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, Bill Hudson, Fred Illfed and Eric Poulsen

Directors Absent: Carl Gustafson

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, Kate Gladstein, Patti Guilford, Shawn Koorn, Allen Riley, David Stepner, John Wilcox and Derrik Williams.

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

B. Community Informational Items.
B-1 Friends of Squaw Creek – none
B-2 Friends of Squaw Valley – David Stepner said the group met with Ron Treabess of North Lake Tahoe Resort Association regarding Transient Occupancy Tax (TOT) funds and projects that qualify for these funds.
B-3 Squaw Valley Design Review Committee (SVDRC) – David Stepner said there was no meeting in March.
B-4 Squaw Valley Municipal Advisory Council (SVMAC) – David Stepner said they are seeking Council members and the group expects to receive an update on the Resort @ Squaw Creek’s Phase 2A project.
B-5 Squaw Valley Mutual Water Company (SVMWC) – David Stepner said the company mailed a notice to all customers with the revised fee schedule. The new fee schedule includes a base rate and a consumption rate of approximately one cent per gallon.
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.

C. Public Comment/Presentation.
Public Comment –
Tom Archer said the Truckee River Watershed Council will host a River Breakfast on May 31st at 7:30 A.M. at the Ritz Carlton. If interested, please RSVP to Brenda Gilbert at 530-550-8760.

D. Financial Consent Agenda Items.
Directors Poulsen and Illfeld met with staff on March 27th from approximately 2:00 – 5:30 P.M. to review items D-1 through D-11 as well as other finance related items on this agenda.
Director Poulsen said the committee reviewed all finance related items on the agenda. The Operations Department expenses are running a little over budget due to the severe winter weather which has triggered additional expenses. The Fire Department’s expenses are also running a little over budget and revenue is higher than expected due to Strike Team work.

Public Comment – none

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

E. Approve Minutes.
E-1 Minutes for the Board of Directors meeting of February 28, 2017.

Public Comment – none

A motion to approve the minutes for the Board of Directors meeting of February 28, 2017 was made by Directors Hudson/Ilfeld; vote was unanimous with the exception of Director Gustafson.
Cox-yes
Gustafson-absent
Hudson-yes
Ilfeld-yes
Poulsen-yes

Call to Order.
Chairman Cox called the Olympic Valley Groundwater Management Plan (OVGMP) Implementation Group meeting to order. Ms. Obayashi-Bartsch read the following statement: “Pursuant to Government Code section 54952.3, the Board does not receive any additional compensation over and above their $600 monthly compensation.”

Derrik Williams of HydroMetrics reviewed the Quinquennial Review & Report (QRR) using a slideshow presentation (attachment A). The report is the first Quinquennial Review & Report (QRR) to be prepared under the 2007 Olympic Valley Groundwater Management Plan (GMP). Previously, annual review and reports (ARR) were prepared for Water Years 2007 and 2008 and a Biennial Review and Report was prepared for 2009 and 2010 Water Years.

The QRR summarizes the groundwater conditions in the Olympic Valley Basin for Water Years 2011 through 2015 (October 1, 2010 through September 30, 2015); and documents the status of groundwater management activities and recommended amendments to the GMP. The purposes of the report include:

• Providing a succinct description of current groundwater conditions in Olympic Valley and groundwater conditions in the previous five years;
• Providing all stakeholders data and analyses that can assist with groundwater management in Water Year 2016;
• Detailing recent basin management activities; and
• Recommending future groundwater management activities.

This report is intended to provide information to all groundwater users and interested stakeholders in Olympic Valley. Stakeholders and groundwater users have identified that cooperative groundwater management is a priority for effectively managing groundwater resources in Olympic Valley.

Summary of Conclusions includes the following items:
• Downward trend in pumping reflects successful infrastructure improvement and conservation efforts.
• Groundwater elevations and seasonal patterns generally consistent with previous monitoring periods.
• Water quality remains good.
• Groundwater management continued to advance BMOs.

Based on the analyses and conclusions presented above, the following recommendations are made for future groundwater management activities. The recommendations are grouped by priority.

HIGHER PRIORITY RECOMMENDATIONS
High priority recommendations are those that should be initiated within the next water year. The higher priority recommendations include:
• Continue the implementation of the coordinated aquifer monitoring program. Higher-resolution water level data collected during Water Years 2011 through 2015 as recommended by this program contributed to effective interpretation of groundwater elevations that supported several groundwater management efforts. Activities still to be completed include metering all pumping wells, installing water level transducers in numerous pumping wells, and adding wells to the California Statewide Groundwater Elevation Monitoring (CASGEM) reporting program.

Metering of groundwater pumping in all wells in the Valley, including the Cushing Well, Squaw Kids Wells, Resort at Squaw Creek Wells, and PlumpJack Well, should proceed as outlined in the program. This will allow for more comprehensive and reliable estimates of water budgets in the groundwater model as well as other quantitative analyses and future system plans.

The program identifies ten pumping wells that are not equipped with water level monitoring equipment. At least a portion of these wells should be equipped with water level monitoring equipment over the next year. Some of these wells may require wellhead modifications before they can be appropriately equipped with water level transducers.

MEDIUM PRIORITY RECOMMENDATIONS

Medium priority recommendations are those that should be completed within the next one to
two years. These recommendations are important for long-term groundwater management and include the following items:

- Complete and implement the Water Management Action Plan (WMAP). The WMAP will include an agreed-upon set of triggers and corrective actions that support several Basin Management Objectives (BMOs) and improve collaborative groundwater management within the Basin.

- Development and implementation of a pumping management plan. As noted in the January 15, 2016 Pumping Management Plan proposal, there is sufficient groundwater supply in Squaw Valley to meet future anticipated demand. However, alternative pumping configuration, different than the ones used in the recently completed Village @ Squaw Valley Specific Plan Water Supply Assessment (WSA) may slightly improve creek flows, and support several creek-related BMOs.

- Support the Squaw Creek Restoration program.

LOWER PRIORITY RECOMMENDATIONS

Low priority recommendations are those that could be initiated within the next two years, but could be deferred. These include:

- Continue encouragement of residential conservation and water audits.

- The GMP identifies avoiding groundwater withdrawals that cause subsidence of the aquifer as one BMO. We believe that the risk of subsidence in Squaw Valley is extremely small; however, this BMO should be addressed at some point. SVPSD should investigate low-cost opportunities for either establishing a subsidence monitoring program, or demonstrating that subsidence has not occurred in the Valley.

