

**SQUAW VALLEY PUBLIC SERVICE DISTRICT
BOARD OF DIRECTORS MEETING MINUTES #825
March 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, Bill Hudson, Fred Ilfeld 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 Ilfeld 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 s 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.

F-2 Fire Code Revisions – Resolution 2017-01 – Rescind Ordinance 2016-02.

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

F-3 Fire Code Revisions and Findings –2nd Public Hearing – Ordinance 2017-01.

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/Ilfeld 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

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

H. Closed Session – District Labor Negotiations, Public Employment of Fire Chief and Performance Evaluation of General Manager.

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

Olympic Valley Groundwater Management Plan Implementation Group

March 28, 2017

Water Year 2011-2015 Quinquennial Review and Report



Background of Annual Reporting

- Olympic Valley Groundwater Management Plan (GMP) requires regular reporting by the Implementation Group's consulting hydrologist.
- HydroMetrics WRI prepared ARR documents for Water Years 2007, 2008, and a Biennial Review and Report (BRR) for Water Years 2009 and 2010.



Background of Annual Reporting

- Quinquennial Review and Report (QRR) covers Water Years (WY) 2011-2015.
 - Summary of groundwater conditions in the basin.
 - Highlight groundwater management accomplishments.
 - Make recommendations for amendments to the GMP and for future management efforts.
 - Summary and status of Basin Management Objectives (BMOs).



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 2011.
 - 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 Conditions

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.

Entity	Average Pumping Water Year 1993-2015 (Million Gal. per year)	Average Pumping Water Year 2011-2015 (Million Gal. per year)
SVPSD	126	110
SVMWC	33	24
RSC ¹	73	69
SVR ²	N/A	22

¹Includes incomplete data for Water Year 2011
²SVR pumping began in 2010



Summary of Groundwater Production

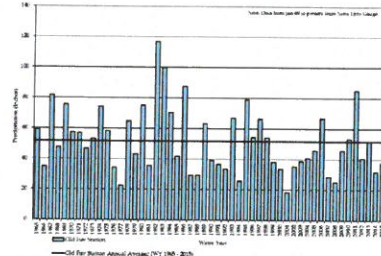
- Downward trend in 15-year SVPD Pumping per WY
- Similar trend in SVMWC pumping

SVPD 15 Year Water Production Trend
(in millions of gallons (MG) per year)



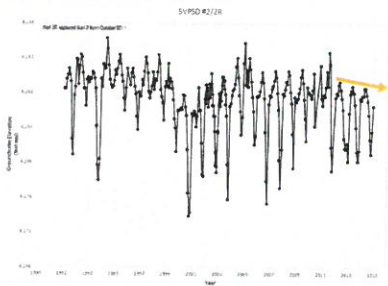
Summary of Precipitation Data

- Below average precipitation during WY 2012-2015.
- Not the lowest observed precipitation



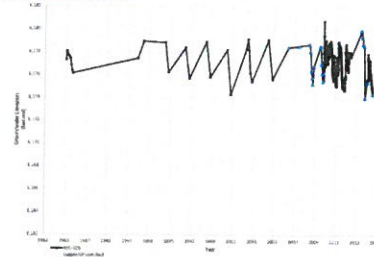
Groundwater Elevation Trends – Western Basin

- 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 SVPD#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.
 - SVPD required to meet 25% reduction vs. 2013, implemented emergency irrigation restriction.
- Squaw Creek Restoration Project
- Proposed PlumpJack Well Impact Evaluation.
- 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.
 - SVPD 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 SVPD.
- Water Management Action Plan.
 - Update to 1991 plan underway in 2016.
 - Non legally-binding agreement among GW pumpers.



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.



GMP Additions



Aquifer Recharge Mapping

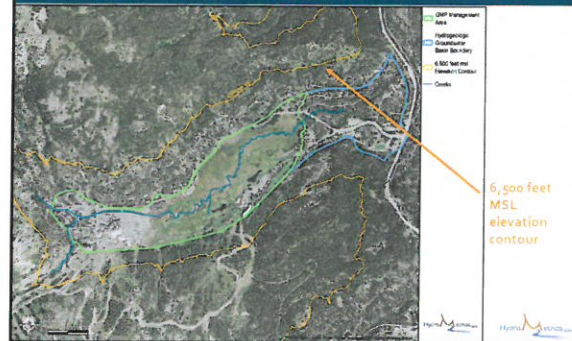
- California Water Code section 10753.7(a)(4)(A) requires that a GMP include a map identifying recharge areas that "substantially contribute to the replenishment of the groundwater basin".
 - Mapping requirement is non-prescriptive as to how the recharge mapping is completed.
- A general mapping methodology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



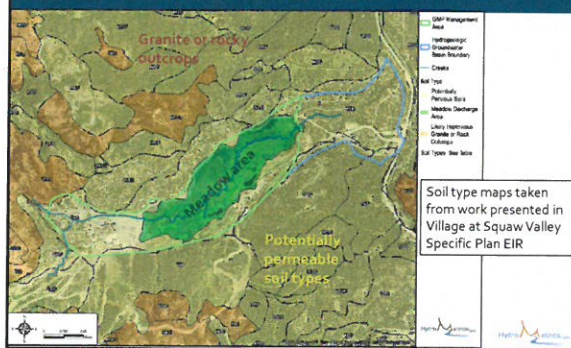
Aquifer Recharge Mapping

- 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.

