

**SQUAW VALLEY PUBLIC SERVICE DISTRICT
BOARD OF DIRECTORS MEETING MINUTES #831
September 26, 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 and Eric Poulsen

Directors Absent: Fred Ilfeld

Staff Present: Mike Geary, General Manager; Kathryn Obayashi-Bartsch, Secretary to the Board; Sal Monforte, Fire Captain; Brandon Burks, Operations Superintendent; Danielle Grindle, Finance & Administration Manager and Thomas Archer, District Counsel.

Others Present: Ed Heneveld, David Stepner and John Wilcox.

Chairman Cox asked David Stepner to lead the Pledge of Allegiance.

B. Community Informational Items.

- B-1** Friends of Squaw Creek – Ed Heneveld provided an update on the group’s grant and project status. He also provided information about upcoming events such as the Squaw Valley Property Owners Association’s Progressive Dinner on October 14th and the Truckee River Day & Fair on October 15th.
- B-2** Friends of Squaw Valley – David Stepner said the group is conducting a survey about the proposed Timberline Twister project and the group has requested that Placer County provide better signage for the pedestrian crossing at the intersection of Highway 89 and Squaw Valley Road.
- B-3** Squaw Valley Design Review Committee (SVDRC) – none
- B-4** Squaw Valley Municipal Advisory Council (SVMAC) – David Stepner said at the next meeting, Placer County will be presenting information on the new transportation bill (SB1), specifically what the proceeds from the vehicle tax may be used for. Placer County will also be discussing possible winter use and parking at Squaw Valley Park and there will be a discussion about the Parks and Recreation subcommittee’s survey.
- B-5** Squaw Valley Mutual Water Company (SVMWC) – David Stepner provided an update about their water line replacement project. He also commented on creating a micro transit district to provide shuttle service in Olympic Valley and Alpine Meadows.
- B-6** Squaw Valley Property Owners Association – none
- B-7** Mountain Housing Council of Tahoe Truckee – Kathryn Obayashi-Bartsch said Fred Ilfeld attended a meeting on September 15th which included a discussion of the group’s progress, public meeting protocol, action plan and plans for a “Think Tank” forum on employer solutions.
- B-8** Tahoe-Truckee Sanitation Agency (T-TSA) – Dale Cox provided an update on employee efforts to unionize and an appeal of charges from a customer that has not paid T-TSA fees since 1991.

C. Public Comment/Presentation.

Public Comment –

John Wilcox commented on the Parks and Recreation survey, specifically the survey questions about the Squaw Valley Museum.

D. Financial Consent Agenda Items.

Directors Poulsen and Cox met with staff on September 25th from approximately 3:00 – 4:15 P.M. to review items D-1 through D-10 as well as other finance related items on this agenda.

Director Poulsen said the committee reviewed all finance related items on the agenda. Captain Montforte said this summer the Fire Department sent the B-21 unit to several fires throughout the state and as a result the overtime expenses appear to be high. The B-21 unit has been sent to various locations with a crew of three for over 689 hours. The District will be reimbursed for labor, equipment and an administrative fee. A surplus of \$89,223 less equipment repairs is expected.

Director Poulsen commented on the GASB 68 calculation which Ms. Grindle has prepared. GASB 68 implemented new pension accounting standards which show the District's unfunded pension liability. The District received Placer County's Estimated Allocation of Property Taxes for Fiscal Year 2017-18, also known as the "September Surprise". The total anticipated tax revenue, less any fees from the county is an increase over the budget by 1.4%.

Public Comment – none

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

Cox-yes

Gustafson-yes

Hudson-yes

Ilfeld-absent

Poulsen-yes

E. Approve Minutes.

E-1 Minutes for the Board of Directors meeting of August 29, 2017.

Director Hudson requested a change to his comments on page 1, 3rd paragraph to read as follows: "Bill Hudson said his concern is how the District could efficiently and effectively manage to provide these services in addition to current District operations."

The Board directed that the issue of Parks and Recreation be placed on the November agenda.

Public Comment – none

A motion to approve the minutes for the Board of Directors meeting of August 29, 2017 with the requested revision was made by Directors Poulsen/Hudson; vote was unanimous with the

exception of Director Ilfeld who was absent.

Cox-yes

Gustafson-yes

Hudson-yes

Ilfeld-absent

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 PlumpJack Well Design Contract.

The Board reviewed the item, accepted public comment, approved contract award for PlumpJack Well design and authorized the General Manager to execute the contract.

