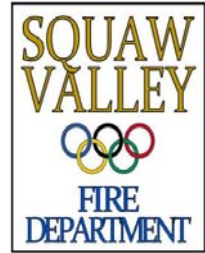




SQUAW VALLEY PUBLIC SERVICE DISTRICT



PlumpJack Well Easement

DATE: September 26, 2017

TO: District Board of Directors

FROM: Mike Geary, General Manager and Dave Hunt, District Engineer

SUBJECT: Project Status Update. Permanent and Temporary Construction Easements for the PlumpJack Well.

BACKGROUND: The scope of the PlumpJack Squaw Valley Inn Renovation Project consists of the demolition of the existing 61-room PlumpJack hotel, constructed in 1959, and the construction of the following primary components:

1. a two- and five-story hotel, containing 60 hotel key rooms and 6 residential units
2. a three-story residential condominium building, containing 12 units
3. a four-story residential condominium building, containing 16 units
4. an underground parking structure, containing 135 parking spaces.

The project also includes the construction of a new District water well for which the initial coordination with PlumpJack / Squaw Valley Inn began at least 15-years ago, in 2002.

At last month's Board Meeting on August 29, 2017, the Board approved an amendment to the FY 2017-18 Capital Budget to fund the design and construction of the PlumpJack Well.

The Final EIR for the PlumpJack Squaw Valley Inn Project was approved by the Placer County Board of Supervisors in February 2017 and included analyses of the environmental impacts of drilling and operating a new 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 comply with applicable COAs as the District is performing its work under the permit of the larger project.

The PlumpJack Renovation Project is scheduled to commence in spring 2018 and be completed in 2019.

The PlumpJack Well is planned to be drilled and constructed in two phases.

Phase 1

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 with Stantec for any required pre-construction bat and botany surveys.

A contract for tree removal services in support of Phase 1 was 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 and impacted owners to understand their concerns about the removal of trees in the vicinity of the well hole.

A contract for Phase 1 well drilling and testing was also approved at last month's Board Meeting in August. The work is expected to commence in mid-October. The well drilling and testing is expected to take 4-6 weeks to complete. The District's hydrogeologist for the project, *InterFlow Hydrology*, will provide inspection services during well drilling and testing.

Phase 2

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 Well House does not need to be located over, or on top of, the well hole. The location of the Well House is not known at this time. Its location is being determined by the design team for the PlumpJack Renovation Project and will be shown on the project's Improvement Plans. While the District has provided PlumpJack's design team with criteria to safely operate and maintain the well and Well House, PlumpJack will ultimately determine the final location of the Well House, access driveway and snow storage areas.

Phase 2 of the District's work will also have a separate set of plans and specifications prepared by the District's design consultant for the purpose of soliciting public bids to perform the work to construct the improvements under contract with the District. On today's meeting agenda is consideration of an engineering consulting proposal for design services for Phase 2.

DDW Approval

The feasibility to install the new well relied on approval of the District's request for a variance to the required Well Site Control Zone as enforced by the State of California's Water Resources Control Board's Division of Drinking Water (DDW). DDW requires a 50-foot setback surrounding the well hole to minimize the potential of contamination of potable water wells. The 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 for the proposed well. DDW provided the District written approval of the variance request on September 12, 2017 and stipulated that the location of the well hole be in the exact location as proposed in the variance request.

TROA

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 on Dec. 1, 2015. According to the United States District Court Water Master's Office in Reno, the process was satisfactorily completed on Sept. 19, 2017.

Funding

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.

Development Agreement

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 during the last week of September or first week in October. The Board will likely consider approval of the Development Agreement at its October 31, 2017 meeting.

Water and Sewer Main Relocations

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.

DISCUSSION: The Grant of Well and Utility Easement (**Easement**) for the proposed PlumpJack Well is attached for review. It 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.

