

**SQUAW VALLEY PUBLIC SERVICE DISTRICT
BOARD OF DIRECTORS MEETING MINUTES #805
September 29, 2015**

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

Directors Present: Directors: Dale Cox, Carl Gustafson, Eric Poulsen, Brian Sheehan and John Wilcox .

Directors Absent: none

Staff Present: Mike Geary, General Manager; Kathy Obayashi-Bartsch, Secretary to the Board; Pete Bansen, Fire Chief; Jesse McGraw, Operations Manager; Brandon Burks Operations Specialist III ,Thomas Archer, District Counsel and Prudence L'Heureux, Temporary Finance & Administration Manager.

Others Present: Sally and Dave Brew, Tom Day, Franz Grueter, Ed Heneveld, Chevis Hosea, Dave Hunt, Katie Lazarri, Gate DeMattei, Phyllis McConn, Nikki Riley, Perri Runyon, Nicholas Saadi and Isaac Silverman.

President Cox asked Ed Heneveld to lead the Pledge of Allegiance.

B. Community Informational Items.

- B-1** Friends of Squaw Creek – Ed Heneveld provided an update on the grant received from Tahoe Truckee Community Foundation and other grant efforts. He said the group met with representatives from the State Water Resources Board, Lahontan and EPA to outline some of the needs of the creek and seemed to be very supportive of their efforts. He thanked Chevis Hosea, Squaw Valley Resort and the Resort at Squaw Creek for their participation in the Great Sierra River clean-up day. Mr. Geary said District staff member, Tyler Penn also participated in the clean-up of Squaw Creek.
- B-2** Friends of Squaw Valley – no report
- B-3** Squaw Valley Design Review Committee (SVDRC) – Brian Sheehan said there are vacancies on this committee and community representatives are needed.
- B-4** Squaw Valley Municipal Advisory Council (SVMAC) – Brian Sheehan said the next meeting is on October 1st at 6 P.M. in the District's community room. He has contacted the appropriate parties about pedestrian/bike safety issues at the intersection of Squaw Valley Road and Highway 89.
- B-5** Squaw Valley Mutual Water Company (SVMWC) – Brandon Burks provided an update on back lot water pipe abandonment work. Mike Geary said SVMWC recently reduced their Board of Directors from seven members to five members.
- B-6** Squaw Valley Ski Holdings – no report
- B-7** Squaw Valley Property Owners Association – Sally Brew provided an update on the group's progressive dinner event and announced that the last Adopt-a-Highway event for the year is on October 10th.
- B-8** Tahoe-Truckee Sanitation Agency – Dale Cox provided an update on the repair of the Truckee River Interceptor line and general operations of the agency.
- B-9** Incorporate Olympic Valley –Tom Day reported that the Comprehensive Fiscal Analysis

has been appealed to the State Controller's office for review. Their review is anticipated to be released by late October. Brian Sheehan said the group has spent \$125,000 for the additional review and the next LAFCO meeting is on October 14th.

C. Public Comment/Presentation.

Public Comment –

Franz Grueter commented on water waste and the importance of conserving water. He has developed a device which he claims will conserve water and can replace faucet aerators commonly in use.

Carl Gustafson thanked Ed Heneveld and all the others that participated in the clean-up day. He also commented on Placer County Water Agency's Annual East Slope meeting and the passing of Truckee Sanitary District's Board member Dr. Robert Affeldt.

Ed Heneveld inquired about the work being performed on the Perini Well for the Resort at Squaw Creek Phase (RSC) II Project. Mr. Geary said the permits for the RSC's Phase II work must begin by 2016 and RSC are beginning some work on this phase. Pursuant to the Development Agreement with the District, RSC are required to dedicate Well 18-3R to the District and they have begun testing some of the wells on their property.

Chief Bansen said Squaw Valley Institute had a golf fundraising event yesterday. Part of the event included a sky diving demonstration. Unfortunately, one of the participants, Eric Roner parachuted into a tree and was fatally wounded.

D. Financial Consent Agenda Items.

Directors Poulsen and Sheehan met with staff on September 28th from approximately 3:30 – 4:30 P.M. to review items D-1 through D-12 as well as other finance related items on this agenda.

Director Poulsen said the Finance Committee discussed the Fire Department's budget and the impact of strike team services that will reimburse the District for its costs and include additional fees. There were expensive repairs needed on the brush truck. On a positive note, connection fees have been collected for new homes being built which will positively impact tax revenues.

