

**SQUAW VALLEY PUBLIC SERVICE DISTRICT
BOARD OF DIRECTORS MEETING MINUTES #807
November 17, 2015**

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, Carl Gustafson, Eric Poulsen and John Wilcox.

Directors Absent: none

Staff Present: Mike Geary, General Manager; Kathy Obayashi-Bartsch, Secretary to the Board; Pete Bansen, Fire Chief; Brandon Burks, Operations Specialist III; Thomas Archer, District Counsel; and Danielle Grindle, Finance & Administration Manager.

Others Present: Ed Heneveld, Dean Hall, Bill Hudson, Dave Hunt, Andrew & Jean Lange, Andrea Parisi, Perri Runyon, Isaac Silverman, Hans Walde, Barbara Wilcox and Tuck Wilson.

President Cox asked Andrew Lange to lead the Pledge of Allegiance.

President Cox introduced Danielle Grindle who was hired as Finance & Administration Manager.

B. Community Informational Items.

B-1 Friends of Squaw Creek – none

B-2 Friends of Squaw Valley – Ed Heneveld said the Final Environmental Impact report (EIR) for *The Village at Squaw Valley* project is expected to be released in February, 2016.

B-3 Squaw Valley Design Review Committee (SVDRC) – no report

B-4 Squaw Valley Municipal Advisory Council (SVMAC) – Ed Heneveld provided an update on Placer County's accessory dwelling code changes.

B-5 Squaw Valley Mutual Water Company (SVMWC) – Brandon Burks provided an update on the back lot water line abandonment work, SCADA system, rate setting and capital replacement program.

B-6 Squaw Valley Ski Holdings – no report

B-7 Squaw Valley Property Owners Association – no report

B-8 Tahoe-Truckee Sanitation Agency – Dale Cox provided an update on the Truckee River Interceptor (TRI) pipe segment replacement and Soil Aquifer Treatment (SAT) which provides the final wastewater treatment process at the plant.

B-9 Incorporate Olympic Valley (IOV) – Mike Geary and Kathryn Obayashi-Bartsch provided an update on the California State Controller's Office (SCO) report that analyzed the proposed town's fiscal viability. Upon the request of IOV, the SCO reviewed 31 issues related to the draft Comprehensive Fiscal Analysis (CFA). While the SCO provided input on each issue submitted for review, it did not provide a conclusion on whether the proposed town would be financially viable. The Placer Local Agency Formation Commission is analyzing the report, along with the consultant that prepared the draft CFA.

John Wilcox said IOV concluded the report supports their position that the town is financially viable. The opponents to incorporation contend that the report supports their position that the town is not financially viable.

C. Public Comment/Presentation.

C-1 Resolution 2015-16 – Certificate of Appreciation – Brian Sheehan.

The Board adopted and presented Resolution 2015-16 recognizing Brian Sheehan’s service to the District and community.

Chief Bansen read the resolution. Directors Poulsen/Gustafson made a motion to adopt Resolution 2015-16; vote was unanimous.

Cox-yes

Gustafson-yes

Poulsen-yes

Wilcox-yes

Public Comment –

Ed Heneveld said on Tuesday, December 1st at Graham’s Restaurant there will be a celebration of life for Brian Sheehan and R.S.V.P’s are required.

D. Financial Consent Agenda Items.

Director Poulsen met with staff on November 16th from approximately 2:30 – 3:30 P.M. to review items D-1 and D-6 through D-10 as well as other finance related items on this agenda.

Director Poulsen said Exhibits D-2 through D-5 are not available this month due to recent staff changes and the reports will be available next month. The group reviewed the check register which included several refunds due to duplicate payments.

Public Comment – none

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

Cox-yes

Gustafson-yes

Poulsen-yes

Wilcox-yes

E. Approve Minutes.

E-1 Minutes for the Board of Directors meeting of October 27, 2015

The Board approved the minutes as presented.

A motion to approve the minutes for the Board of Directors meeting on October 27, 2015 was made by Directors Wilcox/Gustafson; vote was unanimous.

Cox-yes

Gustafson-yes

Poulsen-yes

Wilcox-yes

F. Old & New Business.

F-1 Board Member Appointment/Oath of Office.

The Board reviewed the item, accepted public comment, made an appointment and performed the oath of office.