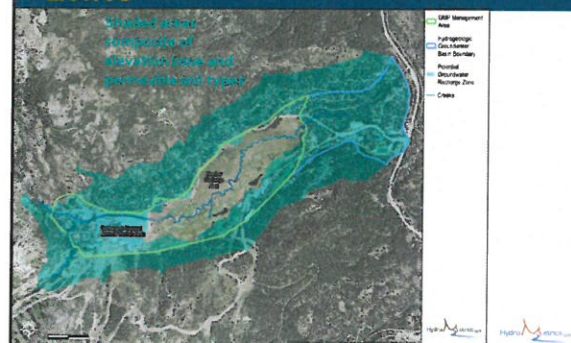
Elevation Zones in Olympic Valley



Soil Type Zones in Olympic Valley



Potential Groundwater Recharge Zones

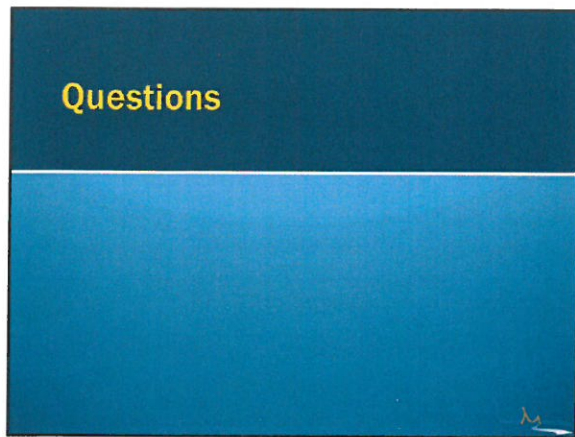



Summary of Conclusions

- 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.




Squaw Valley PSD 

Water & Sewer Rate and Connection Fee Study




March 27, 2017

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

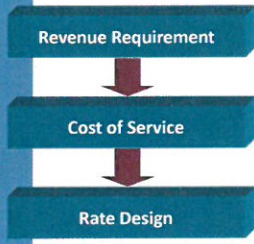


Purpose of the Study

- 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 defensible rates
- Review and develop equitable and cost-based connection fees




Overview of the Rate Setting Process




Revenue Requirement
Compares the revenues of the utility to its expenses to determine the overall level of rate adjustment

Cost of Service
Equitably allocates the revenue requirements between the various customer classes 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)

	Budgeted FY 2017	FY 2018	FY 2019	Projected FY 2020	FY 2021	FY 2022
Revenues						
Rate Revenues	\$1,650	\$1,658	\$1,666	\$1,675	\$1,687	\$1,700
Non-Operating Revenues	208	208	211	216	218	212
Total Revenues	\$1,854	\$1,866	\$1,877	\$1,891	\$1,905	\$1,912
Expenses						
Total Water Department Expenses	\$647	\$720	\$749	\$779	\$811	\$843
Total Administration Expenses	409	504	518	533	548	564
Net Annual Debt Service	128	80	80	80	80	80
Rate Funded Capital (ICRF)	350	400	450	500	550	600
Transfer To / (From) Reserves	321	228	216	205	203	201
Total Expenses	\$1,854	\$1,932	\$2,013	\$2,098	\$2,192	\$2,287
Bal/(Def.) of Funds	\$0	(\$66)	(\$136)	(\$209)	(\$287)	(\$368)
Rate Adj. as a % of Rate Rev.	0.0%	4.0%	8.2%	12.5%	17.0%	21.7%
Proposed Rate Adjustment	0.0%	4.0%	8.0%	4.0%	4.0%	4.0%
Add'l Revenue from Adj.	\$0	\$66	\$136	\$209	\$287	\$368
Total Bal/(Def.) of Funds	(\$0)	\$0	\$0	\$0	\$0	\$0



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



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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



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Water Cost of Service – Average Unit Costs

	Residential (SFR)				Multi-Family	Commercial	Commercial Irrigation
	Tier 1	Tier 2	Tier 3	Tier 4			
Fixed (\$/Acct./L.U.)	\$939	\$939	\$939	\$939	\$453	\$935	\$935
Variable (\$/1,000 gal)	\$4.54	\$9.24	\$14.45	\$31.99	\$7.87	\$6.02	\$10.91

- 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



9

Water Rate Design – Key Assumptions

- Maintain current rate structure
 - Exception is multi-family customers
- Fixed meter charge
 - Single Family Residential based on account (1" Eqv.)
 - 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-tiered rate
 - Basis of the tier pricing is the cost of service unit costs
 - Multi-Family Residential: Move from 4-tiered rate to a uniform rate
 - Commercial & Irrigation: Uniform rate



