulsen said the committee reviewed all finance related items on the agenda. Some items are running slightly over budget and the unanticipated repair to the VacCon vehicle will continue to impact the Operations budget. Since this is the beginning of the fiscal year, there are many up front expenses for supplies, licenses and other items.

Director Ilfeld commended staff for the efficient repair of the leak at the "S" turn. There were many water leak related expenses that were processed this month.

Public Comment – none

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

Cox-yes

Gustafson-yes

Hudson-yes

Ilfeld-Ilfeld

Poulsen-yes

E. Approve Minutes.

E-1 Minutes for the Board of Directors meeting of July 25, 2017.

Public Comment – none

A motion to approve the minutes for the Board of Directors meeting of July 25, 2017 was made by Directors Hudson/Poulsen vote was unanimous with the exception of Director Ilfeld who was not present at the July 25th meeting.

Cox-yes

Gustafson-yes

Hudson-yes

Ilfeld-abstain

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 November/December 2017 Board Meeting Schedule.

The Board reviewed the item, accepted public comment and adopted a meeting schedule for November and December 2017.

Ms. Obayashi-Bartsch reviewed the item. The Board may schedule the Board meetings on any day of the month but meetings have consistently been held on Tuesdays with adjustments made to accommodate holidays in November and December. In 2017, the Thanksgiving holiday is Thursday, November 23rd. The Christmas holiday is Monday, December 25th.

Staff recommends conducting Board meetings on Tuesday, November 28th (last Tuesday of the month) and on Tuesday, December 19th (3rd Tuesday of the month). This is consistent with prior schedules.

Public Comment – none

A motion to conduct a regular Board meeting on Tuesday, November 28, 2017 and a special Board meeting on Tuesday, December 19, 2017 was made by Directors Hudson/Poulsen; vote was unanimous.

Cox-yes

Gustafson-yes

Hudson-yes

Ilfeld-yes

Poulsen-yes

F-3 PlumpJack Well Budget Amendment.

The Board reviewed the item, accepted public comment and authorized a budget amendment for the PlumpJack Well Project.

Mr. Geary reviewed the item. The PlumpJack renovation project's Final Environmental Impact Report (FEIR) was approved by the Placer County Planning Commission in February, 2017. The EIR studied two potential well sites on the parcel, with the only well site acceptable to the District being at the southwest corner of the property. At the time of Fiscal Year (FY) 2017-18 budget preparation, development of the five year Capital Improvement Project plan, and preparation of the cost of service and rate study, the feasibility of the PlumpJack Well project was uncertain and was therefore not included in any of these financial planning documents.

Since the County's approval of the FEIR, staff has been working with the developer to secure a new well site at the southwest corner of the property. Renovation of the existing PlumpJack facility is expected to begin in May, 2018. In order to keep pace with the renovation project's schedule and the District's well development schedule, it is necessary to construct and test the new well in 2017, and construct the well house and treatment facility in 2018. It is anticipated that the new well will be online in October, 2018.

The cost of the new well is anticipated to cost \$1,349,000 over a two year period. The budget for FY 2017-18 includes Phase 1 – Construction and Testing and the design of the Phase 2 improvements at \$406,000. The budget for FY 2018-19 includes construction of the well building and treatment facility and is estimated to be \$942,000. These funds will be coming from the Water Capital account and supplemented with funds from the Water Fixed Asset Replacement Fund (FARF).

Staff recommends that the FY 2017-18 Capital Projects Budget be amended to include the PlumpJack Well Project in the amount of \$406,000 which will be funded by the Water Capital account.

Chairman Cox expressed concern about the financial commitment.

Director Hudson asked staff for input on the financial implications of the project. Ms. Grindle said she estimates there will be \$950,000 in connection fees over the next two to five years. She said the District can absorb the costs through a combination of reserves including the Water Capital account and Fixed Asset Replacement Funds (FARFs), making it unnecessary to borrow funds outside of the District.

Director Ilfeld said by taking too conservative a stance, we may also be assuming risk. There is the risk of losing the opportunity for a drilling a well in a location which is known to be productive and with high quality water.

Director Poulsen commented on the opportunity to drill a new well in an area which has not been available for many years. This is a very favorable area for yield and quality. This well will improve the District's well field redundancy as it will spread out the pumping of the wells. He expressed support of the project as an investment in the future. There are still many details to be worked out including finalizing a development agreement with PlumpJack but this opportunity may not exist again.

Director Gustafson asked about the location of the proposed well. Staff provided clarification on the location.

Public Comment – none

John Wilcox said he was contacted by PlumpJack representatives about the well and was asked if the District had been involved with similar endeavors. He provided them with information about the District's work on Well 18-3R. He also commented on past allegations that drilling in the PlumpJack area would negatively impact Squaw Creek.

A motion to amend the FY 2017-18 Capital Projects Budget to include the PlumpJack Well Project in the amount of \$406,000 and funded by the Water Capital account was made by Directors Poulsen/Ilfeld; vote was unanimous.