The District's accounting firms are working on the audit report and the year-end reconciliations report which provide information on the Fixed Asset Replacement fund balances.

Director Sheehan said the Finance Committee reviewed the finance related items with staff and all items appear to be in order. He introduced temporary Finance and Administration Manager, Prudence L'Heureux.

Public Comment – none

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

Cox-yes
Gustafson-yes
Poulsen-yes
Sheehan-yes
Wilcox-yes

E. Approve Minutes.

E-1 Minutes for the Special Board of Directors meeting of August 25, 2015

A motion to approve the minutes for the Board of Directors meeting of August 25, 2015 as presented was made by Directors Sheehan/Wilcox; vote was unanimous.

Cox-yes
Gustafson-yes
Poulsen-yes
Sheehan-yes
Wilcox-yes

F. Old & New Business.

F-1 Village at Squaw Valley Project Update.

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

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

Mr. Geary said negotiations for a Development Agreement between the District (staff, consultants and counsel) and SVRE are expected to resume this month.

The Final EIR is expected in late 2015 or early 2016.

Water

Additional groundwater pumping scenarios have been modeled in support of the EIR.

Sewer

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

Fire/EMS

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

Public Comment – none

F-2 November and December Board Meeting Schedule.

The Board reviewed the item, accepted public comment and determined the November and December 2015 Board meeting schedule.

Ms. Obayashi-Bartsch reviewed the item.

Public Comment –
none

Directors Sheehan/Wilcox made a motion to schedule the November 2015 meeting on the 17th and the December 2015 meeting on the 15th; vote was 3 yes, 1 no and 1 absent.

Cox-yes
Gustafson-no
Poulsen-absent
Sheehan-yes
Wilcox-yes

F-3 New District Logo.

Director Poulsen returned to the meeting.

The Board reviewed the item and accepted public comment.

Chief Bansen reviewed the item.

Public Comment –
Ed Heneveld said he does not like either design.

Franz Grueter said he would like to assist in designing a logo.

Chevis Hosea said he will also help in designing a logo.

Tom Day asked what is wrong with the old logo.

President Cox asked those interested in this project to develop their logo design at least a week before the next Board meeting and submit them to Mr. Geary. Mr. Geary will contact the local schools for logo designs as well.

Break 9:30-9:40 a.m.

F-4 Redundant Water Supply / Preferred Alternative Evaluation – Phase III; Feasibility Study Update.

The Board reviewed the item and accepted public comment.

Mr. Geary and Mr. Hunt reviewed the item using a presentation (see attachment A). Phase III is titled Preferred Alternative Evaluation and includes the following work:

- 2015 Feasibility Study Update
- Evaluation Criteria and Alternatives Evaluation Approach Technical Memo
- Alternatives Evaluation Technical Memo
- Project Description (Preferred Alternative) Technical Memo

The subject of this report is the first bullet only; the 2015 Feasibility Study Update. The report is

currently in DRAFT form; staff expects to finalize the study in October, 2015 and post it on the District's website.

This 2015 Feasibility Study Update is an update of the 2009 "Alternative / Supplemental Water Supply and Enhanced Utilities Feasibility Study" and specifically includes updated information on:

- The District's Redundant Water Supply Needs
- Truckee River Side Drainages Evaluations
- Groundwater Availability in the Martis Valley based on new information from the 2013 Martis Valley Groundwater Management Plan and other studies completed since 2009
- Export Water Supply Alternatives
- Infrastructure and Transmission Main Alignment Evaluations including information about potential joint trench utility partners
- Environmental Constraints Analysis
- Planning Level Cost Estimates

The Board authorized staff to enter into a Funding Agreement with the State of California's Department of Water Resources (DWR) as part of the Local Groundwater Assistance Grant Program for \$225,000 to reimburse the District for the evaluation.

The DWR grant will reimburse expenses incurred by the District to perform the evaluation to a maximum of \$225,000. The contract with Farr West Engineering is estimated to cost the same; the project is currently within budget.

The remaining work in Phase III is scheduled for completion by December, 2015. The 2015 Feasibility Study Update is for information only; no action is requested from the Board of Directors.

Director Wilcox said there is misinformation about this project resulting in the public misperception that Squaw is stealing water from Truckee. He asked Mr. Hunt to comment on the District's rights to this water source. Mr. Hunt said according to California groundwater law, the District has the same right to this water as other local water purveyors.

Director Wilcox asked if Martis Valley and Squaw Valley are in the same watershed. Mr. Hunt said this is correct per the definition of a watershed as well as how it is defined in the Truckee River Operating Agreement.

