

**SQUAW VALLEY PUBLIC SERVICE DISTRICT  
BOARD OF DIRECTORS SPECIAL MEETING MINUTES #796  
December 16, 2014**

**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:** Dale Cox, President; Eric Poulsen, Vice President; Directors: Carl Gustafson; Brian Sheehan; and John Wilcox.

**Staff Present:** Mike Geary, General Manager; Kathryn Obayashi-Bartsch, Secretary to the Board; Pete Bansen, Fire Chief; Jesse McGraw, Operations Manager; Tom Campbell, Finance and Administration Manager; Cindy Herbert, Office Manager; Julie Dickman, Account Clerk II/HR Specialist; Sal Monforte, Fire Captain; Allen Riley, Fire Engineer; John Rogers, Firefighter/Medic; Travis Smith, Firefighter/Medic and Thomas Archer, District Counsel.

**Others Present:** Dave and Sally Brew, Michael Carabetta, Kendall Galka, Ed Heneveld, Chevis Hosea, Andrew Lange, Bob McClintock, Andrew Ryan, Peter Schweitzer, David Stepner and Mike Willett

President Cox asked Chevis Hosea to lead the Pledge of Allegiance.

**B. Community Informational Items.**

- B-1** Friends of Squaw Creek – Ed Heneveld provided an update on the group’s grant application.
- B-2** Friends of Squaw Valley – Ed Heneveld said the next meeting is on December 28, 2014 at 4:30 P.M. in the District’s community room.
- B-3** Squaw Valley Municipal Advisory Committee (SVMAC) – Brian Sheehan said the next meeting is on February 4<sup>th</sup> at 6 P.M. in the District’s community room. The January meeting is cancelled. The December meeting was well attended and the Committee reviewed the proposed zoning change for the “Stables” property but did not support the request.
- B-4** Squaw Valley Mutual Water Company (SVMWC) – no report
- B-5** Squaw Valley Ski Holdings – no report
- B-6** Squaw Valley Property Owners Association – Sally Brew provided an update on the group’s activities including the Legends of the Valley event. Tom Day filmed the event and the group hopes to continue this activity.
- B-7** Tahoe-Truckee Sanitation Agency – Dale Cox provided an update on the following items: General Manager recruitment, State Route 89/Fanny Bridge Project, Truckee River Interceptor Rehabilitation Project and Truckee River Interceptor Hydraulic Model.
- B-8** Incorporate Olympic Valley – Fred Ilfeld said the Placer County Local Area Formation Committee (LAFCO) is hiring a consultant to prepare the Environmental Impact Report. He provided an update on the progress of the Comprehensive Fiscal Analysis (CFA) and revenue neutrality negotiations with the County. David Stepner provided an update on the Design Review Committee (DRC) and requested the group be added to Community Information Items on future District agendas. The DRC’s next meeting is on January 6<sup>th</sup>. Ed Heneveld suggested this report be included with SVMAC as they are closely related.

**C. Public Comment/Presentation.**

Peter Schweitzer asked about the District's plans for mapping the aquifer's recharge areas. Mr. Geary said a map of the recharge areas is desirable, but there is no specific plan to do so at this time. According to Derrik Williams of HydroMetrics mapping may become a requirement for Department of Water Resources grant funding and while a good resource the science is inexact.

Michael Carabetta commented on the lack of wireless DSL options in the valley. Mr. Geary said Placer County is working with SuddenLink on the issue. The Board discussed several ideas for assistance including the Tahoe Prosperity Group which is working on this issue for the entire region.

Carl Gustafson said Mark "Sully" Sullivan passed away last week.

The Board thanked and recognized Cindy Herbert for 10 years of dedicated and friendly service.

Brian Sheehan commented on the past year's accomplishments including the provision of services in spite of financial challenges, progress to support the anticipated increase in demand for the *Village at Squaw Valley*, increased cooperation with the Mutual Water Company, continued success of bike path snow removal work, completion of the Water Supply Assessment, progress on the Redundant Water Supply – Preferred Alternative project, impact of newly hired Finance and Administration Manager, completion of a "clean" audit, reduced water leakage, completion of hydraulic modeling and sewer capacity study, an improved Fire Department ISO rating and completion of the Creek Aquifer Interaction Study.