Cox-yes

Gustafson-yes

Hudson-yes

Ilfeld-yes

Poulsen-yes

F-4 PlumpJack Well Drilling Contract.

The Board reviewed the item, accepted public comment and approved a contract award for PlumpJack Well drilling.

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. A new well has been identified to be drilled on the PlumpJack property. 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 should occur in late summer of 2017 to parallel the PlumpJack Renovation project's schedule.

The project will occur in two phases; Phase 1 – Well Construction and Testing, and Phase 2 – Well Equipping. Phase 1 will be completed in 2017 and Phase 2 in 2018, with the new well anticipated being online in October, 2018.

The District prepared contract documents and solicited bids from qualified well drilling contractors for the PlumpJack Well Project Phase 1 – Construction and Testing. Three proposals were received and opened on August 17th.

The District received proposals from three qualified well drillers and the bid results are as follows:

- Stonehouse Drilling & Construction - \$239,810
- Zim Industries - \$194, 977
- Nor-Cal Pump & Well Drilling, Inc - \$188,283

Staff reviewed the proposals, spoke with project references and determined that the low bidder, Nor-Cal Pump & Well Drilling, is highly qualified to perform the work for the District.

The contract documents allow for a 60-day construction period commencing on the date of the Notice to Proceed (NTP). It is anticipated that a NTP will be issued around the week of September 18, 2017, pending project approvals from the State Division of Drinking Water and the Truckee River Operating Agreement (TROA) notification process.

Staff recommends approval of the bid proposal from Nor-Cal Pump & Well Drilling, Inc. for the construction and testing of the new PlumpJack Well and recommends the District execute a contract with Nor-Cal Pump & Well Drilling, Inc., in an amount not to exceed \$188,283, as well as an additional contingency amount not to exceed \$25,000 to cover costs which may be incurred due to unforeseen circumstances during construction.

Public Comment – none

A motion to approve a contract award to Nor-Cal Pump & Well Drilling, Inc. for the construction and testing of the new PlumpJack Well and authorize the District to execute a contract with Nor-Cal Pump & Well Drilling, Inc., in an amount not to exceed \$188,283 and to approve an additional contingency amount not to exceed \$25,000 to cover costs which may be incurred due to unforeseen circumstances during construction was made by Directors Ilfeld/Hudson; vote was unanimous.

Cox-yes

Gustafson-yes

Hudson-yes

Ilfeld-yes

Poulsen-yes

F-5 PlumpJack Well Tree Removal Contract.

The Board reviewed the item, accepted public comment, approved a contract award for tree removal services.

Mr. Hunt reviewed the item. The removal of 12 trees at the PlumpJack Well site is necessary to provide adequate access to the work area for the well drilling contractor. Well drilling activities are scheduled to commence the week of September 25th and tree removal is expected to be completed the week of September 18th.

The District received proposals from three qualified contractors. Based on price, qualifications, and ability to meet the project schedule, staff is recommending a contract with Arbor Care of Tahoe. The contract will be for an amount not to exceed \$12,865.10. This project will be funded from the District's Water Capital fund and be reimbursed over time through payment of connection fees from new customers.

Staff recommends approval of the proposal from Arbor Care of Tahoe for tree removal services for the PlumpJack Well project and recommends the General Manager be authorized to execute a contract with Arbor Care of Tahoe, in an amount not to exceed \$12,865.10.

Public Comment – none

A motion to approve a contract award to Arbor Care of Tahoe for the PlumpJack Well tree removal services and authorizing the General Manager to execute the contract was made by Directors Hudson/Ilfeld; vote was unanimous.

Cox-yes

Gustafson-yes

Hudson-yes

Ilfeld-yes

Poulsen-yes

G. Status Reports.

G-1 Fire Department Operations Report.

Chief Riley reviewed the report. He said Kelley Craig is the new full time Firefighter/Paramedic hired and assigned to the "A" shift with Captain Monforte.

Director Poulsen asked if there are any challenges with the transition from Chief Bansen. Chief Riley said things are going smoothly with the support of staff and the local area's Fire Chiefs.

Public Comment – none

G-2 Water & Sewer Operations Report.

Mr. Burks reviewed the report.

The Board commended Mr. Burks and the Operations staff for their work on the "S" turn leak.

Director Poulsen commented on the importance of preparation for the upcoming winter and completion of any items as a result from last year's heavy winter.

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 – none

G-5 Manager's Comments.

Mr. Geary reviewed the report.

Public Comment – none

G-6 Legal Report (verbal).

Mr. Archer thanked everyone for the well-wishing after his accident and the exceptional medical care he received from all those involved.

Public Comment – none

G-7 Director's Comments.

Director Ilfeld said one way to limit development is to limit access to water but that was not a part of the Board's discussion or decision regarding the PlumpJack Well.

H. Adjourn.

Directors Hudson/Gustafson made a motion to adjourn at 10:30 A.M.; vote was unanimous.

Cox-yes

Gustafson-yes

Hudson-yes

Ilfeld-yes

Poulsen-yes

By, K. Obayashi-Bartsch