

**SQUAW VALLEY PUBLIC SERVICE DISTRICT
BOARD OF DIRECTORS MEETING MINUTES #816
July 26, 2016**

A. Call to Order, Roll Call and Pledge of Allegiance. President Dale Cox called the meeting to order at 8:30 A.M.

Directors Present: Directors: Dale Cox, Carl Gustafson, Bill Hudson, Eric Poulsen and John Wilcox.

Directors Absent: none

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

Others Present: Fabienne Gueissaz, Kurt Gooding, Dustin Gwerder, Cindy Herbert, Fred Ilfed, Andrew Lange, Katie Lazarri, Jason McGathey, Sal Monforte, Andrea Parisi, Schel Roland, Perri Runyon, Dave Stepner, Hans Walde, Devin Walsh, Derrik Williams and Josh Wilson.

President Cox asked Schel Roland 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 updated the group on the Martis Valley West project which was not approved by the Placer County Planning Commission. The Planning Commission will meet on August 11th to review the Village @ Squaw Valley Project.

B-3 Squaw Valley Design Review Committee (SVDRC) – David Stepner said the July meeting was cancelled.

B-4 Squaw Valley Municipal Advisory Council (SVMAC) – David Stepner said the July meeting was cancelled.

B-5 Squaw Valley Mutual Water Company (SVMWC) – David Stepner said the group met in July but he did not attend the meeting.

B-6 Squaw Valley Ski Holdings – no report

B-7 Squaw Valley Property Owners Association – none

B-8 Tahoe-Truckee Sanitation Agency – Dale Cox provided an update on the following items: Truckee River Interceptor (TRI) improvements MH81 to MH83, State Route 89/Fanny Bridge project and related TRI relocation agreement.

C. Public Comment/Presentation.

C-1 Recognition of Service by Resolution 2016-16 – 12 years – Cindy Herbert, Office Manager.

The Board recognized Cindy Herbert's service of 12 years with the District and read Resolution 2016-16, recognizing her outstanding service for the District and community.

Public Comment –

Sal Monforte, Fire Captain commented on the Fire Department's capital budget and plans for acquiring a new brush tender vehicle. He said this is a very useful piece of equipment and is in high demand throughout the state.

Chief Bansen said the item is in the capital budget but he was directed to cease acquisition efforts at this time.

President Cox suggested the item be placed on a future Board agenda for discussion.

Director Wilcox suggested the item be discussed at the staff level.

D. Financial Consent Agenda Items.

Directors Poulsen and Hudson met with staff on July 25th from approximately 4:00 – 6:00 P.M. to review items D-1 through D-11 as well as other finance related items on this agenda.

Ms. Grindle provided a summary of the reports. Ms. Grindle said she and Mr. Geary recently met with the District's audit team to discuss the schedule of this year's audit and they plan to present the audit at the November Board meeting.

Director Poulsen commended Ms. Grindle for her efforts as she has been very busy and working long hours. The Fire Department's Expense to Revenue report shows expenditures are in-line with the budget and he commended staff for this accomplishment. He commented on the upcoming Period 13 fiscal adjustments and the rate structure and cost of service study.

Director Hudson said Ms. Grindle has been working very long hours and is doing great work.

Public Comment – none

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

Cox-yes

Gustafson-yes

Hudson-yes

Poulsen-yes

Wilcox-yes

E. Approve Minutes.

E-1 Minutes for the Board of Directors meeting of June 28, 2016.

Public Comment – none

A motion to approve the minutes of the regular meeting of June 28, 2016 was made by Directors Wilcox/Poulsen; vote was unanimous.

Cox-yes

Gustafson-yes

Hudson-yes
Poulsen-yes
Wilcox-yes

F. Old & New Business.

F-1 PUBLIC HEARING to Review & Amend Conflict-of-Interest Code.

The Board reviewed the item, accepted public comment and adopted Resolution 2016-17, approving amendments to the Conflict-of-Interest Code.

Ms. Obayashi-Bartsch reviewed the item. The only substantive code changes for 2016 include the addition of two new positions: District Engineer and Operations Superintendent. Based on the nature of the positions' responsibilities, it is prudent for the District's code to include these positions to the list of positions which must file an annual Form 700 (Disclosure of Financial Interests).

