

**SQUAW VALLEY PUBLIC SERVICE DISTRICT
BOARD OF DIRECTORS MEETING MINUTES #824
February 28, 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, Fred Ilfeld and Eric Poulsen

Directors Absent: none

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

Others Present: Brad Chisholm, Patti Guilford, Allen Riley and John Wilcox.

Chairman Cox asked Patti Guilford 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) – Mike Geary said this month's meeting is cancelled.

B-4 Squaw Valley Municipal Advisory Council (SVMAC) – Mike Geary said that at this month's meeting there will be a presentation on the Martis Valley Groundwater Alternate Management Plan and a presentation on Placer County's plan for capital projects using Transient Occupancy Tax funds.

B-5 Squaw Valley Mutual Water Company (SVMWC) – Patti Guilford said a trench was dug around the well house to drain water away from the facility and things appears to be in order.

B-6 Squaw Valley Ski Holdings – none

B-7 Squaw Valley Property Owners Association – none

B-8 Tahoe-Truckee Sanitation Agency – Dale Cox provided an update on the sewer relocation project along the Truckee River from MH 81-83 which is estimated to cost approximately \$3M for 1,800 feet of sewer line. He also provided an update on plant operations during heavy precipitation events which impacted sewer flows.

C. Public Comment/Presentation.

Public Comment –

Carl Gustafson recommended two books, *Chasing Water* and *Chasing Springs* as good resources for understanding water supply issues.

D. Financial Consent Agenda Items.

Directors Poulsen and Ilfeld met with staff on February 27th from approximately 3:00 – 5:00 P.M. to review items D-1 through D-8 as well as other finance related items on this agenda.

Director Poulsen said the committee reviewed the monthly reports which showed some expenditures as higher than budgeted. This was primarily due to extra work necessitated by the extreme weather. Ms. Grindle is working on new reports which will provide greater transparency of the District's finances. The group also discussed the District's California Public Employee Retirement System (PERS) unfunded liabilities.

Mr. Geary said Ms. Grindle has been working to provide more information, greater consistency and greater transparency in the reports. He referenced report D-5 which combines revenues and expenditures on a District-wide basis of both the governmental and enterprise operations.

Director Ilfeld said the new report format is very helpful. He referenced report D-5 which shows the District's PERS long term liability. In the past year this amount has gone up by 22% which is significant and should be monitored closely.

Public Comment – none

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

Cox-yes

Gustafson-yes

Hudson-yes

Ilfeld-yes

Poulsen-yes

E. Approve Minutes.

E-1 Minutes for the Board of Directors meeting of January 31, 2017.

Director Poulsen requested the following revision on page 3, item F-2 under public comment as follows:

"John Wilcox said at one time Placer County intended to deed Squaw Valley Park to the District. In anticipation of this change, the District made plans to be a community services district and to potentially add new services."

Public Comment – none

A motion to approve the minutes with revisions for the Board of Directors meeting of January 31, 2017 was made by Directors Gustafson/Hudson; vote was unanimous.

Cox-yes

Gustafson-yes

Hudson-yes

Ilfeld-yes

Poulsen-yes

E-2 Minutes for the Board of Directors special meeting of February 15, 2017.

Public Comment – none

A motion to approve the minutes for the Board of Directors special meeting of February 15, 2017 was made by Directors Ilfeld/Hudson; vote was unanimous.

Cox-yes

Gustafson-yes

Hudson-yes

Ilfeld-yes

Poulsen-yes

F. Old & New Business.

F-1 Village at Squaw Valley Project Update.

Mr. Geary indicated there was no new information to share. There was no discussion of this item.

F-2 Budget Preparation Schedule.

The Board reviewed the item and accepted public comment.

Ms. Grindle reviewed the item. The schedule shows specific milestone dates for preparation of the annual budget and potential rate changes.

Public Comment – none

F-3 Special District Risk Management Authority (SDRMA) – Board of Directors Nominations.

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

Ms. Obayashi-Bartsch reviewed the item. SDRMA is a public entity Joint Powers Authority established to provide property/liability, workers compensation, health benefit coverages and comprehensive risk management programs for special districts and other public agencies. SDRMA is governed by a Board of Directors elected from its membership. Four seats are up for election to serve four-year terms effective January 1, 2018.