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Proposed Water Rates – Fixed Charges

	Present Rates	FY 2018 4.0%	FY 2019 4.0%	FY 2020 4.0%	FY 2021 4.0%	FY 2022 4.0%
Fixed Charge \$/Acct or LU/Year						
Residential (SFR)	\$836.00	\$934.50	\$971.90	\$1,010.80	\$1,051.25	\$1,093.30
Condo/Apt./Duplex/Second Unit (MFR)	\$418.00	\$453.00	\$471.15	\$490.00	\$509.60	\$530.00
Commercial / Commercial Irrigation						
5/8"	\$285.00	\$767.53	\$798.25	\$830.20	\$863.42	\$897.96
3/4"	\$11.00	\$37.55	\$71.07	\$95.93	\$942.19	\$979.87
1"	\$47.00	\$94.50	\$97.90	\$100.80	\$1,051.25	\$1,093.30
1 1/2"	\$67.00	\$1,877.08	\$1,952.20	\$2,030.34	\$2,111.59	\$2,196.05
2"	\$112.00	\$2,994.71	\$3,114.56	\$3,239.22	\$3,368.85	\$3,503.60
3"	\$2,088.00	\$5,623.16	\$5,848.21	\$6,082.28	\$6,325.68	\$6,578.70
4"	\$3,483.00	\$9,380.01	\$9,755.41	\$10,145.87	\$10,551.88	\$10,973.96
6"	\$6,967.00	\$18,762.71	\$19,513.62	\$20,294.65	\$21,106.80	\$21,951.07



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Proposed Water Rates – Consumption Charges

	Present Rates	FY 2018 4.0%	FY 2019 4.0%	FY 2020 4.0%	FY 2021 4.0%	FY 2022 4.0%
Consumption Charge \$ / 1,000 gal						
Residential (SFR)						
0 - 120	\$3.04	\$4.54	\$4.72	\$4.91	\$5.11	\$5.31
120 - 220	10.38	9.24	9.61	9.99	10.40	10.81
220 - 280	15.13	14.45	15.02	15.63	16.26	16.90
280 +	31.74	31.99	33.26	34.60	36.01	37.42
Condo/Apt./Duplex/Second Unit (MFR)						
0 - 120	\$3.04	N/A	N/A	N/A	N/A	N/A
120 - 220	10.38	N/A	N/A	N/A	N/A	N/A
220 - 280	15.13	N/A	N/A	N/A	N/A	N/A
280 +	31.74	N/A	N/A	N/A	N/A	N/A
All Usage	N/A	\$7.87	\$8.18	\$8.51	\$8.85	\$9.20
Commercial	\$11.08	\$6.02	\$6.26	\$6.51	\$6.77	\$7.04
Commercial Irrigation	\$12.41	\$10.91	\$11.35	\$11.80	\$12.27	\$12.76



12

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%)



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Sewer Rate Study



Sewer Revenue Requirement – Key Assumptions

- The starting point was the adopted FY 2017 Budget
- Developed a 5-year financial plan
 - Rate revenues were calculated based on current rates and customer counts plus growth estimates
 - O&M was escalated by inflationary factors for each line item
- Developed capital funding plan
 - Based on the District's current CIP & CRP
 - Adequately funds renewal and replacement of the existing system



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Sewer Revenue Requirement – Results (\$000s)

	Budgeted	Projected				
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Revenues						
Rate Revenues	\$1,097	\$1,103	\$1,108	\$1,114	\$1,122	\$1,131
Non-Operating Revenues	66	221	220	222	225	222
Total Revenues	\$1,141	\$1,324	\$1,328	\$1,336	\$1,347	\$1,353
Expenses						
Total Sewer Department Expenses	5359	\$401	\$416	\$432	\$448	\$465
Total Administration Expenses	320	412	424	436	449	461
Net Annual Debt Service	131	83	83	59	58	58
Rate Funded Capital (CRP)	325	400	450	500	550	600
Transfer To / (From) Reserves	2	83	60	85	86	85
Total Expenses	\$1,141	\$1,379	\$1,442	\$1,512	\$1,589	\$1,670
Bal/(Def) of Funds	\$0	(\$55)	(\$114)	(\$174)	(\$242)	(\$312)
Rate Adj. as a % of Rate Rev.	0.0%	5.0%	10.3%	15.8%	21.6%	27.6%
Proposed Rate Adjustment	0.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Add'l Revenue from Adj.	\$0	\$55	\$114	\$174	\$242	\$312
Total Bal/(Def) of Funds	\$0	\$0	\$0	\$0	\$0	(\$0)



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Summary of the Sewer Revenue Requirement

- Rate adjustments are required in order to adequately fund the water utility (FY 2018 – FY 2022)
 - Provide adequate funds for the capital replacement and improvement projects
 - Sufficiently fund O&M expenses
 - 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