President Cox reviewed the item. Ed Heneveld said he is withdrawing his application for this Board appointment.

The applicants addressed the Board with their qualifications and interest in serving on the Board as follows:

Dean Hall
Bill Hudson
Andrew Lange

Public Comment –

Ed Heneveld asked about the term of service and the next general election. He expressed support of all candidates as being well qualified with an endorsement for Andrew Lange as being most up to date on District issues.

Mike Geary and Kathryn Obayashi-Bartsch reviewed the next general election process. There will be four seats open and three will be four-year terms and one will be a two-year term. Candidates will choose the seat with the corresponding term that they are running for.

Director Wilcox said all candidates are well qualified and he expressed support of Bill Hudson due to his professional experience.

Director Poulsen said he spoke to each candidate and all are very well qualified.

Director Gustafson said he believes all candidates are well qualified and this will be a difficult decision.

President Cox said there are additional duties as a Board member beyond attendance at a monthly board meeting.

Director Gustafson made a motion to appoint Andrew Lange to the Board. There was no second to the motion.

Directors Wilcox/Poulsen made a motion to appoint Bill Hudson to the Board serving by appointment until the next general election in November, 2016; vote was three to one.

Cox-yes
Gustafson-no
Poulsen-yes
Wilcox-yes

Ms. Obayashi-Bartsch performed the oath of office and Bill Hudson was sworn in and seated as a Director for the Squaw Valley Public Service District.

F-2 Village at Squaw Valley Project Update.

Director Poulsen left the meeting room due to a conflict of interest from an ownership interest. He listened to the discussion through a one way audio feed.

The Board reviewed the information, discussed the project and accepted public comment.

Mr. Geary said staff is working in preparation of negotiations of a Development Agreement with Squaw Valley Real Estate (SVRE) for the proposed project and staff will provide updates to the status of negotiations to the Village Ad Hoc Committee and the entire Board as progress is made.

Staff and consultants continue to work with the County, assisting in their responses to public comments received on the project's Draft Environmental Impact Report (DEIR). County staff indicated that completion and distribution of the Final EIR is expected in February, 2016.

Chief Bansen and Mr. Geary met with Placer County Supervisor Jennifer Montgomery and her representative, Steve Kasten to discuss District comments on the DEIR. John Johnson, President of the Squaw Valley Mutual Water Company also met with Supervisor Montgomery and Steve Kasten.

Water

There is no new information to report.

Sewer

There is no new information to report.

Fire/EMS

There is no new information to report.

Public Comment –

Ed Heneveld said he would like a water management action plan to be part of the development agreement similar in structure to the Resort at Squaw Creek's Technical Review Committee. This type of plan would ensure that certain conditions will require a stop action and provide assurances in advance of a problem.

F-3 Squaw Valley Public Service District Logo Design.

The Board reviewed the item and accepted public comment.

Chief Bansen reviewed the item and presented a preferred design that was reviewed by a professional designer, Barbara Wilcox. The design is shown in a two-color and multi-color format which is necessary to be used in a variety of applications.

Ms. Wilcox provided a summary of design elements and considerations for a good logo. She explained this is a process and that a good logo that reflects the company or organization is designed to be distinctive and to be used for a very long time.

Director Hudson said he likes the current logo as it reflects the natural features of the valley and appreciates the work that has been done to update the logo.

Directors Poulsen and Gustafson said they appreciate the work on the logo.

Mr. Archer said Ms. Wilcox is doing this work as a volunteer so there is no filial conflict of interest for Director Wilcox.

President Cox said he likes the current logos used for the District and appreciates the efforts taken on this issue.

Public Comment –

Barbara Wilcox said in this area there are so many logos with trees, mountains and other natural features. The current logo is not quickly recognizable or distinctive as the Squaw Valley Public Service District.

Tuck Wilson said the current Fire Department logo is fine but the current general District logo is not representative. If Ms. Wilcox is volunteering her professional services to develop the logo that is great but doesn't think it's wise to spend a lot of money on a new logo.

Ed Heneveld said he likes the idea of a new logo and feels the current one is not distinctive to the District.

F-4 Placer County Local Area Formation Commission (LAFCO) Call for Nomination.