He also commented on the challenges facing the District including the proposed *Village at Squaw Valley*, impact of Olympic Valley incorporation, Redundant Water Supply – Preferred Alternative project, succession planning of the District's senior staff, fixed asset replacement fund, budget constrictions, aging infrastructure, vehicles and equipment, possible expansion of the District's mission and necessary funding and developing a closer relationship with the Mutual Water Company.

**D. Financial Consent Agenda Items.**

Directors Poulsen and Sheehan met with staff on Monday, December 15<sup>th</sup> from approximately 3-5:15 P.M. to review items D-1 through D-11 as well as other finance related items on this agenda.

Director Poulsen said Mr. McClintock and Ms. Galka of McClintock Accountancy attended the Finance Committee meeting and reviewed the financial audit report for fiscal year 2013-14. The Committee also discussed depreciation and how that fits into the budgeting process, capitalization and asset replacement. Mr. Campbell is trying to include more information into the financial statements and the group reviewed the revised finance exhibits.

Director Sheehan said the committee reviewed the finance related items with staff and all items appear to be in order. The year-to-date percentages of revenue to expenditures are in order.

Mr. Campbell reviewed revised finance exhibits D-2, D-3 and D-5. Staff will continue to produce

these exhibits in this format.

Director Wilcox commended Mr. Campbell for his efforts and the revised finance exhibits.

Public Comment – none

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

Cox-yes

Poulsen-yes

Gustafson-yes

Sheehan-yes

Wilcox-yes

**E. Approve Minutes.**

E-1 Minutes for the Board of Directors meeting of November 21, 2014.

Ms. Obayashi-Bartsch said Director Poulsen requested the following revision on page 8, 3<sup>rd</sup> paragraph: "Mr. Williams said this is an interesting point but does not believe it is significant enough to change any recommendations. Director Sheehan requested the following revision on page 14 under Director's Comments: "Director Sheehan commented on the sewer capacity study; that an increase in a pipe's diameter from 15" to 18" provides a 44% increase in ~~area~~ capacity."

A motion to approve the minutes for the Board of Directors meeting of November 21, 2014 with the requested revisions was made by Directors Gustafson/Poulsen; vote was unanimous.

Cox-yes

Poulsen-yes

Gustafson-yes

Sheehan-yes

Wilcox-yes

**F. Old & New Business.**

**F-1 Audit Report for Fiscal Year 2013-14.**

The Board accepted the report and public comment.

Mr. McClintock said his firm prepared the audit report and provided a summary report to the Board of Directors summarizing the 6/30/14 Financial Statements and Audit Report. He said they did not identify any deficiencies of internal control considered to be material weaknesses. However, material weaknesses may exist that have not been identified and they do not express an opinion on the effectiveness of the District's internal control.

Mr. McClintock said the Finance Committee discussed the impact of a new accounting pronouncement; Governmental Accounting Standards Board (GASB) Statement 68. The new statement will require additional reporting requirements in the Notes to Financial Statements and additional Required Supplementary Information. Probably the most important impact of

the amended Statement 68, other than the reporting requirements above, is that the employers will now be required to report the net pension liability in their accrual based financial statements. The provisions in Statement 68 are effective for fiscal years beginning after June 15, 2014.

Mr. McClintock said Gibson & Company prepared the District's year end closing journal entries and account reconciliations. Management should be familiar with the nature of each of the adjusting entries as proposed and booked by Gibson & Company, as management is responsible for the final account balances as represented in the financial statements.

Mr. McClintock said that during the audit, it was brought to our attention that not all balance sheet accounts are reconciled and reviewed on a regular basis, resulting in unidentifiable reconciling items come year end. We recommend that balance sheet accounts are reconciled regularly by the Finance and Administration Manager and all outstanding reconciling items are researched and explained. We further recommend that higher importance reconciliations, such as bank reconciliations are submitted to the General Manager for review and approval.