Mr. Geary reviewed the item. A new well was identified as being necessary to provide water supply to the proposed PlumpJack Renovation project. The Draft Environmental Impact Report identified two potential well sites on the PlumpJack property. The final well location was confirmed with a Well Site Approval memorandum from the Division of Drinking Water

Renovation of the existing PlumpJack property is expected to start in May 2018. Pursuant to the District's well development schedule, Phase 1 – Well Drilling and Testing is scheduled to occur in October/November 2017. The District recently entered into a construction contract with Nor-Cal Pump & Well Drilling to complete Phase 1.

The well development schedule spans over 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.

District staff proposes to contract with Farr West Engineering to provide professional engineering services for the design of the Phase 2 improvements. Phase 2 will include installing a submersible pump and pitless adapter in the well, construction of a new well house for treatment and distribution of the well water, construction of a driveway, construction of an access path to the well head for future maintenance and repair, and landscape improvements.

Farr West Engineering's scope of work includes providing plans and specifications to support the work described above. The estimated overall schedule for drilling and dedicating the new well includes:

- Phase 1 – Drill, develop and test new well – October/November 2017
- Phase 2 – Design well house and equipping improvements – October 2017 – February 2018
- Construct Phase 2 improvements – Late summer 2018

- Bring new well online – October 2018
- Hydrogeologic well performance verification – Fall 2019

This project will be funded from the District’s Water Capital funds and reimbursed over time through payment of connection fees and user fees. Staff recommends approval of the proposal from Farr West Engineering for providing engineering consulting services and recommends the General Manager be authorized to execute a Professional Service Agreement with Farr West Engineering in an amount not to exceed \$96,000.

Public Comment – none

A motion to approve a contract award for the PlumpJack Well design and authorize the General Manager to execute the contract was made by Directors Hudson/Poulsen vote was unanimous; with the exception of Director Ilfeld who was absent.

Cox-yes

Gustafson-yes

Hudson-yes

Ilfeld-absent

Poulsen-yes

F-3 Accept Easements for the PlumpJack Well.

The Board reviewed the item, accepted public comment and accepted the PlumpJack Well easements through adoption of Resolution 2017-18.

Mr. Geary reviewed the item. The PlumpJack Renovation Project includes the construction of a water well. The Final Environmental Impact Report (EIR) for the PlumpJack Squaw Valley Inn Project was approved by the Placer County Board of Supervisors and included analyses of the environmental impacts of drilling and operating a municipal water well on the project site as well as associated mitigation measures.

The County has entitled the PlumpJack Renovation Project and issued conditions of approval (COAs) for the project design and construction. The District’s portion of the project is limited to the design and construction of the new well and is subject to compliance with applicable COAs as the District is performing its work under the permit of the larger project.

The PlumpJack Well is planned to be drilled and constructed in two phases as follows:

Phase 1 is currently active and is expected to be complete by the end of 2017. It includes well drilling, pump testing and water quality testing. Phase 1 will be permitted by the County through issuance of both a Grading Permit and Well Drilling Permit. The District will contract for any required preconstruction bat and botany surveys. A contract for Phase 1 well drilling and testing was approved at last month’s Board meeting.

A contract for tree removal services in support of Phase 1 was also approved at last month’s Board meeting. The removal of six trees is required to create space for well drilling equipment.

Mitigations for tree removal are established for the project and are the result of an agreement between the project owner and neighboring property owners concerned with impacts to view corridors and landscape screening. District staff met with PlumpJack representatives and property owners to better understand concerns about the removal of trees in the vicinity of the well hole.

Phase 2 is the design and construction of the well and is planned to start in October 2017 and be complete in 2018. The scope of work for Phase 2 includes installing a submersible pump and pitless adapter in the well, construction of a new well house to include water treatment and pump control equipment, construction of a driveway and an access path to the well head for future maintenance and repair, as well as landscape improvements.

Phase 2 of the District's work will be included on the Improvement Plans prepared for the PlumpJack Renovation Project and submitted to the County for review and approval. These plans will show the well building's location and associated yard piping. Phase 2 work is subject to review by Squaw Valley Design Review Committee (DRC) and is scheduled for their consideration in the first half of 2018.

The State of California's Water Resources Control Board's Division of Drinking Water (DDW) requires a 50-foot setback surrounding the well hole to minimize the potential of contamination of potable water wells. A variance was requested by the District because a proposed building on PlumpJack property and a portion of the neighboring property to the west are within the Well Site Control Zone. DDW provided the District written approval of the variance request and stipulated that the location of the well hole be in the exact location as proposed in the variance request.

The Truckee River Operating Agreement (TROA) requires a 45-day notification process to solicit comments and concerns from signatories to TROA and other stakeholders. The proposed PlumpJack Well is the first new well to be processed since TROA's implementation in 2015. According to the United States District Court Water Master's Office in Reno, the process was satisfactorily completed.