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

Ms. Obayashi-Bartsch reviewed the item. There was no interest from any Board member to serve on LAFCO as an alternate.

Director Poulsen said he believes any representative from our Board may have a conflict of interest regarding the incorporation issue.

Public Comment –

Andrew Lange said he believed Brian Sheehan serving in the alternate position could vote on the incorporation issue. Mr. Geary explained the ruling on his ability to participate was made by the California Fair Political Practices Commission (FPPC) and any person with a potential conflict of issue will likely have to be reviewed by the FPPC.

Break 10:25-10:30

F-5 Redundant Water Supply / Preferred Alternative Evaluation – Phase III; Alternatives Evaluation.

The Board reviewed the item and accepted public comment.

Mr. Geary and Mr. Hunt reviewed the item. The subject of this report is a portion of the

Summary Memorandum (Preferred Alternative), specifically the Preliminary Results of the Non-Economic Alternatives Evaluation. The Technical Memorandum is only a preliminary report and staff expects the FINAL version of the Alternatives Evaluation Memorandum for presentation at the December 15, 2015 Board Meeting.

The Technical Memorandum presents the preliminary results of a non-economic evaluation of the different redundant water supply project alternatives for the transmission main corridors, water source, and terminal tank locations. The non-economic evaluation was made on a sub-criterion basis for each of the four transmission main alternatives, five of the water source location alternatives and two terminal water storage tank locations.

The preliminary results indicate the highest scoring transmission main alignment is the west shoulder of Hwy. 89; the highest scoring water source alternative is near the Truckee Airport and Schaffer Mill Road; and the highest scoring water storage tank location is the United States Forest Service (USFS) property south of District facilities at 305 Squaw Valley Road.

The Board authorized staff to enter into a Funding Agreement with the State of California's Department of Water Resources (DWR) as part of the Local Groundwater Assistance Grant Program for \$225,000 to reimburse the District for the evaluation. The DWR grant will reimburse expenses incurred by the District to perform the evaluation to a maximum of \$225,000. The contract with Farr West Engineering is estimated to cost the same and the project is within budget.

The remaining work in Phase III is scheduled for presentation to the Board at the December 15, 2015 and January 26, 2016 Board Meetings.

Director Poulsen commented on tank placement on the ridge above the Resort @ Squaw Creek. This location would possibly allow for connection to Alpine Meadows (Juniper Hill area). Alpine Meadows also does not have a redundant supply.

President Cox said this project is for a redundant water supply to serve Olympic Valley. The potential growth inducing aspects are not part of this project such as providing potable water to properties along Hwy. 89 that are currently underserved or not served with water.

Director Gustafson said he is concerned about moving water from one drainage area to another. He also expressed concern with pumping water uphill from the Truckee area to Olympic Valley and pumping sewage downhill from Olympic Valley to the Truckee area.

Public Comment –

Ed Heneveld asked staff to clarify if the Truckee Donner Public Utility District has adequate water supply to provide a redundant supply. Dave Hunt said they currently do not have enough planned water sources to meet their build-out demands and would require additional sources to meet the Squaw Valley's redundant water supply needs.

Ed Heneveld also commented on the Squaw Valley Mutual Water Company (SVMWC) intertie project and the potential for it to be growth inducing. Mr. Geary said the intertie improves the

resiliency of both systems and there is a design that was funded by a Placer County Water Agency (PCWA) grant, SVMWC and the District. SVMWC has identified several capital projects and is building funds for these projects and one of them is to participate in the intertie project.

Director Wilcox said an emergency intertie may also be achieved by connecting two fire hydrants with a hose. This was done in the late 1990's when one of SVMWC's wells was not operating.

Ed Heneveld asked if it is possible to create legally binding language to identify and restrict the purpose of the water for emergency use. This may allay the fear of this project being growth inducing.

Mr. Archer said he would not rule this out but the emergency capability is definitional to the project and it would go through the California Environmental Quality Act (CEQA) process. He didn't have a specific answer at this point but it is important to provide the public with accurate information about the nature of the project.

Ed Heneveld said while there are prohibitions according to the Truckee River Operating Agreement (TROA) there may be the possibility to access water from Tahoe City if there are emergency conditions. The administrator of Truckee River Operating Agreement (TROA) and the Governors of both states would have to agree to allow this to happen but this is a possibility. Mr. Archer said he believes the political implications and complexity would be quite significant.