Director Poulsen asked about the recommendation that SVPSD should supply metering for groundwater pumping to all wells in the Valley, including the Cushing Well, Squaw Kids Wells, Resort at Squaw Creek Wells, and PlumpJack Well. Mr. Williams said this item was discussed with the advisory group. It may be better to clarify that the District will coordinate the metering efforts but supplying meters is dependent on funding such as grants.

Director Ilfeld asked for clarification about areas that impact the west aquifer. Mr. Williams said any snow that melts will impact the aquifer but there are areas in which the water seeps through more readily and impacts the west aquifer.

Director Ilfeld asked how the contaminants from the ski resort’s parking lot do not impact the water quality. Mr. Williams said without having studied this issue, the amount of contaminants is either insignificant and/or is not breaching the parking area surface since it is paved. Director Poulsen said it is his understanding that the ski resort has a storm water collection system. Mr. Geary said this system includes a sand/oil/water separator, is required by the state and monitored by the Lahontan Regional Water Quality Control Board.

Director Hudson asked Mr. Williams to comment on the contamination threats to the aquifer.
Mr. Williams said without having studied this issue, there would have to be significant spillage in the recharge area close to the wells to compromise the aquifer.

Chairman Cox said there was a significant vehicle fuel spill at the ski resort in the late 1980’s which did not result in contamination of the entire aquifer. However, this incident resulted in the resort changing their vehicle fueling operations.

Public Comment –
David Stepner asked if the aquifer is filling up, why aquifer levels fluctuate from year to year. Mr. Burks said this may be a result of when the data is collected. Mr. Williams said the term “filling up” may be misleading. It is not that the level gets to exactly the same level but to a similar level.

Kate Gladstein of the Sierra Water Work Group spoke about the topic of groundwater recharge. She said it is important to protect areas in the valley that are not semi-permeable.

John Wilcox asked if pumping from the wells significantly hurts creek flow. Mr. Williams said the amount of water taken out from the wells is extremely small. There are a few times when the creek flow is very low and during these times, pumping may impact the trickle of water. In general, the creek flow is so high that pumping has no impact.

John Wilcox asked Mr. Williams to comment on the Water Supply Assessment and the threat to groundwater supply. Mr. Williams said based on the study, he does not believe the proposed development poses a threat to the groundwater supply.

Directors Hudson/Ilfeld made a motion to adopt Resolution 2017-01 which incorporates all annual, biennial and quinquennial reports into the Olympic Valley Groundwater Management Plan; vote was unanimous with the exception of Director Gustafson.

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

The Olympic Valley Groundwater Management Plan Implementation Group adjourned and reconvened as the Public Service District Board of Directors.

Directors Poulsen/Hudson made a motion to adjourn and reconvene as the Squaw Valley Public Service District Board of Directors; vote was unanimous with the exception of Director Gustafson.

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

Mr. Geary indicated there was no new information to share.

Director Ilfeld asked for an update on the development agreement. Mr. Geary said negotiations have not resumed and is due to a lack of District staff bandwidth and urgency from the developer.

This item was taken out of order.

C-1 Recognition of Service – Kurt Gooding – Firefighter/Paramedic.
Director Poulsen returned to the meeting room.
The Board recognized Kurt Gooding’s five years of excellent service to the District.

The Board reviewed the item, accepted public comment and rescinded Ordinance 2016-02 which included Fire Code revisions.

Mr. Archer reviewed the item.

Public Comment – none

Directors Poulsen Hudson/Ilfeld made a motion to adopt Resolution 2017-01 which rescinds Ordinance 2016-02 which included Fire Code revisions; vote was unanimous with the exception of Director Gustafson.

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

The Board reviewed the item, accepted public comment, adopted findings in support of Ordinance 2017-01 and adopted Ordinance 2017-01.

Public Comment – none

Directors Hudson/Ilfled made a motion to adopt findings in support of Ordinance 2017-01 and adopt Ordinance 2017-01; vote was unanimous with the exception of Director Gustafson.

Cox-yes
Gustafson-absent
Hudson-yes
Ilfeld-yes
Poulsen-yes
F-4  Water and Sewer Capital Improvement Plans and Capital Replacement Plans.
The Board reviewed the item and accepted public comment.

Mr. Hunt reviewed the Water and Sewer Capital Replacement Plan (CRP) and Capital Improvement Plan (CIP) using a slideshow presentation (attachment B). Staff is updating these plans 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. They will be incorporated into the Water and Sewer Master Plans as well.

The CRP, or fixed asset replacement program, is aimed at developing a funding mechanism to replace infrastructure as assets reach the end of their useful life, promoting rate stability, avoiding debt financing, and promoting rate equity by spreading the burden of replacement costs between existing and future customers. The District first created a CRP in 1993 as part of the Water and Sewer system Master Plans. The CRP was subsequently updated in 2006 by ECO:LOGIC Engineering.

The CIP identifies capital projects that increase the size or the capacity of the water and sewer systems. The CIP is being used in the Rate Study and Cost of Service Analysis to inform updates to the District’s water and sewer connection fees.

Both the CRP and CIP are used in the Rate Study and Cost of Service Analysis by identifying the scopes of work, costs, and schedules for capital projects that need to be funded by fees collected by the District.

A Capital Improvement is any new facility, equipment or infrastructure that is not currently in existence. Capital improvement project expenditures are typically borne by the developer in need of expanded service. If the District concludes that a capital improvement project is necessary and not the result of a new development project, the expense would be covered by connection fees collected by the District from new customers and/or the FARF’s.

A Capital Replacement is the replacement or rehabilitation of any facility, equipment, or infrastructure that already exists. These projects can only be funded through the FARF. Government Code 66000 does not allow replacement of existing assets to be funded through connection fees.

The CRP includes the following assets:
- Capital Infrastructure – buried assets (i.e. pipes, valves, manholes, etc.)
- Facilities – Wells and pump stations
- Equipment – Rolling stock (fleet and equipment) and small tools and equipment
- Shared Assets – 1810 and 305 Squaw Valley Road properties

The District’s CRP focusses on capital infrastructure, facilities and equipment to be renewed, replaced or purchased during the next 100 years. The reason such a long-term schedule is forecasted is due to the long life expectancies of the assets required to deliver the services and the high costs associated with their replacement. Shorter term planning efforts result in sharp increases in rates, assessments, and/or reactionary debt financing. The CRP is a rolling
The document and will be amended periodically (five years or less) as projects are completed and new ones are added.

The CRP is intended to be a long range financial planning document while the capital budget takes a more focused, project oriented approach for the near term.

The District’s CIP identifies capital improvement projects that would be funded by the District. It does not include those projects that are anticipated to be constructed to support future development projects, as these improvements will be fully funded by the benefitting development.