Public Comment – none

The Board did not nominate a candidate at this time.

F-4 California Special Districts Association (CSDA) – Nominations Seat C.

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

Ms. Obayashi-Bartsch reviewed the item. CSDA provides education and training, insurance programs, legal advice, industry-wide litigation and public relations support, legislative advocacy, capital improvement and equipment funding, collateral design services, and current information for special districts management and operational effectiveness. The CSDA Elections and Bylaws Committee is seeking interested Special District Board Members or General Managers who are interested in leadership of the California Special Districts Association for the 2018-2020 term.

Public Comment – none

The Board did not nominate a candidate at this time.

F-5 Fire Code Revisions and Findings – 1st Public Hearing – Introduce Ordinance 2017-01.

The Board reviewed the item and accepted public comment.

Chief Bansen reviewed the item. The Board approved a number of revisions to the District Fire Prevention Code last fall and held two public hearings as required. Upon submittal to Placer County, staff was informed that the California Health and Safety Code requires that the Board make findings to support any revisions or amendments to a State Code and that Placer County will not accept the revisions to the Fire Code without those findings and revisions passed in the form of an Ordinance.

No action is required at this time as this is the first of two public hearings on proposed Fire Code revisions and findings in support of those revisions.

Public Comment – none

F-6 Declare Fire Hose as Surplus Equipment.

The Board reviewed the item, accepted public comment, declared the fire hose identified by staff as surplus equipment and authorized the Fire Chief to donate to a fire safety training program or another Fire Department.

Chief Bansen reviewed the item. At present, the Fire Department has accumulated a significant stock of fire hose of varying sizes that have been replaced by new stock in accordance with the asset replacement program and NFPA guidelines. According to NFPA standards, the hose is “timed out”, so there is an objective standard for declaring it surplus.

Sierra College has a fire service training academy at their campus in Rocklin. That program has an ongoing need for fire hose. Should the Board find the replaced fire hose in our inventory to be surplus, some or all of it could be made available to the Sierra College training program.

Chairman Cox suggested contacting other local Fire Departments to see if there is a need.

Public Comment – none

Directors Poulsen/Hudson made a motion to declare the fire hose identified by staff as surplus equipment and authorized the Fire Chief to donate to a fire safety training program or a local Fire Department; vote was unanimous.

Cox-yes

Gustafson-yes

Hudson-yes

Ilfeld-yes

Poulsen-yes

F-7 Redundant Water Supply Project – Funding.

The Board reviewed the item, accepted public comment and provided direction to staff.

Mr. Geary reviewed the item. In January 2016, upon completion of the three-phase Redundant Water Supply – Preferred Alternative Evaluation, the Board took action to “approve the project description as described in the Technical Memo III - Project Description (Preferred Alternative) dated December 11, 2015 as the preferred project alternative to provide a redundant water supply from Martis Valley”.

Relevant to project funding, the Board directed staff to pursue grant funding opportunities as well as partnerships with utility companies or other groups, such as real estate developers.

Staff is updating the Capital Replacement Plan (CRP) and Capital Improvement Plan (CIP) in support of the Rate Study and Cost of Service Analysis; the updates also accomplish goals identified in the District’s Five-Year Strategic Plan. The CIP identifies capital projects that increase the size or the capacity of the water and sewer systems and includes project information including benefits, estimated schedule, cost, and funding sources. Feasible capital projects identified by staff are included in either the CRP or CIP for the Water, Sewer and Fire Departments.

Due to the high cost estimated to construct the Redundant Water Supply (RWS) Project, and the resultant impact to both Water User Fees and Water Connection Fees by funding the project this way, staff is seeking direction from the Board on whether or not to include it in the Water CIP as a fees-funded project. By including the \$25M RWS Project in the Water CIP, the fee funded CIP identified is estimated to grow in number from two projects to three projects; costs for all projects are estimated to grow from \$340,000 to \$25,340,000, or by 7,500%.