Public Comment – none

Directors Hudson/Wilcox made a motion to adopt Resolution 2016-17 approving amendments to the Conflict-of-Interest Code; vote was unanimous.

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

F-2 Village at Squaw Valley Project Update.

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

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

Mr. Geary said staff, District counsel and consultants continue to discuss and negotiate business points to prepare a Development Agreement with Squaw Valley Real Estate (SVRE) for the proposed project. Current work includes updating the District's standard Development Agreement; customizing it for the Village at Squaw Valley Project. Progress in the last month has been on Fire Protection and Emergency Medical Services (EMS) and phasing of mitigations to the sewer collection system.

Water

There is no new information to report since last month's Board Meeting.

Sewer

Staff met internally and with SVRE's consultant towards finalization of a defined phasing plan of capital improvements and replacements to the District's sewer collection system necessary to serve the proposed project.

Fire/EMS

Staff met with SVRE's representatives regarding Fire Protection and Emergency Medical Services (EMS) issues.

Public Comment –

Fred Ilfed asked who is representing SVRE in the negotiations. Mr. Geary said the District has met with SVRE representatives including Brian Elliot, Chevis Hosea, Andrea Parisi, Jim Porter and others.

Andrew Lange asked if the District's Village Project Ad Hoc committee meetings are open to the public. Director Wilcox said the meetings are not open to the public as negotiation issues are being discussed and Mr. Archer concurred.

Director Hudson asked Chief Bansen to comment on Placer County Planning Commission's ruling on the Martis Valley West Project regarding safety, traffic and emergency response issues.

Chief Bansen said he believes the Commission's concerns are focused on the impact of the project on existing safety, traffic and emergency response issues.

David Stepner commented on the Placer County Planning Commission's ruling on the Martis Valley West Project. He believes the Commission's concerns focused on the impact of the project on overall area evacuation and safety issues.

F-3 Sustainable Groundwater Management Act (SGMA) 2014.

Director Poulsen returned to the meeting room.

The Board reviewed the item, accepted public comment and adopted Resolution 2016-18, approving the District's policy on sustainable groundwater management.

Mr. Geary and Mr. Hunt reviewed the item. Mr. Williams of HydroMetrics, WRI provided a presentation on the item (Attachment A). The Sustainable Groundwater Management Act (SGMA) was passed into California law in fall of 2014 and took effect in January, 2015. SGMA requires that state designated medium and high priority basins and sub-basins must form a groundwater sustainability agency (GSA) and develop a long term groundwater sustainability plan (GSP). Olympic Valley has been classified as a very low priority basin under the California Department of Water's (DWR's) California Statewide Groundwater Elevation Monitoring (CASGEM) Program, and therefore is not required to comply with SGMA.

Discussions and public inquiry surrounding the requirements of SGMA have been raised at recent Board meetings and at the staff level; specifically whether or not the District should form a GSA and prepare a GSP. The purpose of this discussion is to clarify the District's position on voluntary compliance with SGMA.

Based on staff's review of the SGMA legislation and recommendations provided by Hydrometrics, WRI, there is currently little benefit to the District in developing a GSP, and it is not recommended that the District develop a GSP at this time. This recommendation is based on the following observations:

- Five of the six sustainability indicators suggest that current groundwater management activities are already promoting sustainable groundwater management.
- A GSP will likely not significantly modify how the District manages its pumping. Only the depletion of interconnected surface water indicator might change how groundwater is managed.
- Developing a GSP as a low priority basin precludes state intervention in Olympic Valley. Therefore, developing a GSP provides no additional regulatory oversight that might change groundwater management practices.
- The District is already collaborating with stakeholders on groundwater management. It is less costly for the District to continue discussions with stakeholders about appropriate groundwater management, rather than develop a formal GSA and GSP. Productive ongoing discussions with stakeholders could result in management changes that are as effective as anything developed under SGMA.
- Developing a GSP will potentially cost hundreds of thousands of dollars.
- A GSP will require ongoing, annual costs.

Also, there is a chance that Olympic Valley may be reclassified as a medium or high priority basin in 2017 based on impacts to local habitat and local streamflow. If Olympic Valley is reclassified as medium or high priority basin, a GSP for Olympic Valley will be required at that time. It is recommended that, at a minimum, the District delay any decision to form a GSA until the new basin priorities are released in 2017.