The Permanent Easement Area does not necessarily indicate the ultimate location of the Well House. The Well House may be located outside of the Permanent Easement Area as shown on the attached exhibit. The Permanent Easement Area shows the smallest easement footprint on PlumpJack's property so as to have the smallest possible encumbrance on their property that still meets all of the District's criteria for access and safe operation and maintenance of the well and Well House.

ALTERNATIVES: Consider the terms of the Easement that includes a *Temporary Construction Easement* and *Permanent Well and Utility Easement* and:

1. Accept the Easement and approve Resolution 2017-18.
2. Do not accept the Easement.
3. Propose changes to the terms of the Easement.

FISCAL/RESOURCE IMPACTS: The District is not providing compensation for the Easement.

RECOMMENDATION: Accept the Easement and approve Resolution 2017-18.

ATTACHMENTS: Grant of Well and Utility Easement for the PlumpJack Well.
Resolution 2017-18.

DATE PREPARED: September 21, 2017

RESOLUTION 2017-18

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SQUAW VALLEY PUBLIC SERVICE DISTRICT
ACCEPTING GRANT OF WELL AND UTILITY EASEMENT
LOCATED ON PLACER COUNTY APN 096-020-023 GRANTED BY
CNCML, a California limited partnership, for and related to the project known as
PLUMPJACK SQUAW VALLEY INN**

WHEREAS, CNCML, a California limited partnership is Owner of that certain property situated in Olympic Valley, Placer County, California, located at 1920 Squaw Valley Road, Olympic Valley, CA, and as described in the Grant of Well and Utility Easement, attached hereto and incorporated herein; and

WHEREAS, CNCML has executed and delivered to the District the Grant of Well and Utility Easement burdening the above-described property; and

WHEREAS, District wishes to accept the Grant of Well and Utility Easement.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Squaw Valley Public Service District:

1. Does hereby accept the executed Grant of Well and Utility Easement, which documents are attached hereto and incorporated herein.
2. The Board President and Secretary to the Board of the District are hereby authorized and directed to execute said document(s) on Board behalf of the District and cause said Grant of Easement to be duly recorded in the Official Records of the Office of the Recorder of Placer County, California.

PASSED AND ADOPTED this 26th day of September 2017 at a regular meeting of the Board of Directors of the Squaw Valley Public Service District by the following vote:

AYES: -
NOES: -
ABSENT: -
ABSTAIN: -

APPROVED:

Dale Cox, Board President

ATTEST:

Kathryn Obayashi-Bartsch, Secretary to the Board

RESOLUTION 2017-18

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SQUAW VALLEY PUBLIC SERVICE DISTRICT
ACCEPTING GRANT OF WELL AND UTILITY EASEMENT
LOCATED ON PLACER COUNTY APN 096-020-023 GRANTED BY
CNCML, a California limited partnership, for and related to the project known as
PLUMPJACK SQUAW VALLEY INN**

WHEREAS, CNCML, a California limited partnership is Owner of that certain property situated in Olympic Valley, Placer County, California, located at 1920 Squaw Valley Road, Olympic Valley, CA, and as described in the Grant of Well and Utility Easement, attached hereto and incorporated herein; and

WHEREAS, CNCML has executed and delivered to the District the Grant of Well and Utility Easement burdening the above-described property; and

WHEREAS, District wishes to accept the Grant of Well and Utility Easement.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Squaw Valley Public Service District:

1. Does hereby accept the executed Grant of Well and Utility Easement, which documents are attached hereto and incorporated herein.
2. The Board President and Secretary to the Board of the District are hereby authorized and directed to execute said document(s) on Board behalf of the District and cause said Grant of Easement to be duly recorded in the Official Records of the Office of the Recorder of Placer County, California.

PASSED AND ADOPTED this 26th day of September 2017 at a regular meeting of the Board of Directors of the Squaw Valley Public Service District by the following vote:

AYES: -
NOES: -
ABSENT: -
ABSTAIN: -

APPROVED:

Dale Cox, Board President

ATTEST:

Kathryn Obayashi-Bartsch, Secretary to the Board