The Board discussed the following alternatives as presented by staff:

1. Include the RWS Project in the Water CIP and increase Water User Fees approximately 87% and Water Connection Fees by an amount to be determined.
2. Commit to funding only the next phase of the project with Water User Fees and Connection Fees. The next phase of the project is preparation of an Environmental Impact Report (EIR), which is estimated to cost \$1M.
3. Defer identification of a funding source and maintain the current approach as directed by the Board in January 2016 (e.g., identify grant funding opportunities and/or partnerships with other utility companies and/or real estate developers).

Director Hudson expressed support for the project in concept but does not support funding the project at this time. He asked for the number of other agencies that have a redundant supply on a state-wide basis, to gain a better sense of what is typical. Mr. Geary said that is a difficult issue to quantify since there are many variables.

Director Ilfeld suggested that other alternatives to the Martis Valley supply be researched as the project cost is prohibitive and also due to the political implications.

Chairman Cox agreed with Director Ilfeld's comments and does not support burdening the community with the cost of this project and suggested shelving this project at this time.

Director Poulsen referenced the District's Strategic Plan, which identifies a redundant water supply as a priority. The project cost is so great that he believes it is best to continue with the current approach or alternate #3: "Defer identification of a funding source and maintain the current approach as directed by the Board in January 2016 (e.g., identify grant funding opportunities and/or partnerships with other utility companies and/or real estate developers)." He is hopeful that the utility companies such as natural gas companies may build infrastructure in the area and the District would be able to tie in with those efforts.

Director Gustafson supports pursuing grant funding for projects.

Public Comment –

Patti Guilford commented on the need for the project and the cost. She is unsure if such a project is really necessary. She believes the cost is so great that it will be a burden on the community. She suggested developers or utility companies fund the project.

John Wilcox commented on the cost of the project and the burden that such a project would create on the community. He does not recommend putting such a large amount on the District's financial "books" as this liability would show that the District is in a very weak financial position. He suggested that the Board not include the project in the Capital Improvement Plan.

Directors Ilfeld/Hudson made a motion to defer identification of a funding source and maintain the current approach as directed by the Board in January 2016 (e.g., identify grant funding opportunities and/or partnerships with other utility companies and/or real estate developers), revisit the item at the next Strategic Plan update and to communicate that this project is for redundant supply only; vote was unanimous.

Cox-yes

Gustafson-yes

Hudson-yes

Ilfeld-yes

Poulsen-yes

The Board discussed whether or not the project should be included on the Capital Improvement Plan or in any other official documents, such as financial documents.

Mr. Archer suggested directing staff to include the project in the Capital Improvement Plan with no defined dollar amount or schedule.

Chief Bansen commented on the need for additional water supplies to support fire suppression for the properties along the Truckee River corridor.

Director Poulsen commented on Chief Bansen's concerns and on the partnership potential with Tahoe City Public Utility District, as they have a responsibility to serve those properties along the Truckee River.

Public Comment –

John Wilcox said there is a high probability that the project will not be built in the foreseeable future.

Director Ilfeld said he does not support including this project in the Capital Improvement Plan due to its cost and resultant infeasibility.

Directors Poulsen/Hudson made a motion to include the project in the Capital Improvement Plan with no defined dollar amount or schedule nor in any financial documents as a liability; vote was three (no) to two (yes). Motion did not carry.

Cox-no

Gustafson-no

Hudson-yes

Ilfeld-no

Poulsen-yes

Break 11:00-11:10

F-8 Verizon Cell Tower Lease – 1810 Squaw Valley Road.

The Board reviewed the item, accepted public comment and provided direction to staff to negotiate an agreement.

Mr. Geary and Mr. Burks reviewed the item. Verizon approached the District and proposed a lease for space at 1810 Squaw Valley Road. The space is located between the community dumpsters and the material bays on the northern portion of the lot. Staff is seeking direction from the Board on whether or not such a lease is desirable.

Director Hudson expressed support for the tower. He suggested Verizon provide an up-front fee for entering into negotiations and that any tower should be visually appropriate for the existing setting.

Director Ilfeld expressed support for the tower especially as cellular service is becoming more important, especially as people rely on cellular service for work. Director Gustafson concurred with Director Ilfeld.