It is our understanding that beginning in the 2014-15 fiscal year, staff are to maintain account reconciliations for all balance sheet accounts on a monthly basis and key reconciliations will be reviewed with the General Manager on a monthly basis.

Public Comment – none

Director Gustafson referred to the Management Discussion and Analysis on page 9, 3<sup>rd</sup> paragraph regarding the change in employee benefits. Mr. Geary said the CalPERS benefit formula for new employees is different than for those hired prior to Jan. 1, 2013.

The Board thanked Mr. McClintock and Ms. Galka for their work and the report.

## **F-2 Budget Amendment 2013-14.**

The Board reviewed the item, accepted public comment and authorized staff to make annual fixed asset transfers and to transfer budgeted funds for Operations and Fire Capital Projects.

Mr. Campbell provided a review of the item.

### **A. Annual Fixed Asset Transfers.**

Mr. Campbell provided a review of the item.

Public Comment – none

Directors Wilcox/Sheehan made a motion to authorize the transfer of \$424,738.00 from the Capital Reserve Account to reimburse the Utility Department's Operating Account for fixed assets acquired during the period of July 1, 2013 through June 30, 2014. The motion passed; vote was unanimous.

Cox-yes

Poulsen-yes

Gustafson-yes  
Sheehan-yes  
Wilcox-yes

Directors Wilcox/Sheehan made a motion to authorize the transfer of \$40,782.60 from the Capital Reserve Account to reimburse the Fire Department's Operating Account for fixed assets acquired during the period of July 1, 2013 through June 30, 2014. The motion passed; vote was unanimous

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

### **B. Capital Projects Budget Amendment.**

Mr. Campbell provided a review of the capital projects requiring budget amendments.

Public Comment –

Andrew Lange asked about the purpose of amending the budget. Mr. Geary said this is a standard practice to accurately report allocations and expenditures.

Directors Sheehan/Gustafson made a motion to approve the Capital Projects budget amendments as presented. The motion passed; vote was unanimous.

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

### **F-3 Village at Squaw Project Update.**

Director Poulsen left the 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 and District consultants continue progress on analyses to better understand the impacts of the project to the District's systems, operations and financial position. Mr. Geary provided an update on the District's efforts.

### Water

Water Supply Assessment (WSA) was completed and presented to the Board at the July 29, 2014 meeting. Collection and processing of the data necessary to update the numerical groundwater model to include effects of the current drought will commence in February, 2015. Additional modeling and results are anticipated by April, 2015.

Hydraulic Modeling of Water Distribution System is scheduled for completion and presentation to the Board in January, 2015.

Public Comment – none

#### Fire

Assessment of Fire Service Impacts and Mitigations was completed and presented to the Board at the September 30, 2014 meeting.

Public Comment – none

#### Sewer

Hydraulic Modeling of Sewer Collection System was completed and presented to the Board at the November 21, 2014 meeting.

Public Comment – none

#### General

Public Comment –

Mike Willett of Valley View Homeowners Association commented on the *Village @ Squaw Valley* Revised Specific Plan Appendix B, specifically Lot 27, including the possibility of the District's use of the property for a public utility facility such as a corporation yard or fire station. He expressed concern with use of the property in terms of compatibility with existing uses and that this possible use impacts property values as it must be disclosed.

Mike Carabetta said he contacted Mr. Fisch of Placer County planning regarding the *Village @ Squaw Valley* Revised Specific Plan Appendix B, specifically Lot 27, overlay. The response he received from Mr. Fisch indicates the District requested this property for its use. He would like to see this possible use removed from the Revised Specific Plan. He said the Revised Specific Plan mentions such a use only on this lot so it is not apparent that other properties may be considered.

Ed Heneveld said he believes this property should not be considered for such a use and asked if this overlay may be removed from the Revised Specific Plan.

Andrew Lange expressed his support of the public comments made thus far. He requested the District adopt a policy of some kind to address this issue.