The five year CIP would be funded through water and sewer FARF and connection fees. The Cost of Service and Rate Analysis identify rate requirements to fully fund these accounts through the 100 year CRP timeframe. The revenue requirements for near term projects match up with the available fund balances identified in the Cost of Service Analysis and Rate Study so that alternative funding mechanisms would not be required to complete the projects.

Director Poulsen said these plans are all in current dollars and asked how inflation is factored in. Mr. Hunt said inflation is factored in as the plans are updated each year as part of the budget process.

Public Comment –
David Stepner asked if the plans will be revised as the actual project costs are identified. Mr. Hunt said these plans will be updated as part of the annual budget process and when actual costs are identified.

F-5 Cost of Service Analysis – Presentation by HDR Engineering, Inc.
The Board received a presentation by HDR Engineering and accepted public comment.

Mr. Geary introduced Shawn Koorn of HDR Engineering, Inc. Mr. Koorn provided a review of the cost of service analysis (attachment C). Mr. Koorn said the cost to individual customers will vary depending on their usage patterns and his recommendation is for a 4% water revenue increase which does not necessarily equate to a 4% rate increase. His recommendation is for a 5% sewer revenue increase.

Directors Hudson and Poulsen asked for more details on the proposed sewer rates. Mr. Koorn said the system needs a 5% revenue increase which may result in higher rate increases, no increase or a decrease depending on the individual customer.

Public Comment –
David Stepner asked if someone has a large water main and uses a lot of water would they have greater costs. Mr. Koorn said they would have greater costs because of their use and impact on the entire system.

Director Poulsen asked if the Cost of Service Analysis assumes a 60% funding level for the Fixed Asset Replacement Funds (FARFs) as this was the target used in the past. Mr. Hunt said this study is based on funding 100% of the items in the CRP.
F-6    First Review of 2017-18 Fiscal Year Budget and Rate Structures.
The Board reviewed the item, accepted public comment and authorized mailing/posting of
proposed rate structures in accordance with Proposition 218.

Ms. Grindle reviewed the item. The State of California, via Proposition 218, mandates each
special district to issue a notice of any proposed rate increases. In preparation for this mandate,
the District engaged HDR, Inc. for a Cost of Service Analysis and Rate Study. In recent years
there have been a number of lawsuits in relation to utility rates and Proposition 218. As such, it
is pertinent that the District determine a rate structure for our various customer classes in a
way that is fair, equitable and legally defensible.

HDR, Inc. along with staff completed a comprehensive rate study which included a revenue
requirement analysis, cost of service analysis, and rate design analysis. With this information,
staff generated a draft 2017-2022 budget to determine the maximum potential rates necessary
to maintain a consistent and quality level of service to its customers, in addition to contributions
to the fixed asset replacement funds for capital replacements. The study proposes a five year
Proposition 218 notice showing maximum increases to water, sewer and garbage rates.

The District used conservative estimates when predicting anticipated revenues and expenses.
Staff created a 100 year capital replacement plan in order to determine adequate funding to the
FARF accounts. Utilizing a Capital Replacement Plan (CRP) is a more precise method to
determine the timing and replacement value of each individual asset, and in accumulation,
dictates annual replacement costs in any given year. As a result of the study staff determined a
need to grow funds in the FARF’s up to $600,000 per year (in 2016 dollars) for the Water and
Sewer systems to be fully funded for all projects coming up in the next 100 years.

The adverse consequence from underfunding these FARF accounts could result in a need for
alternative funding mechanisms. If the costs to replace capital assets should exceed the
balances in the FARF’s, alternative funding mechanisms such as special assessments, debt
financing, and sharp rate increases would be required.

During the study the Board directed staff to determine a separate rate for churches. However,
the study concluded that the rates imposed for a separate church class would result in
significant increases. As such, the appropriate classification for churches continues to be as
commercial customers.

Moving forward in FY 2017-18, staff will continue updating the Capital Replacement Plan as
projects are needed. Staff will continue to scrutinize the upcoming 2017-18 budget for expense
savings and synergies. Staff recommends the Board approve the publication of the proposed
rate increase notice based on a maximum revenue increase of 4% for water, 5% for sewer, and
3% for garbage with the addition of adding the District’s website address for more information
on the budget, cost of service analysis, Capital Improvement Plan and Capital Replacement Plan.
These additions are based on recommendations from the Finance Committee.
Public Comment –
Shawn Koorn said in areas with a large percentage of second homes, one of the things to keep in mind is the cost of having services available at all times, not just when they are present. To account for this cost, this is achieved with a slightly higher fixed cost. In other areas with fewer second homes, this is typically not the case.

Break 11:50 A.M. – 12:25 P.M.

Directors Cox/Ilfeld made a motion to approve the rate structure as presented for a five year period, publish the rate increase notice based on a 4% revenue increase to water, a 5% revenue increase to sewer, and a 3% revenue increase to garbage with the addition of the District’s website address for more information on the budget, Cost of Service Analysis, Capital Improvement Plan and Capital Replacement Plan in the notice and to authorize mailing/posting of the rate structures in accordance with Proposition 218; vote was unanimous with the exception of Director Gustafson.

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

F-7   Fire Annual Report.
The Board reviewed the item and accepted public comment.

Chief Bansen reviewed the item including a summary of the accomplishments and activities during 2016:

- Responded to 552 emergency calls, 93 more than 2015, an increase of more than 20%.

- Responded to 331 medical emergency calls - over 75% of which resulted in a patient being transported to the hospital - a significant increase over 2015.

- Continue to provide outstanding pre-hospital care to the residents and visitors to our community. Cooperation between our personnel, the paramedics working for the agencies providing transport to patients from our District and the ski patrollers with whom we interact on a regular basis is seamless, mutually supportive and is at the highest level of mutual respect and cooperation.

- The working relationship between our personnel and the physicians who operate Truckee-Tahoe Medical Group is similarly mutually respectful, cooperative and complementary. TTMG’s physicians are increasingly comfortable allowing our paramedics to handle cases that will be transferred to Tahoe Forest Hospital or Renown’s trauma center.

- Continue to provide Community CPR classes as well as delivering CPR and First Aid training to a number of local businesses including PlumpJack Squaw Valley Inn, Squaw
Valley Resort, Squaw Valley Academy, Jeremiah’s Tree Service, Creekside Charter School and others.

- The child passenger safety program is by far the most active and accessible of any agency in this area. We have provided free car seat fittings to over 100 families and have presented an child passenger safety class to dozens of expectant parents at the Tahoe Forest Hospital pre-natal class, which is held about every six weeks.

