

**SQUAW VALLEY PUBLIC SERVICE DISTRICT
BOARD OF DIRECTORS MEETING MINUTES #808
December 15, 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, Bill Hudson, 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; Jesse McGraw, Operations Manager; Thomas Archer, District Counsel; Danielle Grindle, Finance & Administration Manager; and Josh Wilson, Operations Specialist II.

Others Present: Dave Brew, Dave Hunt, Jean Lange, Katie Lazzari, Steven Poncelet, Perri Runyon, Lucas Tipton and Mark Wasley.

President Cox asked Danielle Grindle to lead the Pledge of Allegiance.

B. Community Informational Items.

B-1 Friends of Squaw Creek – no report

B-2 Friends of Squaw Valley – no report

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

B-4 Squaw Valley Municipal Advisory Council (SVMAC) – The December meeting was cancelled.

B-5 Squaw Valley Mutual Water Company (SVMWC) – no report

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 Soil Aquifer Treatment (SAT) which is a treatment process at the plant and acts as aquifer recharge. He also discussed the agency's budget review.

B-9 Incorporate Olympic Valley (IOV) – Mike Geary said the group made the decision to withdraw its petition on December 1, 2015. John Wilcox said the plans for a new village stirred up negative feelings in the community and it would be great to have a more positive atmosphere.

C. Public Comment/Presentation.

Public Comment –

Jean Lange said she does not think there is a negative atmosphere in the community but believes the difference in opinion stems from financial concerns.

D. Financial Consent Agenda Items.

Director Poulsen met with staff on December 14th from approximately 3:30 – 5:00 P.M. to review items D-1 through D-10 as well as other finance related items on this agenda.

Director Poulsen said Exhibits D-2 through D-5 include both this month's and last month's reports. The Committee reviewed the check register and items appear to be in order. President Cox has been filling in on the Committee in Director Sheehan's place. The Committee also discussed anticipated tax revenue and reviewed historical tax revenue allocations.

President Cox said the District was deeply impacted by the financial down-turn and reduced tax revenue and it is a relief to see this situation is improving.

Mr. Geary said agenda item D-7 should read Tahoe Truckee Sierra Disposal Company – quarterly payment. Item D-10 is the facility loan payment and the District is a year away from paying this off.

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

Hudson- yes

Poulsen-yes

Wilcox-yes

E. Approve Minutes.

E-1 Minutes for the Board of Directors Special meeting of November 17, 2015

Director Poulsen said on page 9, item F-10 his comment should include that he believes it is good to look outside when hiring staff as well as filling positions from existing staff.

A motion to approve the minutes for the Board of Directors Special meeting of November 17, 2015 with requested revision was made by Directors Hudson/Wilcox; vote was unanimous.

Cox-yes

Gustafson-yes

Hudson-yes

Poulsen-yes

Wilcox-yes

F. Old & New Business.

F-1 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, District counsel and our consultants are in the process of negotiating a Development Agreement with Squaw Valley Real Estate (SVRE) for the proposed project. Current work includes updating the District's standard Development Agreement and

customizing it for the Village at Squaw Valley project. The Ad Hoc Committee met yesterday and reviewed the progress made so far. He introduced Mark Wasley who attended the meeting and will be assisting with negotiations.

HydroMetrics Water Resources Inc. will submit proposals for the Board's consideration at its January, 2016 meeting which are "stand alone" documents and independent of the agreement. These proposals include a Pumping Management Plan, Olympic Valley Groundwater Management Plan Quinquennial Review and Report including Aquifer Recharge Mapping and a Drought Response Action Plan.

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). The Final EIR is expected in February, 2016.

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 –

Dave Brew asked for more information about the Aquifer Recharge Mapping. Mr. Geary said this is now required by the State Department of Water Resources for all Groundwater Management Plans. When the District developed its Management Plan this was not a requirement. In order to remain eligible for state funding, this is necessary element and will be included in the work that is being proposed for approval in January.

Director Gustafson said the Mutual Water Company should also be included in the Pumping Management Plan.

F-2 Selection of President and Vice President.

Director Poulsen returned to the meeting room.

The Board nominated Dale Cox for President and Eric Poulsen for Vice President, accepted public comment and adopted Resolution 2015-17 selecting Dale Cox as President and Eric Poulsen as Vice President.

Ms. Obayashi-Bartsch reviewed the item.

Public Comment – none

Directors Wilcox/Hudson made a motion to adopt Resolution 2015-17 selecting Dale Cox as President and Eric Poulsen as Vice President. The motion passed unanimously.