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Sewer Cost of Service – Key Assumptions

- Equitably allocate the revenue requirement for FY 2018
- Classify costs into the appropriate component (volume, customer)
- Proportionally allocate costs to the District's customer classes of service
 - Requirement of Prop 218



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Sewer Cost of Service – Average Unit Costs

	Residential (SFR)	Multi-Family	Commercial
Fixed (\$/Acct./L.U.)	\$616	\$485	N/A
Variable (\$/1,000 gal)	N/A	N/A	\$14.55

- 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



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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



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Proposed Sewer Rates

	Present Rates	FY 2018 5.0%	FY 2019 5.0%	FY 2020 5.0%	FY 2021 5.0%	FY 2022 5.0%
Fixed Charge						
\$/Year						
Residential (SFR)	\$540.00	\$616.45	\$647.25	\$679.60	\$713.60	\$749.30
Condo/Apt./Duplex/Second Unit (MFR)	\$466.00	\$485.00	\$509.25	\$534.70	\$561.45	\$589.50
Commercial	\$954.00	\$1,091.25	\$1,145.80	\$1,203.10	\$1,263.25	\$1,326.40
Residential - Pool / Spa	\$767.00	\$805.35	\$845.60	\$887.90	\$932.30	\$978.90
Consumption Charge						
\$/1,000 gal						
Commercial						
> 75,000	\$12.74	\$14.55	\$15.30	\$16.05	\$16.85	\$17.70



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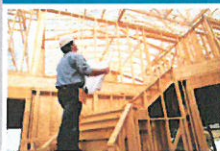
Summary of the Sewer Rate Study

- 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%)



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Connection Fees



Definition of a Connection Fee

- A connection fee is defined as a:
 - A one-time fee for new customer demand only
 - Fee required of 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)



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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



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Water Connection Fee by Meter Size

Meter Size	Ratio	Cost
1" Meter	1.00	\$10,414
1.5" Meter	2.00	20,828
2" Meter	3.20	33,325
3" Meter	6.00	62,484
4" Meter	10.00	104,140
6" Meter	20.00	208,280

*Connection Fee for meters > 2" may be calculated by the District on a case by case basis



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Sewer Connection Fee by Meter Size

Meter Size	Ratio	Cost
1" Meter	1.00	\$5,627
1.5" Meter	2.00	11,254
2" Meter	3.20	18,006
3" Meter	6.00	33,762
4" Meter	10.00	56,270
6" Meter	20.00	112,540

*Connection Fee for meters > 2" may be calculated by the District on a case by case basis



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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)



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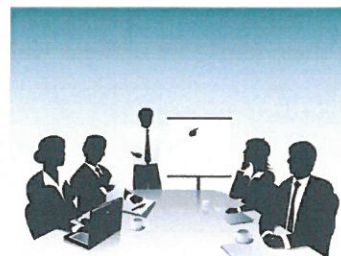
Next Steps...

- 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



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Questions and Discussion



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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 (FARF)



CRP Workflow

- Inventory of Assets
 - Age, Design Life, Original Cost
- Unit Cost Estimates for Maintenance and Replacement
- ViewWorks 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 focusses 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 invariably 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.

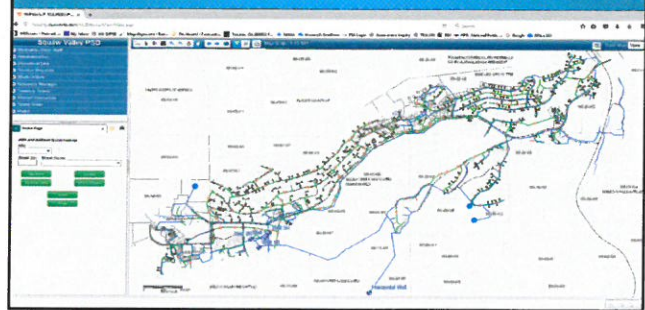


Assets in the CRP

- Water & Sewer Infrastructure (e.g., buried assets)
 - VUEWorks & GIS – Asset Management
 - Sewer pipes, manholes, service laterals, cleanouts
 - Water pipes, valves, meters, 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



Water & Sewer Infrastructure



Unit Replacement Costs

Main - On Road						
Diameter (in.)	Replacement Pipe Type	Main Replacement \$/ft (excl. AC)	Main Replacement AC \$/ft (excl. AC)	Main AC Patch \$/ft	Main AC Patch \$/ft	Total Replacement \$/ft (adjusted for 2% Sub Costs)
4	C900 P.V.C.	\$75.00	\$2	\$9.00	\$10.50	\$113.00
6	C900 P.V.C.	\$83.00	\$4	\$9.00	\$11.00	\$117.00
8	C900 P.V.C.	\$96.00	\$6	\$9.00	\$11.50	\$118.50
10	C900 P.V.C.	\$97.00	\$8	\$9.00	\$11.00	\$117.00
12	C900 P.V.C.	\$106.00	\$9	\$9.00	\$11.50	\$118.50
16	Ductile Iron	\$110.00	\$20	\$9.00	\$11.50	\$122.50
20	Ductile Iron	\$120.00	\$28	\$9.00	\$11.50	\$130.50
24	Ductile Iron	\$140.00	\$30	\$9.00	\$11.50	\$151.00