- The Fire Department staff provided a significant amount of service to other communities as part of California Office of Emergency Services strike teams at nine different incidents/complexes during a very busy fire season. Our crews and apparatus spent 36 days on fire lines across northern California, earning about $250,000 for the District.

- Extensive and comprehensive training including fire/rescue training, Emergency Medical Services, Engine Company inspections, State Fire Marshal classes, national training conference/shows and a cooperative regional wildland drill and burn building.

- Chief Bansen provided assistance to the State of California Office of Emergency Services as an alternate Operational Area Coordinator for the Lake Tahoe Basin Operational Area.

The Fire Department staff continues to provide a very high level of service in a number of non-emergency services:

- Commercial occupancy inspections are provided to 100% of businesses annually and are followed up with repeat inspections until any problems found are corrected.

- The defensible space program continues to be the most thorough and comprehensive of any fire department in the region.

- Continue to advocate on behalf of our residents who have been “non-renewed” by their homeowner’s insurance carriers and are working with Placer County and the State of California to address the inaccuracy of many insurers inspection and rating methods.

- Began the transition from an old incident reporting software program (“Firehouse Software” which we have been using for the better part of 20 years) to a new, cloud-based platform called Emergency Reporting. The new program is not only significantly more functional and user-friendly, but we’re optimistic that we can transition our electronic healthcare records (“Patient Care Reports”) from the rather costly platform in use now to one that is integrated with Emergency Reporting.

- The other facet of the technology upgrade project undertaken during 2016 has been to move to a tablet-based occupancy and response program called Incident View, which provides District mapping, hydrant locations, pre-fire plan information and apparatus location information while in route to a call. The same program is used by our adjoining districts (and most frequent mutual aid providers), so that they can see the locations of hydrants in our District when responding as a mutual aid resource for us and we have the same functionality when responding to North Tahoe and Truckee. The tablet-based technology allows us to perform paperless commercial occupancy and defensible space
inspections and provide property owners with instant inspection reports including photographs showing the conditions requiring correction, saving time for everyone.

- The Fire Department staff applied for several grants this year as a member of regional applications for communications equipment and vehicle extrication. Grant awards are pending as of this date.

- 2016 was a year in which considerable effort went into the environmental review for the proposed Village at Squaw Valley, PlumpJack renovation project and Palisades at Squaw subdivision.

Director Ilfeld asked for more detail on his involvement regarding the environmental review for the proposed Village at Squaw Valley, PlumpJack renovation project and Palisades at Squaw subdivision. Chief Bansen said he reviewed these documents in regard to the service provided by the Fire Department for example providing a west valley presence at Station 22.

Mr. Burks thanked the Chief and the Fire Department staff for their help with child car seat assistance. Chairman Cox said he has also heard many positive comments about this service.

Public Comment – none

The Board commended Chief Bansen and the Fire Department staff for their outstanding work and service to the community.

F-8 Notice of Completion – Public Works Project – Community Room Restoration.
The Board reviewed the item, accepted public comment and authorized staff to file notice of completion with Placer County for the Community Room Restoration project.

Mr. Burks reviewed the item. In 2014, the legislature passed Senate Bill 854 which requires public agencies to register public works projects that exceed $1,000 in value with the Department of Industrial Relations (DIR) beginning January 1, 2015. The new law increases oversight of prevailing wage requirements.

Under the new law, public agencies are required to file a Notice of Completion (NOC) for each prevailing wage project. DIR’s 18 month statute of limitation for prevailing wage enforcement does not begin until the public agency has filed and served its NOC. Failing to file the notice gives the DIR an open ended period to investigate claims; filing the NOC limits the time for filing a claim to 18 months, therefore it is in the District’s best interest to do so.

Installation of the Copper Loop hearing assistance system was reimbursed entirely by the District’s insurance carrier to be compliant with the Americans with Disabilities Act.

Chief Bansen said Patti Guilford donated artwork for the Board room which effectively conceals the hearing system’s control box. The Board directed staff to send a thank you note to Patti Guilford.

Public Comment – none
Directors Hudson/Ilfeld made a motion to authorize staff to file notice of completion with Placer County for the Community Room Restoration project; vote was unanimous with the exception of Director Gustafson.

Cox—yes
Gustafson—absent
Hudson—yes
Ilfeld—yes
Poulsen—yes

**F-9 Purchase Certificate of Deposit – Protective Securities, Inc.**

The Board reviewed the item, accepted public comment and authorized staff to transfer funds into a Certificate of Deposit.

Ms. Grindle reviewed the item. Per the District’s Investment Policy, “The District may enter into any contract with a depository relating to any deposit which in the Treasurer's judgment is to the public advantage”. Staff performed an analysis of investment options and determined higher interest rates can be realized with the purchase of a Certificate of Deposit (CD) compared with our current investment accounts administered and managed by Placer County.

The District considers investments based on, in order of importance, safety, liquidity and yield when choosing investment options. The safety of the recommended CD is considered low risk in addition to being fully insured by the Federal Deposit Insurance Corporation (FDIC). Secondly, the recommended CD carries no penalty fees if funds are withdrawn early. Lastly, the current interest rates for a five-year CD are 2.40% annually, whereas Placer County investment funds are currently yielding about 1.68% annually.

The proposed CD purchase is in compliance with the investment policy. The investment policy prohibits investments in CDs in excess of thirty percent (30%) of the total of the District's reserve funds. The proposed $250,000 CD is well below that limit. Staff would like to transfer funds in the amount of $250,000 into a five year CD. This CD is fully insured through the FDIC and considered a low risk exposure CD. In the event the District needed the funds before the maturity date, funds can be withdrawn without penalty.

Public Comment – none

Directors Hudson/Ilfeld made a motion to authorize staff to purchase a Certificate of Deposit for a five year term in the amount of $250,000 with Protective Securities, Inc.; vote was unanimous with the exception of Director Gustafson.

Cox—yes
Gustafson—absent
Hudson—yes
Ilfeld—yes
Poulsen—yes

**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 Engineering Report.**
Mr. Hunt 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 –

**G-6 Legal Report (verbal).**
Mr. Archer reported on the California Supreme Court ruling on the public records act with regard to personal electronic devices such as computers, tablets and cell phones. It is important to keep this in mind when communicating with other Board members. All District business should be conducted in an open session and is subject to the Brown Act.

Chairman Cox asked about the new law which restricts charging connection fees for an additional dwelling unit. Mr. Archer said if the unit already exists, the District or other agency is not allowed to charge a connection fee for that unit.