Mr. Archer commented on the right of an overlying property owner to pump water. There would be legal implications, if the District formed a GSA and began to mandate and dictate to an Olympic Valley west end property owner that they stop pumping water to conform to the District's regulatory rights. The District's efforts to develop an Olympic Valley Water Management Plan and work with stakeholders is in accordance with the spirit of the law and there is no mandate to pursue forming a GSA and develop a GSP.

Mr. Williams said there will be grant funds but it will be very competitive and should not be relied upon. If the District forms a GSA and develops a GSP, there will be a significant cost to the District.

Director Wilcox commented on the District's current management of groundwater which is proactive and collaborative with other groundwater pumpers. He said forming a GSA in the future is always an option and expressed support to postpone forming a GSA at this time.

Director Hudson suggested using the existing framework of the Olympic Valley Groundwater Management Plan's Advisory and Implementation Groups to consider forming a GSA in the future.

Public Comment –

Andrew Lange said if you can't regulate extraction of water, then it's pointless.

Directors Wilcox/Poulsen made a motion to adopt Resolution 2016-18, taking the position not to form a voluntary GSA and not prepare a GSP at this time; vote was unanimous.

Cox-yes

Gustafson-yes

Hudson-yes

Poulsen-yes

Wilcox-yes

Status Reports.

G-1 Fire Department Operations/Capital Projects Report.

Chief Bansen reviewed the report and Fire operations. He provided an update on Wildland Strike-Team work. President Cox and Mr. Geary commended the Fire Department staff for their professional EMS response.

Public Comment – none

G-2 Water & Sewer Operations Report.

Mr. Burks reviewed the report. Mr. McGraw, Operations Manager has retired and Mr. Burks will be preparing these reports in the same format through the end of the year. Mr. Burks has plans to streamline the report in the future. He provided an update on the safety training program and the impact on workers compensation issues. Mr. Geary commended Mr. McGraw and Mr. Burks for their efforts to improve safety in the Operations Department and thanked the Board for approving the safety incentive program.

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. Director Hudson reported on the 2016 Special District Academy Conference that he attended in early July.

Public Comment – none

G-5 Manager's Comments.

Mr. Geary reviewed the report. He has been spending a considerable amount of time working with staff and consultants in support of the Development Agreement with Squaw Valley Real Estate (SVRE) for the proposed project.

Public Comment – none

G-6 Legal Report (verbal).

Mr. Archer expressed support of the Board's decision on the Sustainable Groundwater Management Act (SGMA) 2014 item.

G-7 Director's Comments.

Director Wilcox commented on the progress of the pickle-ball court installation at the Squaw Valley Park.

Director Poulsen said he provided information to Mr. Geary that was given to him by a resident on water conservation incentives. He said the Finance Committee discussed a bill from an employment agency for the Account Clerk II/HR Specialist position recruitment. The bill is questionable and is being negotiated by staff. He also asked Chief Bansen about the brush tender vehicle's condition and useful life.

Mr. Geary suggested discussion of the brush tender vehicle at the staff level as it is a budgeted item. Staff may bring this issue to the Fire or Finance Committee as needed and the Board agreed to this suggested approach.

President Cox commented on traffic impacts to Fire/EMS services from the State Route 89/Fanny Bridge project and related Truckee River Interceptor.

H. Adjourn.

Directors Poulsen/Gustafson made a motion to adjourn at 11:15 a.m.; vote was unanimous.

Cox-yes

Gustafson-yes

Hudson-yes

Poulsen-yes

Wilcox-yes

By, K. Obayashi-Bartsch

California's Sustainable Groundwater Management Act Analysis and Recommendations

Squaw Valley Public Service District
Board of Directors Meeting
July 26, 2016

Derrick Williams
Hydro-

SGMA Overview

Comprehensive Legislation to Sustainably Manage Groundwater in California

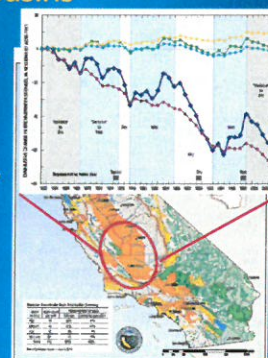
- Compromise between local and state authority
- Requires formation of a Groundwater Sustainability Agency (GSA)
 - Must be formed by local public agencies with water management authority or land use authority
- Gives GSAs the tools and authorities to manage groundwater