Main - Off Road						
Diameter (in.)	Replacement Pipe Type	Main Replacement \$/ft (excl. AC)	Main Replacement AC \$/ft (excl. AC)	Main AC Patch \$/ft	Main AC Patch \$/ft	Total Replacement \$/ft (adjusted for 2% Sub Costs)
4	C900 P.V.C.	\$75.00	N/A	N/A	N/A	\$75.00
6	C900 P.V.C.	\$83.00	N/A	N/A	N/A	\$83.00
8	C900 P.V.C.	\$96.00	N/A	N/A	N/A	\$96.00
10	C900 P.V.C.	\$97.00	N/A	N/A	N/A	\$97.00
12	C900 P.V.C.	\$106.00	N/A	N/A	N/A	\$106.00
16	Ductile Iron	\$110.00	N/A	N/A	N/A	\$110.00
20	Ductile Iron	\$120.00	N/A	N/A	N/A	\$120.00
24	Ductile Iron	\$140.00	N/A	N/A	N/A	\$140.00



Equipment

Equipment	Purchase Year	Economic Life (Years)	Purchase Price	Cost 2016 (\$2.5% Inflation)
Ford F-150	1999	10	\$ 30,522.00	\$ 46,351.88
Ford F-350	2007	10	\$ 34,395.00	\$ 42,952.14
Dodge Ram 2500	2004	10	\$ 30,749.00	\$ 32,305.67
Ford F-150 Service Truck	2003	10	\$ 26,953.00	\$ 27,565.89
Ford Explorer PI	2004	10	\$ 27,544.00	\$ 27,544.00
Equipment - Rolling Stock				
JCB Backhoe	1994	25	\$ 43,571.00	\$ 85,340.02
JD Loader	1998	25	\$ 45,663.00	\$ 71,218.70
Ford Dump Truck	2007	30	\$ 67,734.00	\$ 84,615.46
Snoquip Tracked MT Snow Blower	2004	15	\$ 107,822.00	\$ 133,268.98
VacVac	2000	20	\$ 236,550.30	\$ 304,960.91
Truck-Mounted Snow Blower	2000	20	\$ 21,098.00	\$ 31,321.58
Proctor & Kitchen Machine	2000	10	\$ 34,982.37	\$ 39,875.01
New Holland Snow Blower	2007	15	\$ 65,134.00	\$ 78,820.71
Small Tools and Equipment				
Air Compressor	1998	20	\$ 12,658.00	\$ 19,709.17
Generator	1999	15	\$ 4,225.00	\$ 9,484.47
Miller Trailblazer Welder	2000	15	\$ 6,126.00	\$ 7,281.89
Ditch Digger	2000	30	\$ 8,593.00	\$ 10,141.06
Cover Lateral Camera	2000	30	\$ 10,944.00	\$ 13,391.10
Hydraulic Trench Shoring	2002	15	\$ 3,749.00	\$ 4,945.62
Trimble GPS	2003	10	\$ 2,240.00	\$ 2,959.70
Confined Space Harness	2003	15	\$ 4,145.00	\$ 6,206.45



Facilities

Maintenance Activity	Install Year	Frequency (Years)	Cost (2011)	Cost (2016)	Cost (2016) w/ Sub Costs (20%)
Exterior - AC Repaving	2011	15	\$11,000.00	\$15,269.76	
Interior/Exterior - Painting	2011	15	\$24,300.00	\$27,771.17	
Exterior - Storm Drains	2011	20	\$24,000.00	\$18,546.25	
Exterior - Replace Roof (Asphalt Shingles)	2011	25	\$17,000.00	\$18,269.79	
Interior/Exterior - Replace Doors/Windows	2011	25	\$25,500.00	\$22,237.10	
Interior/Exterior - Replace Overhead Door	2011	25	\$8,000.00	\$6,461.16	
Mechanical - HVAC	2011	20	\$20,000.00	\$22,670.14	
Mechanical - Replace Submersible Pump	2011	20	\$60,000.00	\$66,011.08	
Mechanical - Replace Fire Suppression System	2011	20	\$10,000.00	\$11,405.11	
Mechanical - Replace Chemo Feed Equipment	2011	20	\$40,000.00	\$45,340.84	
Interior - Seal Concrete Flooring	2011	20	\$4,500.00	\$7,567.86	
Electrical - Replace Light Fixtures and Controls	2011	20	\$8,000.00	\$10,201.83	
Electrical - Replace Primary Power	2011	30	\$140,000.00	\$172,044.10	
Electrical - Replace Instrumentation and Controls	2011	30	\$50,000.00	\$76,475.82	
Electrical - Replace Generator	2011	30	\$100,000.00	\$113,331.71	
Buildings - Demolition	2011	200	\$1,300,000.00	\$1,479,572.22	\$1,480,363.12