Mr. Geary said staff will look into the matter and report to the Board about how this law impacts new and existing construction.

**G-7 Director's Comments.**
Director Poulsen said the damage on the bike trail has a lot to do with the way it was constructed and it is important to document the damage. He wants to ensure that the District is not held accountable. Mr. Burks and Mr. Geary said they have been in contact with Placer County and have been documenting the damage.

Chairman Cox commended staff for the bike trail snow removal efforts throughout the winter.

Directors Ilfeld and Hudson commended Ms. Grindle and Mr. Hunt for their efforts preparing
the budget and long range planning.

Directors Poulsen/Ilfeld made a motion to adjourn the open session and reconvene in closed session; vote was unanimous, with the exception of Director Gustafson.

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


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

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.

H-3 Performance Evaluation of General Manager.

Directors Hudson/Poulsen made a motion to adjourn the closed session and reconvene in open session; vote was unanimous with the exception of Director Gustafson.

Cox-yes
Gustafson-absent
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 Hudson/Poulsen made a motion to adjourn at 3.50 P.M.; vote was unanimous with the exception of Director Gustafson.

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

By, K. Obayashi-Bartsch
**Background of Annual Reporting**

- Olympic Valley Groundwater Management Plan (GMP) requires regular reporting by the Implementation Group's consulting hydrologist.

**Overview of some new components of the QRR**

- More comprehensive record of production from primary groundwater pumpers.
  - Inclusion of Squaw Valley Resort (SVR) production data starting in WY 2013.
  - Complete record of horizontal well production.
- High-resolution groundwater level data available for entire reporting period.
- Transducer/data loggers record water levels at regular intervals at SVPSD, SVMWC, SVR, RSC, and Plumpjack wells.
- New aquifer recharge mapping.

**Summary of Groundwater Production**

- Annual average production was less than historical averages.
- Demonstrates success of conservation efforts and infrastructure improvements including leak detection, pipeline replacement, and additional metering.

<table>
<thead>
<tr>
<th>Entity</th>
<th>Average Pumping Water Yr 2011-15 (Million gal/yr)</th>
<th>Average Pumping Water Yr 2013-15 (Million gal/yr)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SVPSD</td>
<td>116</td>
<td>110</td>
</tr>
<tr>
<td>SVMWC</td>
<td>33</td>
<td>24</td>
</tr>
<tr>
<td>RSC</td>
<td>73</td>
<td>69</td>
</tr>
<tr>
<td>SVR</td>
<td>N/A</td>
<td>22</td>
</tr>
</tbody>
</table>

*Includes incomplete data for Water Year 2013
SVR pumping began in 2010
Summary of Groundwater Production
- Downward trend in 15-year SVPSD Pumping per WY
- Similar trend in SVMWC pumping

Summary of Precipitation Data
- Below average precipitation during WY 2012-2015.
- Not the lowest observed precipitation

Groundwater Elevation Trends – Western Basin
- Consistent seasonal fluctuations, slight decline in peak GW elevations during recent dry period

Groundwater Elevation Trends – Meadow Area
- No strong trend observed in long-term GW elevation data.

Summary of Groundwater Quality
- Water from all municipal wells met drinking water standards
- CHAMP monitoring
  - No drinking water standards
  - No clear trends
  - No contamination sites

Groundwater Management Accomplishments
Significant progress was made on a number of groundwater management activities during WY 2011 through 2015
GW Management Accomplishments and BMO Status

- Overall successful groundwater data collection and sharing effort during WY 2011 through 2015.
- Coordination of multiple entities and stakeholders.
- Maintenance of Groundwater Data Logger Network.
- Database updates and maintenance.
- Creek/Aquifer Interaction Study.
- Replaced Well SVPSD#2
- Water Supply Assessment (WSA).
  - Simulations indicate adequate supplies within Basin to meet projected future demand.

GW Management Accomplishments and BMO Status

- Updates to Basin Groundwater Model
- Governor's Water Conservation Requirements.
  - SVPSD required to meet 25% reduction vs. 2013, implemented emergency irrigation restriction.
- Squaw Creek Restoration Project
- Maximum Supply Analysis.
  - Investigated maximum supply available from current municipal wells.
  - Supported Capacity and Reliability Study.

GW Management Accomplishments and BMO Status

- Aquifer Monitoring Program.
  - SVPSD currently investigating grant funding opportunities to finance the remainder of the monitoring effort.
- Water Supply Feasibility study.
  - Olympic Valley aquifer would not provide redundant supply source for SVPSD.
- Water Management Action Plan.
  - Non-legally-binding agreement among GW pumper.

Other Hydrology-Related Items

- Truckee River Operating Agreement
  - Management of Take Tahoe, Truckee River, and Carson River.
  - Implementation began in December 2015.
- Olympic Valley is a Special Zone of the Truckee River Basin.
  - Wells constructed in the Basin required to be drilled >500 ft from centerline of Truckee River.
- Well 18-3R Rehabilitation.
  - Improved well efficiency.

Aquifer Recharge Mapping

- California Water Code section 10753.7(a)(4)(A) requires that a GMP include a map identifying recharge areas that "substantially contribute to the replenishment of the groundwater basin".
  - Mapping requirement is non-prescriptive as to how the recharge mapping is completed.
- A general mapping methodology was employed for the entirety of Olympic Valley – not intended for site-specific planning documents.
Aquifer Recharge Mapping

- Recharge mapping effort supported by work by Jean Moran (CSUEB) and LLNL.
- Recharge areas in Olympic Valley identified via three criteria:
  - Areas below 6,500 feet MSL elevation.
  - Not underlain by granitic or rock outcrops that are likely less permeable than soil cover.
  - Areas outside of the meadow, which has been identified as a groundwater discharge area.

Summary of Conclusions

- Downward trend in pumping reflects successful infrastructure improvement and conservation efforts.
- Groundwater elevations and seasonal patterns generally consistent with previous monitoring periods.
- Water quality remains good.
- Groundwater management continued to advance BMOS.

Summary of Recommendations

- Higher Priority – within next WY
  - Continue the implementation of the aquifer monitoring program.
- Medium Priority – 1-2 years
  - Complete and implement WMAP.
  - Develop and implement pumping management plan.
  - Support creek restoration program.
- Lower Priority – 2+ years
  - Continue encouragement of residential conservation and water audits.
  - Investigate establishment of subsidence monitoring program – avoiding subsidence is a BMO.
Questions
Squaw Valley PSD
Water & Sewer Rate and Connection Fee Study
March 27, 2017

Presented by:
Shawn Koorn
Associate Vice President
HDR Engineering, Inc.