Director Gustafson said he is concerned about moving water from one drainage area to another. In the past he has used the term "watershed" but it is more accurate to use the term "drainage area".

Director Wilcox asked if the Redundant Water Supply (RWS) is developed, will this water supply enable new development. Mr. Hunt said if Placer County approves general plan build-out demands, the RWS will be able to serve those developments as well as existing customers. Mr. Geary said it is important to understand that this is not a primary supply. This is a redundant or emergency supply, and that it is essentially an emergency intertie.

Director Wilcox said the specific answer is that some of the water may serve new development especially if the water supply is compromised in some way but this water did not enable new development in the first place. Mr. Geary and Mr. Hunt agreed with this statement.

Director Sheehan asked about the water quality of Tahoe City Public Utility District (TCPUD). Mr. Geary said the TCPUD water does not require treatment other than chlorine.

Director Poulsen said the Truckee river corridor is served by the TCPUD. Moving forward, the District should approach TCPUD, Alpine Springs Water District and the Squaw Valley Mutual Water Company to see if they are interested in participating in this project.

Director Poulsen also said that one of the issues to be resolved is the public misperception that Squaw is “stealing” water from Truckee. He explained that regardless of showing that water is available and Squaw has equal legal rights to water in Martis Valley, that it’s important to correct this public perception. He also commented on the alignment options and water storage issues. He would like the District to engage as many partners as possible such as the companies providing natural gas and high speed internet access for participation in the project.

Director Gustafson said in the past the District hired a water rights attorney, Stuart Somach to inform the Board on the District’s duty to serve water. He stated that the District must make a reasonable effort to supply water to new customers. The key word is reasonable and he believes this standard should apply to a redundant source as well. He believes that it is not reasonable to develop a redundant source from Martis Valley.

Public Comment –

Ed Heneveld commented on the public misperception that Squaw will steal water from Truckee. He asked staff to comment on the gas company’s interest and whether the redundant source is legally mandated. Mr. Geary said Southwest Gas is not interested in an initial financial commitment and requires the infrastructure to exist before becoming involved. It is not legally mandated that the District have a redundant source, but is prudent planning.

Dave Brew asked if the District could create an intertie with North Lake Tahoe systems. If there is prolonged drought, Martis Valley will also have the same problem. He said while this project is feasible does the community really want this and feel it is necessary. A larger question outside of this specific application is whether it is appropriate to take water from one sub-watershed and put it into another.

Nikki Riley, representing the Mountain Area Preservation expressed concern about the RWS due to numerous environmental and cumulative impacts. She asked if the RWS is to be used only in an emergency situation and whether snowmaking will be allowed to continue. Mr. Geary said the RWS is for emergency use and any extraneous water use would theoretically be prohibited under Stage 3 Water Conservation Restrictions. The ski area has its own wells which may be used for snowmaking but would likely be dry if such emergency conditions existed.

Isaac Silverman, representing Sierra Watch, asked if the RWS pipeline would be used only if Stage 3 drought restrictions are in place. Mr. Geary said this is correct and this water supply is

not intended to be a primary supply.

Mr. Silverman said even with the intent that the redundant water supply is for emergency use, this project may open a Pandora's Box with considerable pressure on the District to use this water if it is available.

F-5 2016 Landscape & Facility Maintenance Project.

The Board reviewed the item, accepted public comment and approved the staff proposal including a budget amendment and authorization for the General Manager to execute an agreement with Hill and Dale Landscapes for design work.

Mr. McGraw reviewed the item, which includes:

- Staff will utilize the services of a landscape consultant that is willing to work with variable resources on a time and material basis. Staff will utilize the consultant to provide basic design services and direct field activities thereby ensuring a professional end product.
- The District will employ two summer workers to be assigned to the project. The utility crew will be utilized as needed to operate heavy equipment.
- Staff will coordinate with the Squaw Valley Preparatory School, neighboring properties and the community.

The total budget of \$25,000 is based upon the resources needed to begin work in the fall of 2015 and to carry the project through June 2016 and includes the following:

- Consultant \$5,000
- Labor \$12,500 (two summer employees at \$15/hour)
- Materials \$7,500

Directors Sheehan, Wilcox and Gustafson expressed support for the plan.

Director Poulsen said water conservation is very important and wants dry landscaping concepts and native plants used.

Public Comment – none

Directors Sheehan/Wilcox made a motion to approve the proposal including budget amendment and authorized the General Manager to execute an agreement with Hill and Dale Landscapes for design work; vote was unanimous.