Shared Assets

Maintenance Activity	Install Year	Frequency (Years)	Cost
Exterior - AC Storm Drain	2014	4	\$5,000.00
Exterior - AC Repaving	2005	16	\$147,000.00
Exterior - Replace Concrete Curb and Gutter, Sidewalk	2005	30	\$128,000.00
Exterior - Paint Exterior Wood Surfaces	2005	10	\$18,000.00
Exterior - Replace Roof (Low Slope Roofing System)	2005	25	\$270,000.00
Interior - Replace Appliances (Common Area Kitchen)	2005	15	\$1,000.00
Interior - Replace Appliances (JO Kitchen)	2005	15	\$10,000.00
Interior - Replace Water Heater	2006	10	\$11,000.00
Interior - Replace HVAC Equipment	2005	10	\$24,000.00
Interior - Replace Elevator	2005	25	\$50,000.00
Interior - Replace Windows	2005	25	\$15,000.00
Interior - Replace Windows Coverings	2005	20	\$15,000.00
Interior - Kitchen Remodel (Common Area Kitchen)	2005	20	\$15,000.00
Interior - Kitchen Remodel (JO Kitchen)	2005	20	\$20,000.00
Interior - Replace Fire Suppression System	2005	30	\$112,000.00
Interior - Replace Casket	2005	15	\$80,000.00
Interior - Replace Linoleum	2005	15	\$50,000.00
Interior - Replace Tile	2005	25	\$45,000.00
Interior - Paint Walls	2005	15	\$60,000.00
Interior/Exterior - Replace Doors	2005	30	\$155,000.00
Interior/Exterior - Replace Rolling Doors	2005	25	\$48,000.00
Electrical - Replace Light Fixtures	2005	20	\$75,000.00
Electrical - Replace Phone System	2005	15	\$10,000.00
Electrical - Replace IT Hardware	2005	8	\$40,000.00
Demolition - Demolition Building	2005	200	\$13,800,000.00



Capital Improvement Plan (CIP)

- CIP Projects (District Funded)
 - Water
 - Zone 1A PRV Station
 - East Booster Pump Station Replacement
 - SVSPD/SVMWC Intertie
 - Fire Service Line Detector Check
 - Sewer
 - Truckee River Siphon Replacement
 - Sewer Flow Meter
 - Sewer Cleanout (Point of Service Line Cleanouts)
- Future System Expansion and Capacity Projects (Developer-Funded)
 - Sewer Interceptor Replacement
 - Sewer Flow Meters
 - RSC Phase 2 PRV Station and Well 18-3R
 - VSVSP New Water Sources and Tank

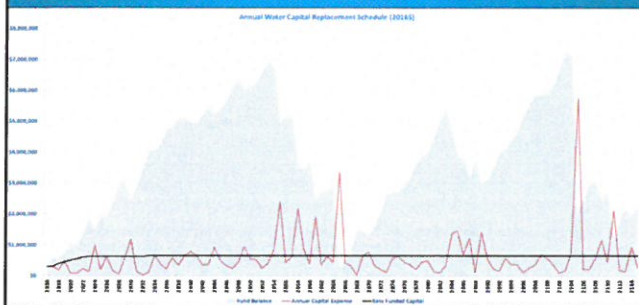


Capital Project Summary FY 18-FY 22

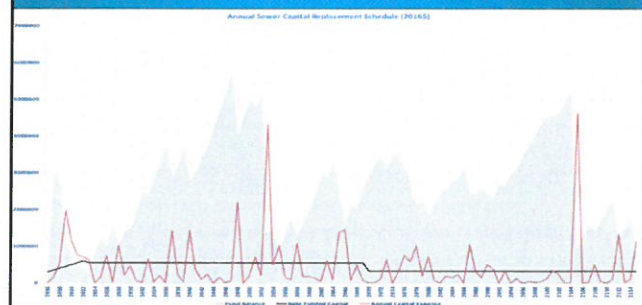
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	TOTAL
WATER FARF	\$ 410,583	\$ 303,933	\$ 270,317	\$ 230,694	\$ 596,838	\$ 1,812,365
WATER CIP	\$ 3,500	\$ 50,000	\$ 236,400	\$ 108,339	\$ 473,729	\$ 871,968
Subtotal Water	\$ 414,083	\$ 353,933	\$ 506,717	\$ 339,033	\$ 1,070,567	\$ 2,684,333
SEWER FARF	\$ 277,938	\$ 870,078	\$ 782,317	\$ 560,433	\$ 404,067	\$ 2,894,833
SEWER CIP	\$ 192,545	\$ 941,855	\$ 221,700	\$ 253,400	\$ 256,300	\$ 1,865,800
Subtotal Sewer	\$ 470,483	\$ 1,811,933	\$ 1,004,017	\$ 813,833	\$ 660,367	\$ 4,760,633
GRAND TOTAL	\$ 884,567	\$ 2,165,867	\$ 1,510,733	\$ 1,152,867	\$ 1,730,933	\$ 7,444,967