Purpose of the Study
- Provide sufficient revenue to operate and maintain the water and sewer utilities
- Review rate structures based on industry standard approaches
- Develop equitable, cost-based, and legally defendable rates
- Review and develop equitable and cost-based connection fees

Overview of the Rate Setting Process
- Revenue Requirement
  - Equitably allocates the revenue requirements between the various customer classes of service
- Cost of Service
- Rate Design
  - Design rates for each class of service to meet the revenue needs of the utility, along with any other rate design goals and objectives

Water Rate Study

Water Revenue Requirement – Key Assumptions
- Starting point was the adopted FY 2017 Budget
- Developed a 5-year financial plan
  - Rate revenues were calculated based on current rates, customer counts, consumption levels, and growth estimates
  - O&M was escalated annually by inflationary factors for each line item
- Capital funding plan was developed based on current capital improvement and replacement plan
  - Adequately fund renewal and replacement of the existing system

Water Revenue Requirement – Results ($000s)

<table>
<thead>
<tr>
<th></th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>FY 2021</th>
<th>FY 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>$1,825</td>
<td>$1,675</td>
<td>$1,550</td>
<td>$1,520</td>
<td>$1,500</td>
<td>$1,480</td>
</tr>
<tr>
<td>Non-Operating Revenue</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>$1,825</td>
<td>$1,675</td>
<td>$1,550</td>
<td>$1,520</td>
<td>$1,500</td>
<td>$1,480</td>
</tr>
<tr>
<td>Expenses</td>
<td>$1,825</td>
<td>$1,675</td>
<td>$1,550</td>
<td>$1,520</td>
<td>$1,500</td>
<td>$1,480</td>
</tr>
<tr>
<td>Water Department Expenses</td>
<td>$1,825</td>
<td>$1,675</td>
<td>$1,550</td>
<td>$1,520</td>
<td>$1,500</td>
<td>$1,480</td>
</tr>
<tr>
<td>Total Water Department Expenses</td>
<td>$1,825</td>
<td>$1,675</td>
<td>$1,550</td>
<td>$1,520</td>
<td>$1,500</td>
<td>$1,480</td>
</tr>
<tr>
<td>Rate-adjusted Capital (OP)</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
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<tr>
<td>Total Operating Revenue</td>
<td>$1,825</td>
<td>$1,675</td>
<td>$1,550</td>
<td>$1,520</td>
<td>$1,500</td>
<td>$1,480</td>
</tr>
<tr>
<td>Total Expense</td>
<td>$1,825</td>
<td>$1,675</td>
<td>$1,550</td>
<td>$1,520</td>
<td>$1,500</td>
<td>$1,480</td>
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<td>Net Change in Fund</td>
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<td>$0.00</td>
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<tr>
<td>Rate-adjusted Capital (OP)</td>
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<td>$0.00</td>
<td>$0.00</td>
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<td>Actual Revenue from AE</td>
<td>$10</td>
<td>$10</td>
<td>$10</td>
<td>$10</td>
<td>$10</td>
<td>$10</td>
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<tr>
<td>Total Rate-adjusted Capital</td>
<td>$10</td>
<td>$10</td>
<td>$10</td>
<td>$10</td>
<td>$10</td>
<td>$10</td>
</tr>
</tbody>
</table>
Summary of the Water Revenue Requirement

- Rate adjustments are required in order to adequately fund the water utility (FY 2018 – FY 2022)
  - Sufficiently fund O&M expenses
  - Provide adequate funds for the capital replacement and improvement projects
  - Maintain prudent ending reserve fund levels
  - Assumes a "pay as you go" approach to funding capital replacement projects
  - No long-term debt issues over the time period reviewed

Water Cost of Service – Key Assumptions

- Equitably allocate the revenue requirement (costs) for FY 2018
- Classify costs into the appropriate component (commodity, capacity, customer, etc.)
- Proportionally allocate costs to the District’s customer classes of service and tiers
  - Requirement of Prop 218

Water Cost of Service – Average Unit Costs

<table>
<thead>
<tr>
<th></th>
<th>Residential (SMI)</th>
<th>Multi-Family</th>
<th>Commercial</th>
<th>Commercial Irrigation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed ($) / (ACW, AVG)</td>
<td>$543.00</td>
<td>$328.00</td>
<td>$475.60</td>
<td>$475.60</td>
</tr>
<tr>
<td>Variable ($/1,000 gal)</td>
<td>$4.54</td>
<td>$7.34</td>
<td>$6.07</td>
<td>$6.07</td>
</tr>
</tbody>
</table>

- Unit costs are used to develop the pricing (rates) for each class of service
- Cost differences between the various customer classes of service reflects the proportional allocation
- Bill impacts will not be the same for all customers
  - Even within the same customer class

Water Rate Design – Key Assumptions

- Maintain current rate structure
  - Exception is multi-family customers
- Fixed meter charge
  - Single Family Residential based on account (1” Equv.)
  - Plus accessory dwelling unit if applicable
  - Multi-Family Residential based on living units
  - Commercial & Irrigation based on meter size
- Volumetric component on a per 1,000 gallon basis
  - Single Family Residential: 4-termed rate
  - Basis of the tier pricing is the cost of service unit costs
  - Multi-Family Residential: Move from 4-termed rate to a uniform rate
  - Commercial & Irrigation: Uniform rate

Proposed Water Rates – Fixed Charges

<table>
<thead>
<tr>
<th>Project Area</th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>FY 2021</th>
<th>FY 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Charge (SMI or ACW, AVG)</td>
<td>$645.30</td>
<td>$543.00</td>
<td>$475.60</td>
<td>$475.60</td>
<td>$475.60</td>
</tr>
<tr>
<td>Residential (SMI)</td>
<td>$475.60</td>
<td>$328.00</td>
<td>$475.60</td>
<td>$475.60</td>
<td>$475.60</td>
</tr>
<tr>
<td>Commercial</td>
<td>$645.30</td>
<td>$543.00</td>
<td>$475.60</td>
<td>$475.60</td>
<td>$475.60</td>
</tr>
<tr>
<td>Commercial Irrigation</td>
<td>$475.60</td>
<td>$328.00</td>
<td>$475.60</td>
<td>$475.60</td>
<td>$475.60</td>
</tr>
</tbody>
</table>