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

F-3 2016 Committee Assignments.

The Board reviewed the item, accepted public comment and directed staff to make revisions to the committee assignments for 2016.

Ms. Obayashi-Bartsch reviewed the item.

President Cox said Committee assignments changes are needed with the appointment of Director Hudson.

Director Wilcox suggested Director Hudson serve on the Finance and Budget Committee.

President Cox asked Director Hudson about his availability and comfort level serving on this committee. President Cox said he is willing to serve on this Committee if Director Hudson has reservations.

Director Hudson said he is willing to sit on the Finance/Budget Committee as well as the Garbage and Water Rate Committees which Director Sheehan was assigned to.

Director Poulsen said it is important that Director Hudson attend the mandatory trainings and the California Special District Association (CSDA) Leadership Academy. Director Hudson said he is scheduled to attend the CSDA training in July. Mr. Geary said Director Hudson is also scheduled to take the mandatory ethics and harassment prevention training.

President Cox made the following assignments:

Standing Committees:

Personnel & Administrative: Directors Cox and Wilcox

Water & Sewer: Directors Wilcox and Poulsen

Finance & Budget: Directors Poulsen and Hudson

Fire Department: Directors Cox and Gustafson

Ad Hoc Committees:

Garbage: Directors Cox and Hudson

Water Rate: Directors Poulsen and Hudson

GMP Advisory: Mike Geary, General Manager

GMP Implementation: Full Board

SVSH Village Development Project: Directors Cox and Wilcox

Outside Committees:

T-TSA: Director Cox

Gold County Chapter CSDA: no appointment

Placer County LAFCO: no appointment

Public Comment – none

The Board approved the proposed changes for 2016.

F-4 Redundant Water Supply / Preferred Alternative Evaluation – Phase III.

F-4a Technical Memo #2 – Alternatives Evaluation – Final

The Board reviewed the item and accepted public comment.

Mr. Geary and Mr. Hunt reviewed the item using a Powerpoint presentation (attachment A). Mr. Hunt introduced engineer, Lucas Tipton who is part of the project team. Mr. Geary introduced Steven Poncelet of the Truckee Donner Public Utilities District (TDPUD).

The purpose of the technical memorandum (TM) is to present the results of the water supply, transmission, storage, and pumping alternatives evaluation and ultimately identify preferred project alternatives. The selected project alternatives will be determined based on a series of criteria and metrics used to rank the alternatives. The selected alternatives will be carried forward for detailed analysis during future predesign activities and eventually be incorporated into a formal project description as part of the environmental review process.

In the TM, Tables 1 through 3 provide a summary of the non-economic matrix evaluation results as well as the planning level cost estimates for each project component and alternative. The preferred project alternatives are based on these results, but due to the complexity of, and the time span involved with the Project, there is the potential that various elements may change over time, with additional or new information becoming available. Future changes have the potential to alter the scores of the alternatives relative to one another or alter the relative costs of the alternatives. The alternative rankings and the alternative differential costs have been provided separately in order to offer the District information to be able to assess the effects of changes, both now and into the future.

Transmission Main – Based on the evaluation results, the preferred transmission main alignment is along the east or west shoulder of Highway 89.

New Water Source – The preferred alternative water source for the District's redundant water supply (RWS) demands is to develop an intertie agreement with the Truckee Donner Public Utilities District (TDPUD) or the Northstar Community Services District (NCS D) to utilize excess capacity in lieu of a new well.

Water Storage Tank – The preferred water storage tank location is on APN 096-290-051, a USFS parcel south of the District administration building and just east of Sierra Crest Trail.

Booster Pump Station – A booster pump station will be required to transmit water from the Truckee area to Olympic Valley. The preferred location of the booster pump station has not been evaluated at this stage of the project, although a preferred connection to the TDPUD system was recommended given the data known at the time of this evaluation, which is somewhere in TDPUD’s 6,170 foot pressure zone.

F-4b Technical Memo #3 – Project Description – Draft

The Board reviewed the item and accepted public comment.

Mr. Geary and Mr. Hunt reviewed the item.

The purpose of this TM is to provide a project description that can be used for project planning, public outreach, and set a foundation for the specific project descriptions required for environmental documents and permits as part of the District’s Redundant Water Supply Project.

The project description is written such that it can easily “dove-tail” into a California Environmental Quality Act (CEQA), National Environmental Policy Act (NEPA), or environmental permit application project description, as well as provide the District and the Board with a clear vision of the continued development of the project. The project description also aims to define the anticipated environmental permitting requirements, timelines, and costs, and identify the next steps for the project leading into permitting and design.