Water CRP – 100 Year



Sewer CRP – 100 Year



Water Capital Projects

WATER CAPITAL PROJECTS						
Budget Year 2018-2022						
CAPITAL REPLACEMENTS						
	Funding Source	FY 2018	FY 2019	FY 2020	FY 2021	Project Total
Water Capital						
East Booster Replacement Project	55% Water CIP			\$ 55,539	\$ 208,129	\$ 263,668
Proposed Zone 1A Project	40% Water CIP			\$ 191,450	\$ 161,420	\$ 352,870
SVSPD/SVMWC Intertie	Water CIP			\$ 185,000		\$ 185,000
Fire Service Line Detector Check Installation Project	Water CIP	\$ 50,000	\$ 51,400	\$ 52,800	\$ 54,200	\$ 208,400
Subtotal Water Capital		\$ -	\$ 50,000	\$ 286,400	\$ 413,749	\$ 750,149
ADDITIONAL REPLACEMENTS (2014-2022)						
	Funding Source	FY 2018	FY 2019	FY 2020	FY 2021	Project Total
Water FARF						
East Booster Replacement Project	55% Water CIP			\$ 112,781	\$ 403,171	\$ 515,952
Victor/Hidden Lake 2" Waterline Replacement Project	57% Water FARF	\$ 15,000	\$ 102,700			\$ 117,700
Zone 3 Booster Pump Station Upgrade Project	Water FARF		\$ 27,800			\$ 27,800
West Lake Reservoir Project	Water FARF	\$ 21,000				\$ 21,000
Zone 3 Lake Reservoir Project	Water FARF		\$ 54,300			\$ 54,300
Residential Meter Replacement Project	Water FARF	\$ 85,400	\$ 87,000	\$ 88,800	\$ 70,300	\$ 311,500
Victor/Hidden Lake 2" Waterline Replacement Project	Water FARF	\$ 31,900	\$ 32,800	\$ 33,600	\$ 34,500	\$ 132,800
Fire Hazard Replacement Project	Water FARF	\$ 285,000	\$ 285,400	\$ 285,800	\$ 286,200	\$ 1,142,400
Subtotal Water FARF		\$ 285,000	\$ 285,400	\$ 285,800	\$ 286,200	\$ 1,142,400
GRAND TOTAL		\$ 285,000	\$ 335,400	\$ 572,200	\$ 690,000	\$ 1,882,600



Sewer Capital Projects

SEWER CAPITAL PROJECTS						
Budget Year 2018-2022						
CAPITAL REPLACEMENTS						
	Funding Source	FY 2018	FY 2019	FY 2020	FY 2021	Project Total
Sewer Capital						
Truckee River Siphon Project	50% Sewer CIP	\$ 144,045	\$ 620,750			\$ 764,795
Sewer Flow Meter Project	Sewer CIP	\$ 21,100	\$ 102,100			\$ 123,200
Sewer Cleanout Installation Project (Point of Service Line Cleanouts)	Sewer CIP		\$ 116,900	\$ 255,400	\$ 256,300	\$ 628,600
Subtotal		\$ 165,145	\$ 739,750	\$ 255,400	\$ 256,300	\$ 1,416,595
ADDITIONAL REPLACEMENTS (2014-2022)						
	Funding Source	FY 2018	FY 2019	FY 2020	FY 2021	Project Total
Sewer FARF						
Truckee River Siphon Project	50% Sewer CIP	\$ 117,888	\$ 753,345			\$ 871,233
Manhole Inspection Project	45% CIP	\$ 40,000				\$ 40,000
Manhole Replacement/Rehabilitation Program	Sewer FARF		\$ 218,000	\$ 238,100		\$ 456,100
Sewer System CCTV	Sewer FARF	\$ 88,200	\$ 89,300	\$ 88,000	\$ 37,700	\$ 303,200
Sewer Cleanout Replacement Project	Sewer FARF	\$ 81,300	\$ 83,500	\$ 81,300	\$ 248,100	\$ 494,200
Backflow Prevention Sewer Replacement Projects	Sewer FARF		\$ 243,800	\$ 257,200		\$ 501,000
Subtotal Sewer FARF		\$ 167,888	\$ 834,945	\$ 866,600	\$ 323,800	\$ 2,093,233
GRAND TOTAL		\$ 333,033	\$ 1,574,695	\$ 1,122,000	\$ 580,100	\$ 3,509,828



