

**SQUAW VALLEY PUBLIC SERVICE DISTRICT
BOARD OF DIRECTORS MEETING MINUTES #798
February 24, 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; Kathryn Obayashi-Bartsch, Secretary to the Board; Pete Bansen, Fire Chief; Jesse McGraw, Operations Manager; Tom Campbell, Finance and Administration Manager; Brandon Burks, Ops Specialist III and Thomas Archer, District Counsel

Others Present: Dave and Sally Brew, Lisa Cardin, Emily Fralick, Ed Heneveld, Dave Hunt, Andrew Lange, Katie Lazzari, Andrea Parisi, Isaac Silverman and David Stepner.

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

B. Community Informational Items.

- B-1** Friends of Squaw Creek – Ed Heneveld said the group is waiting to hear the status of their grant application.
- B-2** Friends of Squaw Valley – no report
- B-3** Squaw Valley Design Review Committee (SVDRC) – David Stepner provided an update on the group's activities including their discussion of design standards. The next meeting is on March 5th in the District's community room.
- B-4** Squaw Valley Municipal Advisory Council (SVMAC) – Brian Sheehan said the next meeting is on March 5th at 6 P.M. in the District's community room. The next LAFCO meeting is on March 11th in Auburn.
- B-5** Squaw Valley Mutual Water Company (SVMWC) – Brandon Burks said the next Board meeting is on April 4th. He reported on the new SCADA system and meter installation which is progressing well with less than 40 meters remaining to install.
- B-6** Squaw Valley Ski Holdings – no report
- B-7** Squaw Valley Property Owners Association – Sally Brew said the group is planning an April event and more details will be forthcoming.
- B-8** Tahoe-Truckee Sanitation Agency – Dale Cox provided an update on the following items: *Village @ Squaw Valley* project, State Route 89/Fanny Bridge project, Truckee River Interceptor and General Manager recruitment.
- B-9** Incorporate Olympic Valley – Lisa Cardin said the next meeting is on March 4th in the District's community room at 7 P.M. and Nancy Kerry of South Lake Tahoe will be speaking. The group is not anti-development and wants the issue of incorporation to be decided through a democratic process by the voters of Olympic Valley.

C. Public Comment/Presentation.

Dave Brew asked about the aquifer's elevation level. Mr. Geary said it was low after the summer, began to recharge in December, dropped in January and the February storm brought

the level back up again.

D. Financial Consent Agenda Items.

Directors Poulsen and Sheehan met with staff on February 23rd from approximately 3:30 –5:00 P.M. to review items D-1 through D-9 as well as other finance related items on this agenda.

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. The group discussed the budget schedule as well.

Director Poulsen said Mr. Campbell is working on revisions to the financial reports. The bike trail project expenditures are less than budgeted due to lack of snow and the District is waiting for payment for wildfire services.

Mr. Campbell discussed the items that were reviewed at the finance meeting, including the budget process.

Public Comment – none

A motion to approve the financial consent agenda was made by Directors Wilcox/Sheehan 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 January 27, 2015.

Ms. Obayashi-Bartsch thanked Cindy Herbert, Office Manager for her excellent work preparing the January Board meeting minutes. Some minor revisions were requested and are as follows:

page 1: "Directors Present"- add Director Poulsen

page 1: "Others Present"- add Tom Rinne

page 2: "Approve Minutes" to read "Director Poulsen noted that Fred Ilfeld was in attendance at of the December meeting..."

A motion to approve the minutes for the Board of Directors meeting of January 27, 2015 with the requested revisions was made by Directors Sheehan/Poulsen; vote was unanimous.

Cox-yes

Poulsen-yes

Gustafson-yes

Sheehan-yes

Wilcox-yes

F. Old & New Business.

F-1 Village at Squaw Valley 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 completed analyses to better understand the impacts of the project to the District's systems, operations and financial position. The results of these analyses identify project impacts and, in some cases, long-term planning needs; they also create a framework to negotiate a development agreement between the District and SVRE.

Development Agreement negotiations between the District (staff, consultants and counsel) and SVRE resumed in January 2015 and are ongoing.