Director Poulsen said that if this agreement moves forward, the lease amount may be greater based on land values and should include a kick-out clause in the event that the property becomes more valuable for other uses. He also commented on the aesthetics of the tower and that it should meet any design guidelines or requirements for the area.

Chairman Cox suggested that the lease amount should be greater than \$30,000 and that the term should be no longer than five years.

Public Comment –

John Wilcox said it is important to have data for pricing before going into negotiations. He also commented on the proximity of the proposed site to the Granite Chief trail and that Verizon should be responsible for any necessary modifications or impacts to the trail.

Patti Guilford said it seemed that \$30,000 is a fair price and any tower should be visually appropriate for the area.

Directors Hudson/Ilfeld made a motion directing staff to continue negotiations for the Verizon cell tower lease at 1810 Squaw Valley Road with the initial contract not to exceed five years; vote was unanimous.

Cox-yes

Gustafson-yes

Hudson-yes

Ilfeld-yes

Poulsen-yes

Status Reports.

G-1 Fire Department Operations/Capital Projects Report.

Chief Bansen reviewed the report and Fire Operations. He said the new Fire Engine has been delivered.

Public Comment – none

G-2 Water & Sewer Operations Report.

Mr. Burks reviewed the report.

Public Comment – none

G-3 Engineering Report.

Mr. Hunt reviewed the report.

Public Comment –

John Wilcox commented on the PlumpJack Environmental Impact Report regarding potential well locations and the impact to Squaw Creek. Mr. Hunt said a well analysis prepared by HydroMetrics Water Resources, Inc. addressed the subject. It was determined that pumping from well location #2 can produce a seasonal streamflow reduction. However this occurs when the stream is dry so it is not a significant issue.

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 –

John Wilcox asked Mr. Geary about the North Lake Tahoe Resort Association Chief Executive Officer (CEO) search. Mr. Geary said there are several local representatives on the committee working with a recruitment company to find a new CEO before the current CEO retires.

Chief Bansen provided a review of the Faulkner project which includes an underground garage and two residences along Squaw Creek.

G-6 Legal Report (verbal).

None

G-7 Director's Comments.

Director Hudson asked if snow hauling has been needed for the bike trail. Mr. Burks said snow hauling has not been needed.

Director Poulsen said at the last Squaw Valley Municipal Advisory Council meeting, he spoke as an individual and not as a District representative. At the meeting he said that Placer County should be entirely responsible for snow removal of the bike trail. Placer County representatives responded that Transient Occupancy Tax (TOT) funds are used for this project, but he felt that it was an inadequate response as the majority of the TOT funds are generated by the resorts in the valley and he wishes to pursue this issue with Placer County.

Director Poulsen said there has been significant deterioration of the asphalt in many places along the bike trail and suspects the County may try to make the District responsible for this damage.

Chairman Cox commented on the parking and traffic issues resulting from the ski area business which negatively impact safety and quality of life issues in the community.

Directors Ilfeld/Hudson made a motion to adjourn the open session and reconvene in closed session; vote was unanimous.

Cox-yes

Gustafson-yes

Hudson-yes

Ilfeld-yes

Poulsen-yes

H. Closed Session – District Labor Negotiations and Public Employment of Fire Chief.

The Board met in Closed Session pursuant to Government Code 54957 et al regarding District labor negotiations and public employment of the Fire Chief.

H-1 Conference with District Labor Negotiators: Michael Geary and Brandon Burks

Employee Organization: IUOE Stationary Engineers Local 39 for Operations Department field personnel to discuss salaries, salary schedules, or compensation paid in the form of fringe benefits.

H-2 Public employment of Fire Chief.

Directors Hudson/Ilfeld made a motion to adjourn the closed session and reconvene in open session; vote was unanimous.

Cox-yes

Gustafson-yes

Hudson-yes

Ilfeld-yes

Poulsen-yes

I. Possible Action Resulting from Closed Session.

Mr. Archer said no actions or decisions were made in closed session and only items on the closed session agenda were discussed.

J. Adjourn.

Directors Poulsen/Hudson made a motion to adjourn at 1:26 p.m.; vote was unanimous.

Cox-yes

Gustafson-yes

Hudson-yes

Ilfeld-yes

Poulsen-yes

By, K. Obayashi-Bartsch