Staff is preparing updates to the Water Capital Improvement Plan to include the cost of the PlumpJack Well which will spur an update of the District's water connection fees. Funds to construct the well will come from both the Water Capital Fund as well as the Water Fixed Asset Replacement Fund (FARF). Staff will provide additional detail on what percentage of the new well's cost will come from user fees and how much will be funded by new development through water connection fees.

Next steps also include the negotiation of a Water and Sewer Service Agreement, or Development Agreement, with the project owners. A draft version has been reviewed by staff and District counsel. Initial negotiations are expected to commence in October.

Included in the PlumpJack Renovation Project is the relocation of existing, District-owned water and sewer mains located in easements along the property's western and northern boundary, parallel and adjacent to Squaw Creek. The water and sewer mains in these easements are

proposed to be relocated, at the developer's expense, to Squaw Peak Road and Squaw Valley Road; both Placer County rights-of-way. While the mains will no longer require easements, standard provisions of a County encroachment permit will apply. District staff are coordinating with the developer's engineer to ensure conformance to District's construction standards and specifications in the Improvement Plans.

The Grant of Well and Utility Easement (Easement) for the proposed PlumpJack Well contains a Temporary Construction Easement and a Permanent Well and Utility Easement. The Easement secures the District's property right to construct the PlumpJack Well for which the District is currently administering contracts to design and construct the well; it allows the District to safely operate, maintain, and ultimately replace the well, well house, and other facilities into perpetuity. The Easement is also required to meet a condition of DDW's approval of the District's variance request.

Director Poulsen asked about the Design Review Committee's involvement. Mr. Geary said he anticipates that the Well House architectural design can be modified to meet the Committee's standards.

Director Poulsen asked for clarification about project funding. Mr. Geary said this project will be funded from both the Water Capital Fund as well as the Water Fixed Asset Replacement Fund (FARF). Some of the new well's cost will come from user fees and some will be funded by new development through water connection fees.

Public Comment –

John Wilcox commented on Director's Ilfeld's comments from the last month's meeting minutes regarding development and access to water. Mr. Geary said his comments also reflected that it would be inappropriate to use access to water as a means to curtail development.

A motion to authorize the Board President to execute the grant of Well and Utility Easement for the PlumpJack Well, conditioned upon the Developer's execution and that of its lender / investor, by adoption of Resolution 2017-18 was made by Directors Hudson/Poulsen; vote was unanimous with the exception of Director Ilfeld who was absent.

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

F-4 Declare Operations & Fire Department Items as Surplus and Authorize Sale and/or Donation.

The Board reviewed the item, accepted public comment, declared items as surplus and authorized staff to conduct a sale and/or donate items.

Mr. Burks reviewed the item. The Fire and Operations Departments have an asset replacement program that funds the replacement of equipment and apparatus according to anticipated

service life and/or industry guidelines. At present, the Departments have some equipment that has been taken out of service, but may still have some value. District code requires that the Board declare these assets to be surplus before items can be liquidated in any manner.

The equipment includes a Compressed Air Foam Unit (CAFS), various radio equipment, emergency lights, surplus hand tools, extrication power unit and tools, a PPV fan, two electric chain saws, camera equipment, a file cabinet and office chairs.

The CAFS unit is 17 years old, been out of service for approximately 8 years, and in need of maintenance and repair. Truckee Fire has interest in the equipment for use at the Truckee Airport. The CAFS unit would be available, by mutual aid, in the event that we had a need.

Public Comment – none

A motion to declare the items as surplus and authorize staff to conduct a sale and/or donate items was made by Directors Hudson/Gustafson; vote was unanimous with the exception of Director Ilfeld who was absent.

Cox-yes

Gustafson-yes

Hudson-yes

Ilfeld-absent

Poulsen-yes

F-5 Accessory Dwelling Units and Junior Accessory Dwelling Units.

The Board reviewed the item and accepted public comment.

Mr. Geary and Ms. Obayashi-Bartsch reviewed the item. In September, 2016 the California State Legislature adopted two bills relating to land use. The intent of these bills, SB 1069 and AB 2299 is to reduce regulatory and financial barriers in constructing Accessory Dwelling Units (ADUs).

SB 1069 and AB 2299 remove barriers to ADUs to encourage creation of more affordable housing statewide. The new law reduces local agency discretion in reviewing ADU applications, prevents local agencies from requiring separate water and sewer connections or charging connections fees for conversion of existing legally established structures to ADUs in residential zones and introduces a statutory 120-day review period. The law became effective January 1, 2017. Special Districts and water corporations were overlooked in the 2016 legislation which was corrected in 2017.