Mr. Geary provided a summary of the following items:

Water

Water Supply Assessment – completed and presented to the Board at the July 29, 2014 meeting.

Water Supply Assessment Amendment – Collection and processing of the data necessary to update the numerical groundwater model to include effects of the current drought commenced in February, 2015. It's estimated that the additional modeling and preparation of the results will be complete by July, 2015. The proposal from Farr West Engineering to prepare the WSA Amendment will be presented at today's meeting as a separate agenda item.

Hydraulic Modeling of Water Distribution System – completed and presented to the Board at the January 27, 2015 meeting.

Sewer

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

Fire/EMS

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

Public Comment –

Ed Heneveld commented on public involvement in the District's negotiations with the developer. Mr. Archer said the negotiations are not conducted publicly and much of the discussion is technical in nature. Regular updates from staff are made to the Village Ad Hoc Committee and discussed at Board meetings with opportunity for public comment. When the development agreement is ready for Board consideration, public comment is also taken.

Ed Heneveld asked if water use restrictions are included in the agreement. Mr. Geary said a water management action plan which includes triggers restricting water use should involve all pumpers in the valley.

Dave Brew asked the difference between a development agreement and a “will-serve” letter. Mr. Archer said the District has a “will-serve” ordinance based on the availability of supply at the time of the request. Larger projects are subject to a development agreement to address the delivery of supply, if necessary and other conditions for service. A development agreement is not required for a single family residence.

Mr. Geary said the District issues a “conditions of service” letter rather than a “will-serve” letter.

Isaac Silverman asked if there are legal barriers to include triggers for water use restrictions in the development agreement. Mr. Archer said there is no legal barrier to include such triggers but would only apply only to the developer and not the other pumpers.

F-2 Farr West Engineering – Additional Services Addendum #1 – Water Supply Assessment Amendment (WSA) for Village at Squaw Valley Specific Plan.

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, accepted public comment, approved Additional Services Amendment #1 and authorized staff to execute the amendment.

Mr. Geary provided a review of the item. The Board approved the original contract in January, 2013 and it was completed in July, 2014 after significant changes were made to the *Village at Squaw Valley Specific Plan (VSVSP)*. The intent of Senate Bills 610 (requiring a Water Supply Assessment) and SB 221 (requiring a Water Supply Verification) is to support long-term water resource planning and to ensure adequate water supplies are available to meet demand for the project, as well as existing and future water demands.

The WSA completed in July, 2014 satisfies the requirements of SB 610; however, the WSA has not yet been considered for approval by the Placer County Board of Supervisors. This amendment, although not required by law, will consider the severe drought in the years 2012-2014. This scope of work will amend the analyses already performed to include in the numerical groundwater model the last three years during which California has experienced one of the worst droughts in its recorded history.

Mr. Hunt of Farr West Engineering provided a review of the proposed scope of work, schedule and estimate of cost. Mr. Geary said SVRE has agreed to the amendment and will reimburse the District for the work.

Public Comment –

Dave Stepner asked if the release of the draft Environmental Impact Report (EIR) will be impacted by the amended Water Supply Assessment (WSA). Mr. Geary said this is a question for

Placer County.

Isaac Silverman asked about the occupancy numbers being used. Mr. Geary said the occupancy data will be provided by SVRE.

Ed Heneveld said the occupancy numbers are critical and all parties involved should be satisfied with these figures.

Dave Brew asked if the revised models will include the proposed wells. Dave Hunt said the groundwater model will use the new data and does not include any proposed wells.

Director Gustafson asked about stream gauge monitors and the data available. Mr. Heneveld provided a summary of the status of the monitors and data.

A motion to accept the proposal from Farr West Engineering to prepare a WSA Amendment for the *Village at Squaw Valley Specific Plan* and authorize staff to enter into Additional Services Agreement #1 with Farr West Engineering to perform the work for a price not to exceed \$121,600 was made by Directors Wilcox/Sheehan; vote was unanimous.