F-6 National Rural Water Association's 2016 Rural Water Rally – Best Tasting Water.

The Board reviewed the item, accepted public comment and authorized staff to participate in a national contest for best tasting water, including travel to Washington D.C. in February 2016.

Mr. Geary reviewed the item. At the October, 2015 Board of Directors meeting, staff presented information about the District's award from the California Rural Water Association for "Best Tasting Water in California". The District has been invited to submit an entry in the Great American Water Taste Test to vie for the Best Tasting Water in America at the National Rural Water Association's (NRWA's) 2016 Rural Water Rally on Capitol Hill in Washington D.C. February 8-10, 2016. The annual event brings utility system representatives to Capitol Hill to support funding for infrastructure, training and technical assistance.

Public Comment – none

Directors Wilcox/Hudson made a motion to participate in the contest including travel to Washington D.C; vote was unanimous.

Cox-yes

Gustafson-yes

Hudson- yes

Poulsen-yes

Wilcox-yes

F-7 Declare Equipment Surplus and Authorize Sale of Surplus Equipment.

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

Chief Bansen reviewed the item. The Fire Department's 2004 Ford Expedition command vehicle was in service for 11 years and has over 182,000 miles. In accordance with the District's asset replacement program, that vehicle has been replaced and, at the Board's direction, can be declared surplus and donated to another fire department or sold in a variety of ways.

Public Comment – none

Directors Hudson/Wilcox made a motion to declare the equipment as surplus and authorized staff to dispose of the vehicle through a sale or donate as appropriate; vote was unanimous.

Cox-yes

Gustafson-yes

Hudson- yes

Poulsen-yes

Wilcox-yes

F-8 License Agreement and Removal of Easement Encroachments – Borden and O'Reilly.

Mr. Geary provided a summary of the item which was on last month's agenda. At this time a final exhibit is not available and no action need be taken.

Mr. Archer commented on several issues related to this item including precedence, easement encroachments, hardship concerns and others.

F-9 2015 Capacity & Reliability Study Update – Professional Services Agreement with Farr West Engineering.

The Board reviewed the item, accepted public comment, approved the scope of work and authorized the General Manager to execute an agreement with Farr West Engineering for the 2015 Capacity & Reliability Study Update.

Mr. Geary and Mr. Hunt reviewed the item. Analysis of the capacity and reliability of the District's water system to meet current and future demands is a key factor driving the ability to issue permits for new development. The District began analyzing our ability to meet growth demands in 2002 with the last update in 2007.

Since 2007, the District has experienced moderate growth. Projects currently in the planning stages such as the Resort at Squaw Creek Phase II, Village at Squaw Valley Specific Plan, and the PlumpJack renovation intend to provide the District with new wells and additional water supply sources. The District's current supply available from existing wells and the system's corresponding demands has not been studied recently.

Placer County received a project application from the Palisades at Squaw Project which proposes 63 residential lots and a private park on 19.9 acres. The County requires the project proponent to prepare an Environmental Impact Report and will require the District to comment on its ability to serve the project and ultimately issue will serve commitments. Given the

magnitude of the project, it could consume all or a significant portion of the District's remaining source capacity. In order to make an informed commitment to serve the project, the Water Capacity and Reliability Update should be updated to reflect current supply and demand.

The District historically performed the analysis using the engineer of record. Farr West Engineering provided a scope of work and budget to perform the analysis in an amount not to exceed \$6,000. Dave Hunt performed the analysis previously and the value of his institutional knowledge is reflected in the cost. The Palisades project proponent agreed to the terms of the District's standard pre-development agreement and has also agreed to reimburse the District for the costs of the analysis.

Director Poulsen said there are a number of developments in the works outside of the Palisades project and expressed concern on how to serve these developments. Mr. Geary and Mr. Archer said all developments will be served on a first come, first serve basis.

Public Comment – none

Directors made a Wilcox/Hudson motion to approve the scope of work and authorized the General Manager to execute the agreement; vote was unanimous.

Cox-yes

Gustafson-yes

Hudson -yes

Poulsen-yes

Wilcox-yes

F-10 Staff Succession Planning.