Proposed Water Rates – Consumption Charges

<table>
<thead>
<tr>
<th>Account Type</th>
<th>Rate</th>
<th>Fixed Charge</th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>FY 2021</th>
<th>FY 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential (SMI)</td>
<td>$645.30</td>
<td>$543.00</td>
<td>$475.60</td>
<td>$475.60</td>
<td>$475.60</td>
<td>$475.60</td>
<td>$475.60</td>
</tr>
<tr>
<td>Commercial</td>
<td>$645.30</td>
<td>$543.00</td>
<td>$475.60</td>
<td>$475.60</td>
<td>$475.60</td>
<td>$475.60</td>
<td>$475.60</td>
</tr>
<tr>
<td>Commercial Irrigation</td>
<td>$645.30</td>
<td>$543.00</td>
<td>$475.60</td>
<td>$475.60</td>
<td>$475.60</td>
<td>$475.60</td>
<td>$475.60</td>
</tr>
</tbody>
</table>

Attachment B

Presented 3/28/2017
Summary of the Water Rate Study
- Revenue requirement shows a need for rate adjustments from FY 2018 – FY 2022
  - 4.0% per year to adequately fund operating and capital needs
- Cost of service provides the pricing for the fixed and consumption charges
  - Provides year 1 (FY 2018) rates, future years are adjusted by overall rate adjustment
- Maintained the rate structure for residential, commercial, and irrigation
  - Proposed multi-family rate is a uniform rate structure
- Bill impacts will vary from overall revenue adjustment for the utility (e.g., 4.0%)
Sewer Cost of Service – Average Unit Costs

<table>
<thead>
<tr>
<th></th>
<th>Residential (SR)</th>
<th>Multi-Family</th>
<th>Commercial</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed ($/acct/A.U.)</td>
<td>$61.65</td>
<td>$48.85</td>
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</tr>
<tr>
<td>Variable ($/1,000 gal)</td>
<td>N/A</td>
<td>N/A</td>
<td>$3.55</td>
</tr>
</tbody>
</table>

- Cost differences between the various customer classes of service reflects the proportional allocation
- Cost of service provides the basis for the fixed and volume charge (commercial only)
- Bill impacts will not be the same for all customers
  - Even within the same customer class

Sewer Rate Design – Key Assumptions

- Maintain current rate structure
- Exception is multi-family customers
- Fixed charge
  - Single Family Residential based on account
    - Plus accessory dwelling (MFR) unit if applicable
  - Multi-Family Residential based on living units
    - Commercial based on account
  - Volumetric component on a per 1,000 gallon basis
    - Commercial customers only
    - >75,000 gallons annually

Proposed Sewer Rates

<table>
<thead>
<tr>
<th></th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>FY 2021</th>
<th>FY 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Rates</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential (SR)</td>
<td>$146.00</td>
<td>$156.45</td>
<td>$167.75</td>
<td>$179.00</td>
<td>$190.30</td>
</tr>
<tr>
<td>Commercial</td>
<td>$206.65</td>
<td>$220.00</td>
<td>$233.65</td>
<td>$248.30</td>
<td>$264.15</td>
</tr>
<tr>
<td>Residential - Pool/Spa</td>
<td>$177.00</td>
<td>$190.00</td>
<td>$204.00</td>
<td>$218.30</td>
<td>$233.15</td>
</tr>
<tr>
<td>Unmetered Charge</td>
<td>$3.50</td>
<td>$3.50</td>
<td>$3.50</td>
<td>$3.50</td>
<td>$3.50</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$151.45</td>
<td>$163.30</td>
<td>$176.25</td>
<td>$189.75</td>
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<tr>
<td></td>
<td></td>
<td>$154.95</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Summary of the Sewer Rate Study

- Revenue requirement shows a need for rate adjustments from FY 2018 – FY 2022
  - 5.0% per year to adequately fund operating and capital needs
- Cost of service provides the pricing for the fixed and volumetric charges
  - Provides year 1 (FY 2018) rates, future years are adjusted by rate transition plan
- Maintained the rate structure for residential and commercial customers
- Multi-family will depend on current billed method
- Bill impacts will vary from overall revenue adjustment for the utility (e.g., 5.0%)

Definition of a Connection Fee

- A connection fee is defined as:
  - A one-time fee for new customer demand only
  - Fee required for all new customers desiring water or sewer service or existing customers requesting increased water or sewer service capacity.
  - Charge based on the value of the utility’s capacity and the amount of capacity needed by the new customer.
  - Capacity can be defined in different ways (e.g., MGD, EDU)
Connection Fee Methodology

- Buy-In (Existing assets)
  - Asset replacement costs from District's Capital Replacement Plan model
  - Used costs that are connection fee eligible
  - Reduced by outstanding debt principal and contributed capital
- Incremental (Future assets)
  - Used current capital improvement plan
  - Included on connection fee eligible projects
  - Excludes developer agreement projects
- Revising the assessment of the fee

Water Connection Fee by Meter Size

<table>
<thead>
<tr>
<th>Meter Size</th>
<th>Ratio</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>1&quot; Meter</td>
<td>1.00</td>
<td>$323,434</td>
</tr>
<tr>
<td>1.5&quot; Meter</td>
<td>2.00</td>
<td>$20,838</td>
</tr>
<tr>
<td>2&quot; Meter</td>
<td>3.20</td>
<td>$33,325</td>
</tr>
<tr>
<td>3&quot; Meter</td>
<td>6.00</td>
<td>$62,484</td>
</tr>
<tr>
<td>4&quot; Meter</td>
<td>10.00</td>
<td>$104,140</td>
</tr>
<tr>
<td>6&quot; Meter</td>
<td>20.00</td>
<td>$308,280</td>
</tr>
</tbody>
</table>

Note: Connection Fee for meters 4" may be calculated by the District on a case by case basis.

Sewer Connection Fee by Meter Size

<table>
<thead>
<tr>
<th>Meter Size</th>
<th>Ratio</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>1&quot; Meter</td>
<td>1.00</td>
<td>$58,637</td>
</tr>
<tr>
<td>1.5&quot; Meter</td>
<td>2.00</td>
<td>$12,754</td>
</tr>
<tr>
<td>2&quot; Meter</td>
<td>3.20</td>
<td>$18,066</td>
</tr>
<tr>
<td>3&quot; Meter</td>
<td>6.00</td>
<td>$33,762</td>
</tr>
<tr>
<td>4&quot; Meter</td>
<td>10.00</td>
<td>$56,270</td>
</tr>
<tr>
<td>6&quot; Meter</td>
<td>20.00</td>
<td>$132,540</td>
</tr>
</tbody>
</table>

Note: Connection Fee for meters 3" may be calculated by the District on a case by case basis.