Equipment CRP

EQUIPMENT CRP - CP 2018 - 2022

Account Name	Funding Source	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Project Total
Plant							
Pump F-250	Water/Sewer FARE			\$ 49,900			\$ 49,900
Pump F-320	Water/Sewer FARE				\$ 49,900		\$ 49,900
Equipment							
Sewer Bypass Trailer and Hose	Sewer CIP	\$ 45,000					\$ 45,000
Transfer @ Sewer Bypass Pump	Sewer FARE			\$ 35,000			\$ 35,000
Booster	Water/Sewer FARE	\$ 150,000					\$ 150,000
Small Tools and Equipment							
Air Compressor	Water/Sewer FARE		\$ 21,500				\$ 21,500
SCBA Cans	Water/Sewer FARE	\$ 9,500					\$ 9,500
Traffic Control Equipment	Water/Sewer FARE	\$ 15,000					\$ 15,000
Rebar	Water/Sewer FARE	\$ 15,000					\$ 15,000
Generators	Water/Sewer FARE	\$ 5,000					\$ 5,000
Pipe, Fittings, K&C Connectors	Water FARE	\$ 5,000					\$ 5,000
Lifting Devices	Water/Sewer FARE	\$ 5,000					\$ 5,000
Excavating Cuts	Water/Sewer CIP	\$ 8,000					\$ 8,000
New 5.5 kW Portable Generator	Water/Sewer CIP	\$ 4,000					\$ 4,000
TOTAL		\$ 291,800	\$ -	\$ 77,400	\$ 35,000	\$ 49,900	\$ 413,100

SQUAW VALLEY FIRE DEPARTMENT

Shared Facilities CRP – 305 SV Rd.

FACILITY/CAPITAL PROJECTS
Budget Year 2018 - 2022
305 SQUAW VALLEY ROAD
CAPITAL REPLACEMENTS FARE

Funding Source	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Project Total
Water FARE						
AC Supply Steel	WUSP FARE	\$ 2,833				\$ 2,833
Replace Power System	WUSP FARE		\$ 19,887			\$ 19,887
Replace 11 Hardware	WUSP FARE		\$ 14,835			\$ 14,835
Interior Wood Surfaces - Paint	WUSP FARE	\$ 6,333				\$ 6,333
Replace Carpet	WUSP FARE		\$ 30,720			\$ 30,720
Subtotal Water FARE		\$ 2,833	\$ 6,333	\$ 55,467	\$ 14,835	\$ 79,468
Sewer FARE						
AC Supply Steel	WUSP FARE	\$ 2,833				\$ 2,833
Replace Power System	WUSP FARE		\$ 19,887			\$ 19,887
Replace 11 Hardware	WUSP FARE		\$ 14,835			\$ 14,835
Interior Wood Surfaces - Paint	WUSP FARE	\$ 6,333				\$ 6,333
Replace Carpet	WUSP FARE		\$ 30,720			\$ 30,720
Subtotal Sewer FARE		\$ 2,833	\$ 6,333	\$ 55,467	\$ 14,835	\$ 79,468
SUBTOTAL 305 SQUAW VALLEY ROAD		\$ 5,667	\$ 12,667	\$ 110,934	\$ 29,670	\$ 158,938

SQUAW VALLEY FIRE DEPARTMENT


Shared Facilities CRP – 1810 SV Rd.

1810 SQUAW VALLEY ROAD
CAPITAL REPLACEMENTS FARE

Funding Source	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Project Total
Water FARE						
AC Supply Steel	Water/Sewer FARE	\$ 7,500				\$ 7,500
AC Hardware	Water/Sewer FARE		\$ 75,450			\$ 75,450
Replace Roof (Admin Bldg)	Water/Sewer FARE	\$ 21,100				\$ 21,100
Replace Roof (Fire Station)	Water/Sewer FARE	\$ 21,100				\$ 21,100
Public Works Fire Station	Water/Sewer FARE		\$ 10,000			\$ 10,000
Crushage Improvements	Water/Sewer FARE	\$ 12,500				\$ 12,500
Subtotal Water FARE	\$ 20,200	\$ 42,200	\$ 85,450	\$ -	\$ -	\$ 147,850
Sewer FARE						
AC Supply Steel	Water/Sewer FARE	\$ 7,500				\$ 7,500
AC Hardware	Water/Sewer FARE		\$ 75,450			\$ 75,450
Replace Roof (Admin Bldg)	Water/Sewer FARE	\$ 21,100				\$ 21,100
Replace Roof (Fire Station)	Water/Sewer FARE	\$ 21,100				\$ 21,100
Public Works Fire Station	Water/Sewer FARE		\$ 10,000			\$ 10,000
Crushage Improvements	Water/Sewer FARE	\$ 12,500				\$ 12,500
Subtotal Sewer FARE	\$ 20,200	\$ 42,200	\$ 85,450	\$ -	\$ -	\$ 147,850
SUBTOTAL 1810 SQUAW VALLEY ROAD	\$ 40,400	\$ 84,400	\$ 170,900	\$ -	\$ -	\$ 295,700

SQUAW VALLEY FIRE DEPARTMENT

Questions / Comments



SQUAW VALLEY FIRE DEPARTMENT