The Board reviewed the item and accepted public comment.

Mr. Geary reviewed the item. Succession planning is generally accepted as a way for organizations to address replacement of key employees, to support anticipated growth and to address training and/or skill shortages within the existing staff of an organization.

It is prudent for the District to plan for the retirement of key staff especially with the District's small organizational structure. The impact of one retirement in an agency of 20 staff has a much greater impact than it would in a larger agency. Mr. Geary said he proposes to begin recruitment of a District Engineer and Operations Superintendent soon and will be presenting the necessary documents in support of this plan.

Director Poulsen said it is preferable to hire from within current staff if feasible but it is also good to seek staff from outside the agency.

Public Comment – none

F-11 Grant Contract with North Lake Tahoe Resort Association (NLTRA) for Bike Trail Snow Removal.

The Board reviewed the item, accepted public comment, approved contract and authorized the

General Manager to execute the grant agreement with North Lake Tahoe Resort Association (NLTRA).

Mr. Geary reviewed the item. The District is providing snow removal services on 2.3 miles of bike trail for the 2015/16 winter. Snow removal is performed as needed between November 15th and April 30th on the trail. Maintenance services also include trail inspection and maintenance, sanding for traction control, sweeping, installation and removal of snow poles and signage, litter pick-up, equipment maintenance, and springtime fence repair and trail resurfacing (e.g., patch paving). The program complies with provisions of a Placer County Encroachment Permit issued by the County's Department of Facilities Services.

The benefits to visitors and community include improved pedestrian safety along Squaw Valley Road, especially on busy days when Squaw Valley Resort controls traffic for automobile ingress and egress using three lanes. There is also an unquantifiable benefit in providing an additional, alternative, non-snow recreational opportunity, as well as an overall health wellness benefit, to locals, tourists and the North Tahoe and Truckee community.

Grant funds are in the process of being committed to the 2015-16 program with the goal of collecting \$103,000, the estimated annual budget, from the following organizations:

- North Lake Tahoe Resort Association (NLTRA)
- Resort at Squaw Creek (RSC)
- Squaw Valley Business Association (SVBA)
- Squaw Valley Resort (SVR)
- Squaw Valley Property Owners Association (POA)

While this is the fifth winter providing snow removal services on the County's bike trail, it is the third winter the District will provide the service with its own staff and estimates the cost to be within budget, assuming average snowfall. The actual cost will depend largely on the amount and timing of the snowfall as many expenses are not fixed costs. The NLTRA granted up to \$70,000 to the District for bike trail snow removal for the 2015/16 winter.

Director Poulsen commended staff for their work on the trail. He said Placer County owns the trail but does not provide winter park maintenance services as they do in other parts of the county. He believes that the county should take a larger responsibility for the work.

Director Poulsen asked about some of the contract language which does not apply to the District since the snow removal is not being contracted to another party. Mr. Archer said this appears to be a standard document they are using and does not believe this is an issue.

Public Comment – none

Directors Wilcox/Gustafson made a motion to approve the contract and authorize the General Manager to execute the grant agreement with North Lake Tahoe Resort Association (NLTRA); vote was unanimous.

Cox-yes

Gustafson-yes

Hudson-yes

Poulsen-yes
Wilcox-yes

G. Status Reports.

G-1 Fire Department Operations/Capital Projects Report.

Chief Bansen reviewed the report and Fire operations.

Public Comment – none

G-2 Water & Sewer Operations Report.

Mr. Burks reviewed the report.

Public Comment – none

G-3 Administration Report.

Ms. Obayashi-Bartsch reviewed the report.

Public Comment – none

G-4 Manager's Comments.

Mr. Geary reviewed the report.

Public Comment – none

G-5 Legal Report (verbal).

Mr. Archer had no comments.

Public Comment – none

G-6 Director's Comments.

Director Poulsen commented on the difficulty of appointing a new Director with so many qualified candidates.

Director Gustafson agreed with the comments made by Director Poulsen and that this was a very difficult decision to make.

H. Adjourn.

Directors Gustafson/Poulsen made a motion to adjourn at 12:40 p.m.; vote was unanimous.

Cox-yes
Gustafson-yes
Hudson-yes
Poulsen-yes
Wilcox-yes

By, K. Obayashi-Bartsch