The Legislature also adopted a bill, AB 2406, enabling local jurisdictions to adopt regulations for Junior Accessory Dwelling (JAD) units. A JAD unit is a very small living unit of 500 square feet or less and created out of an existing, permitted bedroom within a single-family dwelling. State law enables local jurisdictions to allow JAD units in addition to ADUs in residential zones.

SB 229 was introduced in the California Legislature's 2017-2018 regular session and is expected to be signed into law by the Governor. SB 229 amends Government Code Section 65852.2 providing clarification on parking and prohibits the sale or conveyance of the unit separate from

the primary residence. SB 229 also extends the applicability to Special Districts and water corporations.

The Squaw Valley Public Service District is not a land use agency and development is subject to Placer County's land use ordinance. The District provides water, sewer, fire protection, and garbage collection services and any connection fees charged by the District are subject to the Mitigation Fee Act which requires fees to be proportional to the actual impact.

Public Comment – none

F-6 Cal Fire Dispatch Agreement.

The Board reviewed the item, accepted public comment, approved the agreement with Cal Fire for dispatch services through adoption of Resolution 2017-17 and authorized the Board President to execute the agreement.

Captain Monforte reviewed the item. The previous three year contract with Cal Fire was estimated at \$94,749 with a not to exceed provision of \$30,055 per year. The new three year contract is for a not to exceed amount of \$118,692.52 and breaks down as follows:

FY 2017-18: \$37,650.28

FY 2018-19: \$39,532.80

FY 2019-20: \$41,509.44

The initial increase from the last contract can be attributed in part to Cal Fire raises of 11-22% in the next four years and the Fire Department's call volume increasing by approximately 10%.

Public Comment –

David Stepner asked about the consequences of not having a dispatch contract. Captain Montforte said there really is no viable option to this service.

A motion to approve the contract by adoption of Resolution 2017-17 and authorizing the Board President to execute the agreement was made by Directors Gustafson/Poulsen vote was unanimous; with the exception of Director Ilfeld who was absent.

Cox-yes

Gustafson-yes

Hudson-yes

Ilfeld-absent

Poulsen-yes

F-7 John Deere Backhoe Purchase.

The Board reviewed the item, accepted public comment and authorized purchase of a John Deere backhoe.

Mr. Burks reviewed the item. The District's 1994 JCB backhoe is undersized and underpowered for digging on water and sewer line repairs and for snow removal. The JCB backhoe is in need of significant repairs including hydraulic valve body repair and steering column wiring issues.

Staff researched multiple brands, types and sizes of backhoes and believes it is advantageous to purchase the same brand and type that other local agencies use. The John Deere Model 310 SL/HL backhoe is well-suited to District needs and staff recommends purchasing this equipment from Pape Machinery, the John Deere distributor. The price quoted is in accordance with the State of California contract for this equipment.

Pape Machinery, the John Deere distributor, has also proposed purchasing the used JCB Backhoe from the District for \$10,000, which would be applied the cost of the new backhoe. This trade-in price is within the market value range for the JCB due to the needed repairs on this equipment.

This purchase will be funded by Water and Sewer Fixed Asset Replacement Funds. An amount of \$150,000 was budgeted for 2017-18 year. The cost to purchase the 310 SL/HL is \$129,407 and the price will be reduced by \$10,000 to \$119,407 with the trade-in of the 1994 JCB backhoe.

Public Comment – none

A motion to approve the purchase of a John Deere 310 SL/HL backhoe in the amount of \$119,407 was made by Directors Hudson/Poulsen; vote was unanimous with the exception of Director Ilfeld who was absent.

Cox-yes

Gustafson-yes

Hudson-yes

Ilfeld-absent

Poulsen-yes

G. Status Reports.

G-1 Fire Department Operations Report.

Captain Montforte reviewed the report.

Public Comment –

David Stepner asked about wild fire starts in the valley. Captain Montforte commented on multiple lightning strikes and fire starts by the 7-11 store and Squaw Valley Ski Resort's carpenter's shop. These fires were put out quickly and did not create significant damage.

G-2 Water & Sewer Operations Report.

Mr. Burks reviewed the report.

Public Comment – none

G-3 Engineering Report.

Mr. Geary 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 had no comments.

Public Comment – none

G-7 Director's Comments.

H. Adjourn.

Directors Gustafson/Poulsen made a motion to adjourn at 10:25 A.M.; vote was unanimous with the exception of Director Ilfeld who was absent.

Cox-yes

Gustafson-yes

Hudson-yes

Ilfeld-absent

Poulsen-yes

By, K. Obayashi-Bartsch