Cox-yes

Poulsen-absent

Gustafson-yes

Sheehan-yes

Wilcox-yes

F-3 Redundant Water Supply – Preferred Alternative Evaluation (RWS-PAE) – Phase II Report.

Director Poulsen returned to the meeting room.

The Board reviewed the item and accepted public comment.

Mr. Geary and Mr. Hunt provided a review of the item. The Phase II Technical Memo is a feasibility level evaluation of the seven potential water supply source alternatives in or near the Olympic Valley identified in the gap analysis performed in Phase I of the RWS-PAE. The potential water supply sources identified in Phase I include:

- North Fork Squaw Creek
- South Fork Squaw Creek
- North Flank Horizontal Wells
- South Flank Horizontal Wells
- Squaw Creek Surface Water Storage
- Wastewater Treatment / Reuse
- Alpine Springs County Water District

The areas of the north and south fork of Squaw Creek and the north and south flanks of the valley were each evaluated by reviewing their geology and hydrogeology, previous water supply investigations, existing horizontal well capacities, and the feasibility of further horizontal well development.

The other alternatives identified in the Phase I memo were also evaluated; specifically, the potential to store surface water behind a dam in Squaw Creek, in-valley wastewater treatment and reuse, and the possibility of meeting demands from available water supply from neighboring Alpine Springs County Water District.

This Phase II Memo includes Appendix B: Feasibility Analysis of Redundant Water Supply from Mountain Wells, prepared by Todd Groundwater (Nov. 24, 2014).

This Technical Memorandum provides specific information on existing wells in the south fork of Squaw Creek; provides relevant facts about the geology and hydrogeology of the north and south forks of Squaw Creek, much applicable to the north and south flanks of the valley; and evaluates the feasibility of supplying the District's redundant water supply needs with mountain wells.

The Phase II Memo also estimates the quantity of redundant water supply needed by evaluating the District's existing water demands as well as an estimate of build-out water demands based on projected development. These demands are used to estimate the District's redundant water supply need, and thus the amount of infrastructure necessary to provide adequate redundant water supply.

Redundant water supply needs were defined in Phase I as being the quantity of water necessary to maintain indoor water use patterns for all water customers. Indoor water use patterns are defined as water demands seen in the fall, winter, and early spring months where no outside irrigation is seen (November-April). This level of water supply will allow the District to mitigate drought impacts and emergency situations to their primary water supply with minimal impact to customers, while providing the minimum water demand to meet standards of public health and safety.

Redundant Water Quantity Summary:

<u>Existing Demands</u>	<u>Build-out Demands</u>
172,000 -308,000 GPD	420,000 -823,000 GPD
120-214 gpm	292 -572 gpm
16-28 acre-feet/month	39-76 acre-feet/month

Mr. Hunt provided a review of the item with a Power Point presentation (attachment A).

Director Wilcox said the Water and Sewer Committee reviewed this report in great detail. This project is similar to a study made nearly six years ago, which concludes there is no redundant water supply source closer than Martis Valley.

Some Board members hiked several side drainages with Mr. Geary and Mr. Hunt. Exploring water supply in the side drainages would be similar to exploring water supplies in North or South forks of Squaw Creek. The geology is primarily bedrock in these areas absent of much alluvial material. In addition there is limited road access, no electricity and exploratory wells alone would cost in the range of \$50,000-\$100,000 per well.

Phase I of the project summarized past studies and performed a gap analysis. Phase II of the project reviews seven possible sources identified for further study and concludes the only viable area to investigate is Martis Valley.

Eric Poulsen concurs with Director Wilcox's comments and said the group also reviewed water treatment options. The District's Strategic Plan also identifies this work as a priority.

Public Comment –

Dave Stepner asked if the duration of the supply to be provided was considered. Mr. Geary said the redundant supply is intended to provide water during any month of the year, so the highest indoor water demand is used as the upper demand in the range and that the source may have to be used for an extended period of time, depending on the situation.

Andrew Lange asked about the sources that are not being considered for a redundant supply. Mr. Hunt reviewed these sources including Squaw Creek surface water storage.