Mr. McGraw commented on funding opportunities for state funds. The District participates with Tahoe Sierra Integrated Regional Water Management group which seeks state grant funding for projects. Funds become available in 2016 and the District submitted projects through this group for grant funding. The project’s CEQA report with a construction component of building a terminal tank was submitted for consideration.

Public Comment –

Jean Lange said she believes the concept of a Redundant Water Supply is an expensive overreaction to an occurrence that has a small probability of happening.

Dave Brew commented on the cost of the project and asked if a risk/ benefit analysis has been done. This would include an analysis of risk to the water supply relative to the cost of the project. Mr. Geary said this has not been done.

Chief Bansen said looking at this project as a redundant supply is only one component in terms of the need for this system. Having this supply available to provide potable water and fire suppression for homes along the Truckee River is also an important consideration.

President Cox commented on the risk that exists to the valley’s water supply. He reviewed past incidents that occurred in the valley and is concerned about the risks posed by the various commercial activities in the valley.

Director Hudson asked if there is a plan to review the Truckee River corridor properties and their needs. Mr. Geary said we have estimated the water demands for the Alpine Springs County Water District and the corridor along Highway 89 from Squaw to Truckee.

Director Hudson asked what would happen if the water source was compromised now. Mr. McGraw said there is an emergency plan but the specifics will depend on the circumstances. It will likely include supplies brought in by truck and bottled water.

Director Gustafson said if there is a drought situation in the area, it seems logical that TDPUD will also have a limited water supply and no excess capacity for the District. He said that as a response to drought, this project is not a good solution.

F-5 Authorize New Signature Cards for the Cash Management Services Agreement, Safe Deposit Box Rental Agreement, Operating Account, Capital Reserves, Utility & Fire Petty Cash accounts with Bank of the West.

F-5a The Board reviewed the item, accepted public comment, rescinded Resolution 2014-10 and authorized New Signature Cards for the Cash Management Services Agreement with Bank of the West through adoption of Resolution 2015-18.

Ms. Obayashi-Bartsch reviewed the item.

Public Comment – none

Directors Poulsen/Gustafson made a motion to adopt Resolution 2015-18; vote was unanimous.

Cox-yes

Gustafson-yes

Hudson- yes

Poulsen-yes

Wilcox-yes

F-5b The Board reviewed the item, accepted public comment, rescinded Resolution 2014-11 and authorized New Signature Cards at Bank of the West for Safe Deposit Box Rental Agreement through adoption of Resolution 2015-19.

Ms. Obayashi-Bartsch reviewed the item.

Public Comment – none

Directors Poulsen/Hudson made a motion to adopt Resolution 2015-19; vote was unanimous.

Cox-yes

Gustafson-yes

Hudson- yes

Poulsen-yes

Wilcox-yes

F-5c The Board reviewed the item, accepted public comment, rescinded Resolution 2011-23 and authorized new signature cards at Bank of the West for Operating Account, Capital Reserve, Utility and Fire Department Petty Cash accounts by adoption of Resolution 2015-20.

Ms. Obayashi-Bartsch reviewed the item.

Public Comment – none

Directors Hudson/Wilcox made a motion to adopt Resolution 2015-20; vote was unanimous.

Cox-yes

Gustafson-yes

Hudson- yes

Poulsen-yes

Wilcox-yes

F-6 Succession Planning – Approval of Three Positions – District Engineer, Senior Engineer and Operations Superintendent.

The Board reviewed the item, accepted public comment, approved salary ranges including three new positions, approved a revised roster of positions including the three new positions and removal of three positions and approved a revised organizational chart.

Three new positions (Operations Superintendent, District Engineer and Associate Engineer) were approved and added to the roster of approved positions and to Exhibits I & II of the Personnel Manual and the Summary of Monthly Salary Schedules.

Three existing positions (Controller, Bookkeeper and Office Assistant) were approved to be removed from the roster of approved positions and from Exhibits I & II of the Personnel Manual and the Summary of Monthly Salary Schedules.

Mr. Geary reviewed the item.

Public Comment – none

Directors Gustafson/Wilcox made a motion to approve the salary ranges including three new positions, a revised roster of positions and revised organizational chart as presented; vote was unanimous.

Cox-yes

Gustafson-yes

Hudson- yes

Poulsen-yes

Wilcox-yes

F-7 Bike Trail Snow Removal – Financial Reserves Policy.