Chief Bansen said the Revised Specific Plan was prepared by Squaw Valley Real Estate and is not the District's document. There has been discussion with the developer for Fire/EMS services located in a substation in the western part of the valley, as well as a corporation yard in several locations. The use of Lot 27 was discussed some time ago in preliminary discussions with the developer but there was no agreement or continued discussion about the property. The revised Specific Plan does not substantively change the lot's allowable land uses from what is permitted under the 1983 General Plan.

Chief Bansen read from the electronic communication authored by Mr. Carabetta on this issue.

David Stepner suggested the District publicly express that the District is not interested in Lot 27 for its use.

Ed Heneveld asked if the Revised Specific Plan is the final document that will be considered in the county's process. He expressed frustration that the development agreement negotiations between the District and SVRE are not a public process.

Mr. Archer said the District is not a land use or planning agency and does not have jurisdiction over land use classifications. The District will proceed with the development agreement with the developer as the project proceeds. The development agreement is not a public process per se' but there will be regular updates to the full Board and the public.

Chevis Hosea said there was no requirement to put an overlay on Lot 27 in the Revised Specific Plan. Squaw Valley Real Estate chose to add the overlay to clarify that this is a possible use of the property and could not be used for other types of use.

Break at 10:45-10:50 AM

**F-4 Space Needs Analysis Operations/Utilities – Village at Squaw Valley Project.**

Director Poulsen remained out of the 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 item and accepted public comment.

Mr. Geary provided a summary of the item. District staff performed an evaluation of impacts created by the proposed *Village at Squaw* Project to the Operations/Utilities Department specific to the delivery of water and sewer services. A programmatic design of the department's facilities needs focused on the District's ability to maintain its current level of service to its existing and proposed customers was prepared and provided to Squaw Valley Real Estate (SVRE).

The Board approved PR Design & Engineering's original proposal and an amendment for a comparative analysis to verify that the identified space needs were within the range of space needed and used by similar agencies. PR Design & Engineering's proposal provides support to help facilitate discussions with SVRE and gain consensus on appropriate and fair mitigations of the proposed project's impacts to the District's levels of service and associated staffing and capital needs.

Mr. Ryan of PR Design and Engineering provided a review of the Spatial Needs Assessment in a presentation (attachment A). The report provides an analysis of current and future staffing and space needs of the District's Operations Department and serves as a guiding document for the planning and sizing of a consolidated Corporation Yard for the Operations Department.

The assessment projects future staffing levels, storage needs, and vehicle and equipment space

requirements, as well as space needed for offices and additional facilities such as a water treatment plant, community dumpsters, parks and recreation administrative and maintenance facilities, overnight emergency personnel accommodations, and a regional fire training facility.

It concludes that the planning-level site size required for the Operations Department is 88,544 square-feet, or approximately two acres. It includes both outdoor and indoor space requirements including snow storage, waste materials handling, fuels storage, vehicular circulation and parking, as well as other space considerations.

Public Comment –

Ed Heneveld asked if the 88,544 square-feet includes the District's current facilities and footprint. Mr. Ryan said this figure is all encompassing.

The Board thanked Mr. Ryan for his work and the presentation.

#### **F-5 Selection of President and Vice President.**

Director Poulsen returned to the meeting room.

The Board nominated Dale Cox for President and Eric Poulsen for Vice President, accepted public comment and adopted Resolution 2014-20 selecting Dale Cox as President and Eric Poulsen as Vice President.

Public Comment – none

Directors Wilcox/Sheehan made a motion to adopt Resolution 2014-20 selecting Dale Cox as President and Eric Poulsen as Vice President. The motion passed unanimously.

Cox-yes

Poulsen-yes

Gustafson-yes

Sheehan-yes

Wilcox-yes

#### **F-6 2015 Committee Assignments.**

The Board reviewed the item, accepted public comment and directed staff to make revisions to the committee assignments for 2015.

Ms. Obayashi-Bartsch reviewed the item. President Cox said he would like the Board to consider some changes to ensure Directors have a broader understanding of District operations. He suggested that Director Gustafson serve on the Fire Committee with him. He suggested Director Poulsen serve on the Water and Sewer Committee along with Director Wilcox who currently serves as chair of the committee. The Board concurred with the changes and directed staff to make the changes for 2015.