Ed Heneveld asked staff to comment on the existing plan to address water supply if there is a major level of contamination in the current supply. Mr. Geary said the District would have to import water by truck and install an overland supply line from another source such as Alpine Springs.

Ed Heneveld commented on the use of water storage tanks. Mr. Geary said storage provided by tanks would not be adequate for a long term solution.

Dave Stepner asked if the pumping data includes data from other pumpers. Mr. Geary said the data is the District's and the primary goal is to service the District's customers. The District will do everything it can to assist other pumpers.

Isaac Silverman asked staff to comment on the District's plans for water, if a pipeline is installed and water is not needed at the time. Mr. Geary said there are many variables to be considered and a minimum flow would be required to maintain water quality standards.

President Cox said such a project has many beneficial impacts to the area in addition to the water supply, including a transmission line for natural gas, fiber optics and a bike path. Chief Bansen said other benefits include a pressurized and reliable fire suppression water supply along the river and reduction of propane delivery traffic into the valley.

Director Gustafson said he thinks it is a bad policy to take water from one area to supply another area based on his experience as a civil engineer due to impacts on the carrying capacity of the land.

President Cox expressed concern about the District's capacity to undertake such a significant project. Mr. Geary said the impacts to staff are scalable and outside support will be available as needed.

Director Wilcox said experts define a watershed as the area of land where all of the water that is under it or drains off of it goes into the same place. Squaw Valley and Martis Valley are, by definition, in the same watershed.

Directors Wilcox/Sheehan made a motion directing staff to proceed with Phase III as currently written in the Scope of Work for RWS-PAE Project (Farr West Engineering, Oct. 14, 2013) and define a preferred water supply alternative from the Martis Valley. The motion passed four to one.

Cox-yes

Poulsen-yes

Gustafson-no

Sheehan-yes

Wilcox-yes

F-5 Special District Risk Management Authority (SDRMA) – Board of Directors Nominations.

The Board reviewed the item, accepted public comment and did not nominate a candidate. Ms. Obayashi-Bartsch reviewed the item.

Public Comment – None

The Board discussed the item and determined there was insufficient interest to nominate a candidate.

F-5 California Special Districts Association – Sierra Network – Nomination.

The Board reviewed the item, accepted public comment and did not nominate a candidate.

Ms. Obayashi-Bartsch reviewed the item.

Public Comment – None

The Board discussed the item and determined there was insufficient interest to nominate a candidate.

G. Status Reports.

G-1 Fire Department Operations/Capital Projects Report.

Chief Bansen provided a review of the report and Fire operations.

Public Comment – none

G-2 Water & Sewer Operations Report.

Mr. McGraw provided a review of the report. There was discussion of Granite Chief subdivision sewer line failure (item #6) which is a private line. Staff is working with the homeowners' association to develop an arrangement to install a sewer line installation of which property owners will be responsible for all costs. Director Poulsen said this is an important item since that

subdivision is very close to Squaw Creek.

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. He was interviewed for a public radio story (KQED) about ski resorts, climate change and water. He was informed that the water element did not make the final edit.

Public Comment – none

G-5 Legal Report (verbal).

Mr. Archer made no comment.

Public Comment – none

G-6 Director's Comments.

Director Sheehan commended the Board for their efforts on the Redundant Water Supply-Preferred Alternative Evaluation.

Director Wilcox thanked District staff for assistance in finding a small water leak at his home.

Director Poulsen said the Squaw Valley Institute has a water forum scheduled in April. Several Directors may attend and he suggests posting a possible notice of a quorum. Mr. Geary said he agreed to participate on the panel and when the final date, time and location are provided, staff will post a notice.

Director Gustafson thanked Chief Bansen for offering the community CPR class.

David Stepner asked if the Board will consider discussing Parks and Recreation at a future agenda item. The Board directed staff to include this item on a future agenda.

H. Adjourn.

Directors Poulsen/Gustafson made a motion to adjourn at 11:10 A.M.; vote was unanimous.

Cox-yes

Poulsen-yes

Gustafson-yes

Sheehan-yes

Wilcox-yes

By, K. Obayashi-Bartsch