Summary of the Connection Fee Study

- Basis of the connection fee is the existing system and future improvements necessary to meet new growth on the systems
- Excludes projects not funded by the District
- Maintains equity between existing and future customers
- Study provides the basis for the maximum allowable connection fee
- Board policy decision on the final level
- Fee can be adjusted annually
  - Engineering News Record Construction Cost Index (ENR CCI)

Next Steps...

- Acceptance of the rate and connection fee studies
- Begin the Proposition 218 process
  - Set public hearing dates
  - Mail customer notice
  - Hold public hearings
- If no majority protest, the Board may adopt the proposed rates for a five-year period

Questions and Discussion
Squaw Valley Public Service District

Water and Sewer Capital Improvement and Capital Replacement Plans

Board of Directors Meeting
March 27, 2017

Purpose

• Capital Replacement Plan (CRP) and Capital Improvement Plan (CIP) inform the Rate Study and Cost of Service Analysis by identifying costs of capital projects to be funded by fees collected by the District
• CRP - Fixed asset replacement plan aimed at developing funding mechanism to replace infrastructure as assets reach the end of their useful life
• CIP - Identifies projects that increase the size or capacity of the water and sewer systems

Why Fund the Asset Replacement Program?

• Develop funding to replace infrastructure as assets reach the end of their useful life
• Promote rate stability and avoid rate shock
• Avoid debt financing and paying interest
• Promote rate equity by spreading burden of replacement cost between existing customers and future customers.

CRP and CIP Funding Mechanisms

• Projects in Capital Replacement Plans (CRP’s)
  - User Fees - for operating expenses, asset replacements.
  - Cannot use Connection Fees to fund CRP projects (Government Code 66000)
• Projects in Capital Improvement Plans (CIP’s)
  - Connection Fees – for system expansions; new assets; capacity increases.
  - Developer funded – for system expansions to support future development projects
  - Fixed Asset Replacement Funds (FAR)

CRP Workflow

• Inventory of Assets
  - Age, Design Life, Original Cost
• Unit Cost Estimates for Maintenance and Replacement
• VueWorks Budget Forecast for GIS Assets
• Higher Cost Maintenance Activities for Facilities
• Replacement Cost for Facilities and Equipment
• Develop 100-Year Capital Replacement Plan

Why a 100-Year CRP?

• The District’s CRP focuses on capital infrastructure, facilities, and equipment to be renewed, replaced or purchased during the next one hundred years.
• Long life expectancies of the assets required to deliver the services and the high costs associated with their replacement.
• Shorter-term planning efforts inexorably result in sharp increases in rates, assessments, and/or reactionary debt financing.
• The CRP is a rolling document and will be amended periodically (every five years or less) as projects are completed and new ones are added.
Assets in the CRP

- Water & Sewer Infrastructure (e.g., buried assets)
  - T&E Works & GIS - Asset Management
  - Sewer pipes, manholes, service laterals, hydrants, tanks
- Equipment
  - Rolling Stock (fleet and equipment)
  - Small Tools and Equipment
- Facilities
  - Wells and Pump Stations
- Shared Facilities
  - 305 and 1810 Squaw Valley Road

Unit Replacement Costs

<table>
<thead>
<tr>
<th>Model</th>
<th>Description</th>
<th>Year</th>
<th>Price Code</th>
<th>Replacement Cost</th>
<th>Unit Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2017</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
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<td></td>
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<td>2020</td>
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</table>

Equipment

<table>
<thead>
<tr>
<th>Equipment</th>
<th>Model</th>
<th>Description</th>
<th>Year</th>
<th>Price Code</th>
<th>Replacement Cost</th>
<th>Unit Cost</th>
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<tbody>
<tr>
<td></td>
<td></td>
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<td>2017</td>
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</tbody>
</table>

Facilities

<table>
<thead>
<tr>
<th>Facility Type</th>
<th>Description</th>
<th>Year</th>
<th>Price Code</th>
<th>Replacement Cost</th>
<th>Unit Cost</th>
</tr>
</thead>
<tbody>
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<td></td>
<td></td>
<td>2017</td>
<td></td>
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</table>

Shared Assets

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Description</th>
<th>Year</th>
<th>Price Code</th>
<th>Replacement Cost</th>
<th>Unit Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td>2017</td>
<td></td>
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<td></td>
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<td>2018</td>
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<tr>
<td></td>
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<td>2019</td>
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<td></td>
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<td>2020</td>
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</table>
Capital Improvement Plan (CIP)

- CIP Projects (District Funded)
  - Water
    - Zone 3A FRU Station
    - East Booster Pump Station Replacement
    - SSP/SSP/SSP Interim
    - Fire Service Line Detector Check
  - Sewer
    - Truck Reservoir Station Replacement
    - Sewer Flow Meter
    - Sewer Outfall (Point of Service Line Connection)
- Future System Expansion and Capacity Projects (Developer-Funded)
  - Sewer Interceptor Replacement
  - Sewer Flow Meters
  - RSC Phase 2 PRW Station and Well 1B-3R
  - YSSP New Water Sources and Tank

Capital Project Summary FY 18-FY 22

<table>
<thead>
<tr>
<th>Project</th>
<th>FY 18</th>
<th>FY 19</th>
<th>FY 20</th>
<th>FY 21</th>
<th>FY 22</th>
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<tbody>
<tr>
<td>WATER CIP</td>
<td>$411,563</td>
<td>$300,800</td>
<td>$270,377</td>
<td>$150,681</td>
<td>$189,954</td>
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<tr>
<td>WATER DIP</td>
<td>$3,000</td>
<td>$50,000</td>
<td>$50,000</td>
<td>$108,300</td>
<td>$71,750</td>
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<td>Fireman's Water</td>
<td>$414,563</td>
<td>$300,800</td>
<td>$270,377</td>
<td>$150,681</td>
<td>$189,954</td>
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<td>SEWER CIP</td>
<td>$277,900</td>
<td>$572,078</td>
<td>$792,317</td>
<td>$960,433</td>
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<td>SEWER DIP</td>
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<td>$941,500</td>
<td>$231,799</td>
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<td>Combined Sewer</td>
<td>$470,445</td>
<td>$941,500</td>
<td>$1,024,116</td>
<td>$1,153,833</td>
<td>$1,358,433</td>
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<td>BRANCH TOTAL</td>
<td>$824,407</td>
<td>$1,433,578</td>
<td>$1,653,733</td>
<td>$1,453,887</td>
<td>$1,548,387</td>
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Water CRP – 100 Year

Sewer CRP – 100 Year

Water Capital Projects

Sewer Capital Projects