Cox-yes

Gustafson-yes

Poulsen-yes

Sheehan-yes

Wilcox-yes

F-6 SCADA Implementation Project Phase II - Amendment to Services Agreement #1 – Sierra Control Systems, LLC.

The Board reviewed the item, accepted public comment, approved the project proposal and authorized the General Manager to execute an agreement with Sierra Controls.

Mr. McGraw reviewed the item. In April, 2015 a blockage at the Squaw Creek Siphon on Winding Creek Way resulted in a discharge of wastewater to Squaw Creek. The Lahontan Region Water Quality Control Board (Water Board) was notified of the discharge. After completing their investigation, the District received a Notice of Violation of Board Order 2006-2003-DWQ. The order requires the District take measures to eliminate any future waste discharge or face an Administrative Civil Liability (e.g., fine) and to report back to the Water Board by October 30, 2015.

In researching options to eliminate or reduce the duration of a future blockage at either of the District's siphons, Brandon Burks initiated a proposal to install level monitoring devices at the manholes directly upstream of the siphons. The float sensors would allow programming of an alarm to notify District operators of a pending sanitary sewer overflow at those locations.

Brandon also took action to install bolt down manhole lids at six locations that are near Squaw Creek but not within view of the public. The bolt down lids will serve to prevent a sewer spill near Squaw Creek and cause it to occur within public view where a citizen report is more likely to occur.

In July, 2015 the Board approved an agreement with Sierra Controls, LLC for Implementation of Phase II of the SCADA Master Plan. The total amount of the proposed addendum with Sierra Controls is for an amount not to exceed \$6,650.

Public Comment – none

Directors Sheehan/Wilcox made a motion to approve the project proposal and authorized the General Manager to execute an ASA with Sierra Controls; vote was unanimous.

Cox-yes

Gustafson-yes

Poulsen-yes

Sheehan-yes

Wilcox-yes

G. Status Reports.

G-1 Fire Department Operations/Capital Projects Report.

Chief Bansen reviewed the report and Fire operations. He said fire crews have been out 49 days for eight different fires this past summer, which resulted in an unfavorable variance in the budget. Once the reimbursements and additional charges have been paid to the District, there will be a positive impact to the Fire Department budget.

Public Comment – none

G-2 Water & Sewer Operations Report.

Mr. McGraw reviewed the report. He said Well 5R is currently not working due to pump failure and emergency repairs are underway.

Mr. Geary said the Water & Sewer Committee met in September and reviewed the Redundant Water Supply Preferred Alternative – Phase III, Granite Chief sewer line issue, SCADA improvements as related to the sanitary sewer overflow and an update on drought conditions and water conservation.

Mr. Burks reviewed the drought conditions and water conservation report.

Public Comment – none

G-3 Administration Report.

Ms. Obayashi-Bartsch reviewed the report.

Public Comment – none

G-4 Manager's Comments.

Mr. Geary reviewed the report. He participated in the Placer County Water Agency East Slope meeting at which SB88 was discussed. This legislation will force water systems to consolidate to serve communities where a steady supply of clean drinking water is not available. Senate Bill 88 also would exempt certain water projects from environmental review and make other far-reaching changes in response to the drought.

Public Comment – none

G-5 Legal Report (verbal).

Mr. Archer had no comments.

Public Comment – none

G-6 Director's Comments.

Director Sheehan said he will attend a CSDA Gold Chapter meeting on October 7th.

Directors Wilcox/Sheehan made a motion to enter into closed session; vote was unanimous.

Cox-yes

Poulsen-yes

Gustafson-yes

Sheehan-yes

Wilcox-yes

H. Closed Session – Anticipated Litigation.

The Board met in closed session pursuant to Government Code 54956.9 et al regarding anticipated litigation (1 case).

Directors Sheehan/Gustafson made a motion to return the meeting to open session; vote was unanimous.

Cox-yes

Poulsen-yes

Gustafson-yes

Sheehan-yes

Wilcox-yes

I. Possible Action Resulting from Closed Session.

Mr. Archer reported that no reportable actions or decisions were made in closed session and nothing other than the item on the closed session agenda was discussed.

J. Adjourn.

Directors Sheehan/Gustafson made a motion to adjourn at 1:00 p.m.; vote was unanimous.

Cox-yes

Poulsen-yes

Gustafson-yes

Sheehan-yes

Wilcox-yes

By, K. Obayashi-Bartsch