The Board reviewed the item, accepted public comment, adopted Resolution 2015-21, approving the policy as presented and directed staff to secure written approval from program sponsors.

Mr. Wilson provided an update on the maintenance status of the trail.

Mr. Geary reviewed the item. When annual expenses are less than budgeted, excess contributions from Program Sponsors are deposited into the Bike Trail Snow Removal Financial Reserve Fund, established to stabilize the District's finances by providing a cushion against unexpected events, losses of income, large unbudgeted expenses, or uninsured losses. The funds in the Financial Reserve Fund are restricted for operational reserves and/or capital asset reserves.

There is almost \$34,000 in the Reserve Fund from contributions made by Program Sponsors that were in excess of expenses incurred during the last two winters due to less than average snowfall.

Directors Hudson and Wilcox expressed support of the bike trail snow removal program.

Director Poulsen said he is uncomfortable keeping the excess funds in reserve without the approval of the program sponsors. He would be more comfortable if there was written approval from the program sponsors. Mr. Geary said all sponsors were contacted with the draft policy before this meeting but there was no feedback on the reserve fund policy.

Director Wilcox supports the proposed policy and believes that the Placer County Transient Occupancy Tax (TOT) should pay for the project entirely.

Director Poulsen agreed with his comment on TOT funds and believes that Placer County Parks and Grounds should be supporting this work as well.

Mr. Archer said the Board may approve the policy at this time and direct staff to get consent of the sponsors.

Public Comment – none

Directors Gustafson/Poulsen made a motion to adopt Resolution 2015-21 approving the Bike Trail Snow Removal Financial Reserve Fund and direct staff to secure consent in writing from program sponsors; vote was unanimous.

Cox-yes

Gustafson-yes

Hudson- yes

Poulsen-yes

Wilcox-yes

F-8 Local Agency Formation Committee (LAFCO) Ballot for Special District Alternate Seat.

The Board reviewed the item, accepted public comment and cast a vote for Susan Daniels for the alternate seat on the Placer County LAFCO.

Ms. Obayashi-Bartsch reviewed the item.

Directors Wilcox/Poulsen made a motion to vote for Susan Daniels of North Tahoe Public Utilities District for the Placer County LAFCO Alternate Seat – Special District; 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. He reported on badge pinning of new part-time firefighters and the status of the new fire engine which is being built to District specifications.

Public Comment – none

G-2 Water & Sewer Operations Report.

Mr. McGraw and Mr. Wilson reviewed the report.

Mr. Geary said while the state's water reduction requirement of 25% did not apply to small agencies such as the District. Had it been required, the District would have met this requirement.

Public Comment – none

G-3 Administration Report.

Ms. Obayashi-Bartsch reviewed the report. Mr. Geary reviewed the year-end statistics and Ms. Grindle provided an update on the audit report which will be presented to the Board in January.

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 Hudson thanked staff for the facility tour and new Director orientation meeting.

Director Poulsen and Director Gustafson wished everyone happy holidays.

President Cox asked about the status of Mr. Luckhardt's request for sewer rate relief for the Squaw Valley Chapel. Mr. Geary said staff responded to his request in writing and a copy of the request was distributed to the Board. Staff suggested the Chapel install a separate irrigation meter but the Chapel believes this would not work due to their plumbing situation. They chose not to install a separate meter which would reduce their sewer charges. A rate study and analysis will be performed next year (FY17) by HDR which may include a different rate for the church. It is not uncommon that special entities such as a church have a different rate structure.

President Cox asked how the Queen of the Snows church is charged. Mr. Geary said since this church receives water service from the Mutual Water Company, there is limited data since water meters were only recently installed. Further there may be a legal question as to whether the District may use what data exists without the consent of the Mutual Water Company.

Director Wilcox said when HDR performs the analysis they should look into this specific situation.

Jean Lange said the Church is also performing a business service for weddings which is a consideration for the rates.

President Cox asked about the Contractors Association of Tahoe Truckee (CATT) meeting, scheduled for January 11th which he has been asked to speak at Mr. Geary said this is an informal discussion of the building environment in Olympic Valley and staff will prepare materials in support of this presentation.

H. Adjourn.

Directors Wilcox/Gustafson made a motion to adjourn at 11:30 a.m.; vote was unanimous.

Cox-yes

Gustafson-yes

Hudson-yes

Poulsen-yes

Wilcox-yes

By, K. Obayashi-Bartsch