Public Comment – none

#### **F-7 Records Destruction Request #12.**

The Board reviewed the item, accepted public comment and authorized destruction of records

through adoption of Resolution 2014-21.

Ms. Obayashi-Bartsch reviewed the item. Mr. Archer said he recommends scanning insurance certificates and staff indicated that this would be done.

Public Comment – none

Directors Poulsen/Sheehan made a motion to adopt Resolution 2014-21, authorizing the destruction of records. The motion passed four to one.

Cox-yes

Poulsen-yes

Gustafson-no

Sheehan-yes

Wilcox-yes

**F-8 SCADA Implementation Contract –Sierra Controls, LLC.**

The Board reviewed the item, accepted public comment and authorized staff to execute a contract with Sierra Controls, LLC. for Supervisory Control and Data Acquisition (SCADA) implementation.

Mr. McGraw provided a review of the item. SCADA is an acronym for supervisory control and data acquisition, a computer system for gathering and analyzing real time data.

Public Comment –

Andrew Lange asked what services are included in the contract and the warranty. Mr. McGraw said the service and warranty are detailed in the scope of work attachment.

Directors Wilcox/Poulsen made a motion to accept the proposal from Sierra Controls, LLC, to provide SCADA implementation services and authorized staff to enter into an agreement for a price not to exceed \$50,000; vote was unanimous.

Cox-yes

Poulsen-yes

Gustafson-yes

Sheehan-yes

Wilcox-yes

**F-9 Notice of Completion – Aspen Developers for Aspens Condominiums Sewer Realignment Project.**

The Board reviewed the item, accepted public comment, accepted the Notice of Completion and authorized staff to execute and submit the Notice of Completion for recordation with the Placer County Clerk-Recorder.

Mr. McGraw provided a review of the item and the project is substantially complete.

Public Comment –none

Directors Gustafson/Poulsen made a motion to accept the notice of completion, authorized staff to execute the Notice of Completion and to submit to Placer County for recordation; vote was unanimous.

Cox-yes

Poulsen-yes

Gustafson-yes

Sheehan-yes

Wilcox-yes

**G. Status Reports.**

**G-1 Fire Department Operations/Capital Projects Report.**

Chief Bansen provided a review of the report. He said the Santa party is on December 22<sup>nd</sup>.

Public Comment – none

**G-2 Water & Sewer Operations Report.**

Mr. McGraw provided a review of the report.

Public Comment – none

**G-3 Administration Report.**

Mr. Campbell provided a review of the report.

Public Comment – none

**G-4 Manager's Comments.**

Mr. Geary provided a review of the report. Staff reviewed the draft version of the LAFCO Municipal Service Review for the District. Staff will follow up on the aquifer recharge mapping item. He thanked Directors Poulsen and Wilcox for their assistance with the Redundant Water Supply – Preferred Alternative Evaluation, by visiting prospective water sources with staff and the District's consultant.

Public Comment – none

**G-5 Legal Report (verbal).**

Mr. Archer made no comments.

Public Comment – none

**G-6 Director's Comments.**

Director Wilcox suggested the Board request Mr. Carabetta and Dr. Heneveld to retract their statements regarding the *Village @ Squaw Valley* Revised Specific Plan Appendix B, specifically Lot 27. The Board did not support an official District request but encouraged Director Wilcox to make such a request as an individual.

Director Gustafson said he would like to improve the appearance of the 1810 facility, particularly in the summer when the outdoor area needs attention.

President Cox said he would like to make an official request of T-TSA for property to build a fire training facility. The Board supported his offer to make this request.

**H. Adjourn.**

Directors Sheehan/Gustafson made a motion to adjourn at 12:15 P.M.; vote was unanimous.

Cox-yes

Poulsen-yes

Gustafson-yes

Sheehan-yes

Wilcox-yes

By, K. Obayashi-Bartsch

DRAFT