SGMA Overview

- Requires GSAs develop Groundwater Sustainability Plans (GSP)
 - Plans must be written within three or five years of becoming a GSA
 - Achieve sustainability in 20 years
 - Maintain sustainability for 50 years
- DWR can refer a basin to SWRCB for intervention if the GSA misses certain deadlines or requirements
 - SWRCB will manage the basin pumping

SGMA Required Basins

- Required in CASGEM high and medium priority basins
 - Is not required in low or very low priority basins
 - Olympic Valley is a very low priority basin
 - Low or very low priority basins can voluntarily form GSAs and produce GSPs



SWRCB cannot intervene in basins with voluntary GSA/GSPs

Groundwater Sustainability Agency

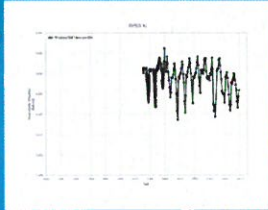
- Locally groups responsible for implementing SGMA
- Authorities
 - Regulate groundwater extractions*
 - Impose fees and assessments
 - Require well registration
 - Require pumpers to measure & report extractions
 - Impose well spacing requirements
 - Acquire property and water rights
 - Conduct investigations and studies
 - Undertake enforcement actions for noncompliance
- Does not give you land use authority

Groundwater Sustainability Definition

- Manage groundwater to prevent undesirable results at significant & unreasonable levels for six sustainability indicators
 - Chronic lowering of groundwater levels
 - Reduction of groundwater storage
 - Seawater intrusion
 - Degraded water quality
 - Land subsidence
 - Depletions of interconnected surface waters
- "Significant and unreasonable" is locally defined

Olympic Valley has no Undesirable Results for 5 Sustainability Indicators

- Chronic lowering of groundwater levels
- Reduction of groundwater storage
- Seawater intrusion
- Degraded water quality
- Land subsidence



Depletion of Interconnected Surface Waters

- Widely viewed as the most contentious and difficult sustainability indicator
 - What is significant and unreasonable?
 - How do you measure depletion?
- Creek/Aquifer Interaction Study showed municipal pumping had a small impact on flow in the trapezoidal channel.
- The only GSP-related question is whether non-municipal pumping significantly and unreasonably impact creek flow in the meadow?

Recommendations

- Developing a GSP is unnecessary
 - Five of the six sustainability indicators suggest that current groundwater management activities are already promoting sustainable groundwater management.
 - A GSP will likely not significantly modify how SVPSP manages its pumping.
 - Developing a GSP as a low priority basin precludes state intervention in the Valley.
 - Developing a GSP will potentially cost hundreds of thousands of dollars
 - A GSP will require ongoing, annual costs.

Recommendations (cont.)

- SVPSP should continue collaborating with stakeholders on groundwater management.
 - Productive ongoing discussions with stakeholders could result in management changes that are as effective as anything developed under SGMA.
- Prioritization of all basins will be revised in 2017.
 - If Olympic Valley Basin is reclassified to medium or high priority, the compliance with SGMA will be required at that time.

Recommendations (Cont.)

- SVPSP could become a GSA if it needs additional authorities
 - Regulate groundwater extractions – Water Management Action Plan
 - Impose fees and assessments – (?)
 - Require well registration
 - Require pumpers to measure and report extractions – Aquifer Monitoring Program
 - Impose well spacing requirements
 - Acquire property and water rights
 - Conduct investigations and studies – GW Model, Creek/Interaction Study, Redundant Water Supply

Recommendations (Cont.)

- SVPSP could become a GSA if it needs additional authorities

Authority	Comments	
Regulate groundwater extractions	Water Management Action Plan	✓
Impose fees and assessments		✓
Require well registration	New	✓
Require pumpers to measure and report extractions	Aquifer Monitoring Program	✓
Impose well spacing requirements	New	✓
Acquire property and water rights	No water rights to acquire	✓
Conduct investigations and studies	GW Model, Creek/Interaction Study, Redundant Water Supply	✓

- ✓ = New Authority
- ✓ = Change to existing Authority
- ✓ = No Authority benefit from SGMA

